

Volume 2

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

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Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Presidential Primary Election, February 5, 2008,
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General Laws, Amendments to the Codes, Resolutions,
and Constitutional Amendments passed by the
California Legislature

2007–08 Regular Session
2007–08 First Extraordinary Session
2007–08 Second Extraordinary Session
2007–08 Third Extraordinary Session
2007–08 Fourth Extraordinary Session



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CHAPTER 228

An act to amend Section 1936 of the Civil Code, relating to vehicle rental agreements.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 1936 of the Civil Code is amended to read:
1936. (a) For the purpose of this section, the following definitions shall apply:

(1) "Rental company" means any person or entity in the business of renting passenger vehicles to the public.

(2) "Renter" means any person in any manner obligated under a contract for the lease or hire of a passenger vehicle from a rental company for a period of less than 30 days.

(3) "Authorized driver" means (A) the renter, (B) the renter's spouse if that person is a licensed driver and satisfies the rental company's minimum age requirement, (C) the renter's employer or coworker if they are engaged in business activity with the renter, are licensed drivers, and satisfy the rental company's minimum age requirement, and (D) any person expressly listed by the rental company on the renter's contract as an authorized driver.

(4) (A) "Customer facility charge" means a fee required by an airport to be collected by a rental company from a renter for either of the following purposes:

(i) The fee shall be used to finance, design, and construct consolidated airport car rental facilities.

(ii) The fee shall be used to finance, design, construct, and provide common use transportation systems that move passengers between airport terminals and those consolidated car rental facilities.

(B) The aggregate amount to be collected shall not exceed the reasonable costs, as determined by an independent audit paid for by the airport, to finance, design, and construct those facilities. Copies of the audit shall be provided to the Assembly and Senate Committees on Judiciary, the Assembly Committee on Transportation, and the Senate Committee on Transportation and Housing. In the case of a transportation system, the audit shall also consider the reasonable costs of providing the transit system or busing network. At the Burbank Airport, and at all other airports, the fees designated as a customer facility charge shall not be used to pay for terminal expansion, gate expansion, runway expansion,

changes in hours of operation, or changes in the number of flights arriving or departing from the airport.

(C) Except as provided in subparagraph (D), the authorization given pursuant to this section for an airport to impose a customer facility charge shall become inoperative when the bonds used for financing are paid.

(D) If a bond or other form of indebtedness is not used for financing, or the bond or other form of indebtedness used for financing has been paid, the Oakland International Airport may require the collection of a customer facility charge for a period of up to 10 years from the imposition of the charge for the purposes allowed by, and subject to the conditions imposed by, this section.

(5) "Damage waiver" means a rental company's agreement not to hold a renter liable for all or any portion of any damage or loss related to the rented vehicle, any loss of use of the rented vehicle, or any storage, impound, towing, or administrative charges.

(6) "Electronic surveillance technology" means a technological method or system used to observe, monitor, or collect information, including telematics, Global Positioning System (GPS), wireless technology, or location-based technologies. "Electronic surveillance technology" does not include event data recorders (EDR), sensing and diagnostic modules (SDM), or other systems that are used either:

(A) For the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on the rental vehicle.

(B) As part of the vehicle's airbag sensing and diagnostic system in order to capture safety systems-related data for retrieval after a crash has occurred or in the event that the collision sensors are activated to prepare the decisionmaking computer to make the determination to deploy or not to deploy the airbag.

(7) "Estimated time for replacement" means the number of hours of labor, or fraction thereof, needed to replace damaged vehicle parts as set forth in collision damage estimating guides generally used in the vehicle repair business and commonly known as "crash books."

(8) "Estimated time for repair" means a good faith estimate of the reasonable number of hours of labor, or fraction thereof, needed to repair damaged vehicle parts.

(9) "Membership program" means a service offered by a rental company that permits customers to bypass the rental counter and go directly to the car previously reserved. A membership program shall meet all of the following requirements:

(A) The renter initiates enrollment by completing an application on which the renter can specify a preference for type of vehicle and acceptance or declination of optional services.

(B) The rental company fully discloses, prior to the enrollee's first rental as a participant in the program, all terms and conditions of the rental agreement as well as all required disclosures.

(C) The renter may terminate enrollment at any time.

(D) The rental company fully explains to the renter that designated preferences, as well as acceptance or declination of optional services, may be changed by the renter at any time for the next and future rentals.

(E) An employee designated to receive the form specified in subparagraph (C) of paragraph (1) of subdivision (r) is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(10) "Passenger vehicle" means a passenger vehicle as defined in Section 465 of the Vehicle Code.

(b) Except as limited by subdivision (c), a rental company and a renter may agree that the renter will be responsible for no more than all of the following:

(1) Physical or mechanical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting from collision regardless of the cause of the damage.

(2) Loss due to theft of the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, provided that the rental company establishes by clear and convincing evidence that the renter or the authorized driver failed to exercise ordinary care while in possession of the vehicle. In addition, the renter shall be presumed to have no liability for any loss due to theft if (A) an authorized driver has possession of the ignition key furnished by the rental company or an authorized driver establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the theft, and (B) an authorized driver files an official report of the theft with the police or other law enforcement agency within 24 hours of learning of the theft and reasonably cooperates with the rental company and the police or other law enforcement agency in providing information concerning the theft. The presumption set forth in this paragraph is a presumption affecting the burden of proof which the rental company may rebut by establishing that an authorized driver committed, or aided and abetted the commission of, the theft.

(3) Physical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting from vandalism occurring after, or in connection with, the theft of the rented vehicle. However, the renter shall have no liability for any damage due to vandalism if the renter would have no liability for theft pursuant to paragraph (2).

(4) Physical damage to the rented vehicle up to a total of five hundred dollars (\$500) resulting from vandalism unrelated to the theft of the rented vehicle.

(5) Actual charges for towing, storage, and impound fees paid by the rental company if the renter is liable for damage or loss.

(6) An administrative charge, which shall include the cost of appraisal and all other costs and expenses incident to the damage, loss, repair, or replacement of the rented vehicle.

(c) The total amount of the renter's liability to the rental company resulting from damage to the rented vehicle shall not exceed the sum of the following:

(1) The estimated cost of parts which the rental company would have to pay to replace damaged vehicle parts. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(2) The estimated cost of labor to replace damaged vehicle parts, which shall not exceed the product of (A) the rate for labor usually paid by the rental company to replace vehicle parts of the type that were damaged and (B) the estimated time for replacement. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(3) (A) The estimated cost of labor to repair damaged vehicle parts, which shall not exceed the lesser of the following:

(i) The product of the rate for labor usually paid by the rental company to repair vehicle parts of the type that were damaged and the estimated time for repair.

(ii) The sum of the estimated labor and parts costs determined under paragraphs (1) and (2) to replace the same vehicle parts.

(B) All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(4) For the purpose of converting the estimated time for repair into the same units of time in which the rental rate is expressed, a day shall be deemed to consist of eight hours.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(6) The administrative charge described in paragraph (6) of subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total estimated cost for

parts and labor is more than one hundred dollars (\$100) up to and including five hundred dollars (\$500), (B) one hundred dollars (\$100) if the total estimated cost for parts and labor exceeds five hundred dollars (\$500) up to and including one thousand five hundred dollars (\$1,500), and (C) one hundred fifty dollars (\$150) if the total estimated cost for parts and labor exceeds one thousand five hundred dollars (\$1,500). No administrative charge may be imposed if the total estimated cost of parts and labor is one hundred dollars (\$100) or less.

(d) (1) The total amount of an authorized driver's liability to the rental company, if any, for damage occurring during the authorized driver's operation of the rented vehicle shall not exceed the amount of the renter's liability under subdivision (c).

(2) A rental company shall not recover from the renter or other authorized driver an amount exceeding the renter's liability under subdivision (c).

(3) A claim against a renter resulting from damage or loss, excluding loss of use, to a rental vehicle shall be reasonably and rationally related to the actual loss incurred. A rental company shall mitigate damages where possible and shall not assert or collect any claim for physical damage which exceeds the actual costs of the repairs performed or the estimated cost of repairs, if the rental company chooses not to repair the vehicle, including all discounts and price reductions. However, if the vehicle is a total loss vehicle, the claim shall not exceed the total loss vehicle value established in accordance with procedures that are customarily used by insurance companies when paying claims on total loss vehicles, less the proceeds from salvaging the vehicle, if those proceeds are retained by the rental company.

(4) If insurance coverage exists under the renter's applicable personal or business insurance policy and the coverage is confirmed during regular business hours, the renter may require that the rental company submit any claims to the renter's applicable personal or business insurance carrier. The rental company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. For purposes of this paragraph, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. Upon request of the renter and after confirmation of coverage, the amount of claim shall be resolved between the insurance carrier and the rental company. The renter shall remain responsible for payment to the rental car company for any loss sustained that the renter's applicable personal or business insurance policy does not cover.

(5) A rental company shall not recover from the renter or other authorized driver for any item described in subdivision (b) to the extent the rental company obtains recovery from any other person.

(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of any other person.

(e) (1) Except as provided in subdivision (f), every damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for any damage, loss, loss of use, or any cost or expense incident thereto.

(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to any damage waiver is void and unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside of the United States.

(3) Any authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company that offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract, and, for renters who are enrolled in the rental company's membership program, in a sign which shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to a reserved car: (A) the nature of the renter's liability, e.g., liability for all collision damage regardless of cause, (B) the extent of the renter's liability, e.g., liability for damage or loss up to a specified amount, (C) the renter's personal insurance policy or the credit card used to pay for the car rental transaction may provide coverage for all or a

portion of the renter's potential liability, (D) the renter should consult with his or her insurer to determine the scope of insurance coverage, including the amount of the deductible, if any, for which the renter is obligated, (E) the renter may purchase an optional damage waiver to cover all liability, subject to whatever exceptions the rental company expressly lists that are permitted under subdivision (f), and (F) the range of charges for the damage waiver.

(2) In addition to the requirements of paragraph (1), a rental company that offers or provides a damage waiver shall, orally disclose to all renters, except those who are participants in the rental company's membership program, that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. The renter's receipt of the oral disclosure shall be demonstrated through the renter acknowledging receipt of the oral disclosure near that part of the contract where the renter indicates, by the renter's own initials, his or her acceptance or declination of the damage waiver. Adjacent to that same part, the contract shall also state that the damage waiver is optional. Further, the contract for these renters shall include a clear and conspicuous written disclosure that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance.

(3) The following is an example, for purposes of illustration and not limitation, of a notice fulfilling the requirements of paragraph (1) for a rental company that imposes liability on the renter for collision damage to the full value of the vehicle:

NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND OPTIONAL DAMAGE WAIVER

You are responsible for all collision damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, and towing, storage, and impound fees.

Your own insurance, or the issuer of the credit card you use to pay for the car rental transaction, may cover all or part of your financial responsibility for the rented vehicle. You should check with your insurance company, or credit card issuer, to find out about your coverage and the amount of the deductible, if any, for which you may be liable.

Further, if you use a credit card that provides coverage for your potential liability, you should check with the issuer to determine if you must first exhaust the coverage limits of your own insurance before the credit card coverage applies.

The rental company will not hold you responsible if you buy a damage waiver. But a damage waiver will not protect you if (list exceptions).

(A) When the above notice is printed in the rental contract or holder in which the contract is placed, the following shall be printed immediately following the notice:

“The cost of an optional damage waiver is \$ ____ for every (day or week).”

(B) When the above notice appears on a sign, the following shall appear immediately adjacent to the notice:

“The cost of an optional damage waiver is \$ ____ to \$ ____ for every (day or week), depending upon the vehicle rented.”

(h) Notwithstanding any other provision of law, a rental company may sell a damage waiver subject to the following rate limitations for each full or partial 24-hour rental day for the damage waiver.

(1) For rental vehicles that the rental company designates as an “economy car,” “subcompact car,” “compact car,” or any other term having similar meaning when offered for rental, or any other vehicle having a manufacturer’s suggested retail price of nineteen thousand dollars (\$19,000) or less, the rate shall not exceed nine dollars (\$9).

(2) For rental vehicles that have a manufacturer’s suggested retail price from nineteen thousand one dollars (\$19,001) to thirty-four thousand nine hundred ninety-nine dollars (\$34,999), inclusive, and that are also either vehicles of next year’s model, or not older than the previous year’s model, the rate shall not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year’s model-year, the rate shall not exceed nine dollars (\$9).

(i) On or after January 1, 2003, the manufacturer’s suggested retail prices described in subdivision (h) shall be adjusted annually to reflect changes from the previous year in the Consumer Price Index. For the purposes of this section, “Consumer Price Index” means the United States Consumer Price Index for All Urban Consumers, for all items.

(j) A rental company that disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for a damage waiver and a statement that a damage waiver is optional.

(k) (1) A rental company shall not require the purchase of a damage waiver, optional insurance, or any other optional good or service.

(2) A rental company shall not engage in any unfair, deceptive, or coercive conduct to induce a renter to purchase the damage waiver, optional insurance, or any other optional good or service, including conduct such as, but not limited to, refusing to honor the renter’s reservation, limiting the availability of vehicles, requiring a deposit, or debiting or blocking the renter’s credit card account for a sum equivalent

to a deposit if the renter declines to purchase the damage waiver, optional insurance, or any other optional good or service.

(l) (1) In the absence of express permission granted by the renter subsequent to damage to, or loss of, the vehicle, a rental company shall not seek to recover any portion of any claim arising out of damage to, or loss of, the rented vehicle by processing a credit card charge or causing any debit or block to be placed on the renter's credit card account.

(2) A rental company shall not engage in any unfair, deceptive, or coercive tactics in attempting to recover or in recovering on any claim arising out of damage to, or loss of, the rented vehicle.

(m) (1) A customer facility charge may be collected by a rental company under the following circumstances:

(A) Collection of the fee by the rental company is required by an airport operated by a city, a county, a city and county, a joint powers authority, or a special district.

(B) The fee is calculated on a per-contract basis.

(C) The fee is a user fee, not a tax imposed upon real property or an incidence of property ownership under Article XIII D of the California Constitution.

(D) Except as otherwise provided in subparagraph (E), the fee shall be ten dollars (\$10) per contract.

(E) If the fee imposed by the airport is for both a consolidated rental car facility and a common-use transportation system, the fee collected from customers of on-airport rental car companies shall be ten dollars (\$10), but the fee imposed on customers of off-airport rental car companies who are transported on the common-use transportation system is proportionate to the costs of the common-use transportation system only. The fee is uniformly applied to each class of on-airport or off-airport customers, provided the airport requires off-airport customers to use the common-use transportation system.

(F) Revenues collected from the fee do not exceed the reasonable costs of financing, designing, constructing, or operating the facility or transportation services and shall not be used for any other purpose.

(G) The fee is separately identified on the rental agreement.

(H) This paragraph does not apply to airports whose fees are governed by Section 50474.1 of the Government Code or Section 57.5 of the San Diego Unified Port District Act.

(2) Notwithstanding any other provision of law, including, but not limited to, Part 1 (commencing with Section 6001) to Part 1.7 (commencing with Section 7280), inclusive, of Division 2 of the Revenue and Taxation Code, the fees collected pursuant to this section, or any other law whereby a local agency operating an airport requires a rental

car company to collect a facility financing fee from its customers, are not subject to sales, use, or transaction taxes.

(n) (1) A rental company shall only advertise, quote, and charge a rental rate that includes the entire amount except taxes, a customer facility charge, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company shall not charge in addition to the rental rate, taxes, a customer facility charge, if any, and a mileage charge, if any, any fee that must be paid by the renter as a condition of hiring or leasing the vehicle, such as, but not limited to, required fuel or airport surcharges other than customer facility charges, nor any fee for transporting the renter to the location where the rented vehicle will be delivered to the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge, include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company shall not charge any fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall clearly disclose in that advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall clearly disclose the existence and amount of the customer facility charge. For the purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes

of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific amount of the customer facility charge to which the customer will be obligated.

(B) If any person or entity other than a rental car company, including a passenger carrier or a seller of travel services, advertises or quotes a rate for a car rental at an airport where a customer facility charge is imposed, that person or entity shall, provided they are provided with information about the existence and amount of the fee, to the extent not specifically prohibited by federal law, clearly disclose the existence and amount of the fee in any telephonic, in-person, or computer-transmitted quotation at the time of making an initial quotation of a rental rate and at the time of making a reservation of a rental car. If a rental car company provides the person or entity with rate and customer facility charge information, the rental car company is not responsible for the failure of that person or entity to comply with this subparagraph when quoting or confirming a rate to a third person or entity.

(6) If a rental company delivers a vehicle to a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter any amount for the rental for the period before the delivery of the vehicle. If a rental company picks up a rented vehicle from a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter any amount for the rental for the period after the renter notifies the rental company to pick up the vehicle.

(o) A rental company shall not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology, except in the following circumstances:

(1) (A) When the equipment is used by the rental company only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:

(i) The renter or law enforcement has informed the rental company that the vehicle has been stolen, abandoned, or missing.

(ii) The rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.

(iii) The rental company discovers the rental vehicle has been stolen or abandoned, and, if stolen, it shall report the vehicle stolen to law

enforcement by filing a stolen vehicle report, unless law enforcement has already informed the rental company that the vehicle has been stolen, abandoned, or is missing.

(B) If electronic surveillance technology is activated pursuant to subparagraph (A) of paragraph (1), a rental company shall maintain a record, in either electronic or written form, of information relevant to the activation of that technology. That information shall include the rental agreement, including the return date, and the date and time the electronic surveillance technology was activated. The record shall also include, if relevant, a record of any written or other communication with the renter, including communications regarding extensions of the rental, police reports, or other written communication with law enforcement officials. The record shall be maintained for a period of at least 12 months from the time the record is created and shall be made available upon the renter's request. The rental company shall maintain and furnish any explanatory codes necessary to read the record. A rental company shall not be required to maintain a record if electronic surveillance technology is activated to recover a rental vehicle that is stolen or missing at a time other than during a rental period.

(2) In response to a specific request from law enforcement pursuant to a subpoena or search warrant.

(3) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with GPS-based technology that provides navigation assistance to the occupants of the rental vehicle, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology, except for the purposes of discovering or repairing a defect in the technology and the information may then be used only for that purpose.

(4) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows for the remote locking or unlocking of the vehicle at the request of the renter, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology, except as necessary to lock or unlock the vehicle.

(5) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows the company to provide roadside assistance, such as towing, flat tire or fuel services, at the request of the renter, if the rental company does not use, access or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology except as necessary to provide the requested roadside assistance.

(6) Nothing in this subdivision prohibits a rental company from obtaining, accessing, or using information from electronic surveillance technology for the sole purpose of determining the date and time the vehicle is returned to the rental company, and the total mileage driven and the vehicle fuel level of the returned vehicle. This paragraph, however, shall apply only after the renter has returned the vehicle to the rental company, and the information shall only be used for the purpose described in this paragraph.

(p) A rental company shall not use electronic surveillance technology to track a renter in order to impose fines or surcharges relating to the renter's use of the rental vehicle.

(q) A renter may bring an action against a rental company for the recovery of damages and appropriate equitable relief for a violation of this section. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

(r) A rental company that brings an action against a renter for loss due to theft of the vehicle shall bring the action in the county in which the renter resides or, if the renter is not a resident of this state, in the jurisdiction in which the renter resides.

(s) Any waiver of any of the provisions of this section shall be void and unenforceable as contrary to public policy.

(t) (1) A rental company's disclosure requirements shall be satisfied for renters who are enrolled in the rental company's membership program if all of the following conditions are met:

(A) Prior to the enrollee's first rental as a participant in the program, the renter receives, in writing, the following:

(i) All of the disclosures required by paragraph (1) of subdivision (g) including the terms and conditions of the rental agreement then in effect.

(ii) A Web site address, as well as a contact number or address, where the enrollee can learn of any changes to the rental agreement or to the laws of this state governing rental agreements since the effective date of the rental company's most recent restatement of the rental agreement and distribution of that restatement to its members.

(B) At the commencement of each rental period, the renter is provided, on the rental record or the folder in which it is inserted, with a printed notice stating that he or she had either previously selected or declined an optional damage waiver and that the renter has the right to change preferences.

(C) At the commencement of each rental period, the rental company provides, on the rearview mirror, a hanger on which a statement is printed, in a box, in at least 12-point boldface type, notifying the renter that the collision damage waiver offered by the rental company may be duplicative of coverage that the customer maintains under his or her own

policy of motor vehicle insurance. If it is not feasible to hang the statement from the rearview mirror, it shall be hung from the steering wheel.

The hanger shall provide the renter a box to initial if he or she (not his or her employer) has previously accepted or declined the collision damage waiver and that he or she now wishes to change his or her decision to accept or decline the collision damage waiver, as follows:

“ If I previously accepted the collision damage waiver, I now decline it.

If I previously declined the collision damage waiver, I now accept it.”

The hanger shall also provide a box for the enrollee to indicate whether this change applies to this rental transaction only or to all future rental transactions. The hanger shall also notify the renter that he or she may make that change, prior to leaving the lot, by returning the form to an employee designated to receive the form who is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(2) (A) This subdivision is not effective unless the employee designated pursuant to subparagraph (E) of paragraph (8) of subdivision (a) is actually present at the required location.

(B) This subdivision does not relieve the rental company from those disclosures that are required to be made within the text of a contract or holder in which the contract is placed; in or on an advertisement containing a rental rate; or in a telephonic, in-person, or computer-transmitted quotation or reservation.

(u) The amendments made to this section during the 2001–02 Regular Session of the Legislature do not affect litigation pending on or before January 1, 2003, alleging a violation of Section 22325 of the Business and Professions Code as it read at the time the action was commenced.

CHAPTER 229

An act to add Chapter 5.5 (commencing with Section 25450) to Division 15 of the Public Resources Code, relating to energy.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Chapter 5.5 (commencing with Section 25450) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 5.5. ENERGY EFFICIENCY AND CONSERVATION BLOCK
GRANTS

25450. (a) The Legislature finds and declares all of the following:

(1) The cost of energy in California is increasing and creating greater demands on local governments' operating budgets.

(2) The 100th Congress enacted the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) that provides grants to eligible entities, including states, to reduce fossil fuel emissions, improve energy efficiency, and reduce overall energy use.

(3) Section 545(c)(1)(A) of the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17155(c)(1)(A)) mandates that states receiving block grants under the act use not less than 60 percent of the grant amount to provide subgrants to local governments that are not eligible entities for the purposes of the act.

(b) It is the intent of the Legislature to fully implement the requirements for energy and conservation block grants provided pursuant to the Energy Independence and Security Act of 2007 and that the funds allocated to the state pursuant to that act be administered by the commission.

(c) It is the intent of the Legislature to strive to maximize the opportunity to allocate funds toward the most cost-effective energy efficiency projects, and when allocating funds toward administration, the commission should use the 5-percent allowable administrative expenses as a ceiling and improve efficiencies to allocate less than the allowable amount.

25450.1. Funds allocated to and received by the state pursuant to the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) shall be administered by the commission.

25450.2. (a) Not less than 60 percent of the funds received pursuant to Section 25450.1 shall be used to provide cost-effective energy efficiency and conservation grants to cities with a population of less than 35,000 and counties with a population of less than 200,000, and be prioritized based on cost-effective energy efficiency.

(b) The remaining funds received pursuant to Section 25450.1 shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities consistent with the Energy Independence and

Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.), and be prioritized based on cost-effective energy efficiency.

25450.3. Not more than 5 percent of the funds received pursuant to Section 25450.1 shall be expended for administrative expenses, including, but not limited to, the combined administration program costs, indirect costs, overhead, and costs associated with the Statewide Cost Allocation Plan, including those administration program costs, indirect costs, and overhead costs of all other public and private entities associated with the disbursement, the expenditure of funds, or both the disbursement and expenditure.

CHAPTER 230

An act to amend Sections 24950, 24953, 25100, 25101, 25111, 25112, 25113, 25114, and 25115 of the Education Code, to amend Section 12420.2 of the Government Code, and to amend Section 770.3 of the Insurance Code, relating to public employees.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 24950 of the Education Code is amended to read:

24950. (a) An annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986 shall be offered to :

(1) All employees of any state agency who are members of the plan under this part.

(2) Any employee of a local public agency or political subdivision of this state that employs persons to perform creditable service subject to coverage by the plan under this part.

(3) Any state employee of a state employer under the uniform state payroll system, excluding the California State University System, eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986.

(b) The following criteria shall apply to that annuity contract and custodial account:

(1) The annuity contract and custodial account shall be offered for at least five years.

(2) The annuity contract and custodial account may be administered by a qualified third-party administrator that shall, under agreement with the system, provide custodial, investment, recordkeeping, or administrative services, or any combination thereof. The third-party administrator may not provide investment options other than pursuant to a shareholders' services agreement between the third-party administrator and the investment manager.

(3) The investment options offered shall be determined by the board consistent with those annuity contract and custodial accounts described in Section 403(b) of the Internal Revenue Code of 1986.

(4) The system's investment staff shall make recommendations to the board as to the appropriate investment options. At a minimum, the board shall offer at least three investment options. The board shall have sole responsibility for the selection of service providers.

(5) All contributions made in accordance with the provisions of Section 403(b) of the Internal Revenue Code of 1986 and this section shall be remitted directly to the administrator and held by the administrator in a custodial account on behalf of the employee. Any investment gains or losses shall be credited to those accounts. The forms of payment and disbursement procedure shall be consistent with those generally offered by similar annuity contracts and custodial accounts and applicable federal and state statutes governing those contracts and accounts.

(6) Any employer, other than the state, may elect to make contributions to the employee's annuity contract and custodial account on behalf of the employee. The employer shall take whatever action is necessary to implement this section, including the adoption of an annuity contract and custodial account, or provide the appropriate authorization in accordance with the provision of Section 403(b) of the Internal Revenue Code of 1986. Employer contributions made under this section are excluded from the definition of creditable compensation as provided in Section 2219.2.

(7) The design and administration of the annuity contract and custodial account shall comply with the applicable provisions of the Internal Revenue Code of 1986 and the Revenue and Taxation Code. Section 770.3 of the Insurance Code shall not be applicable.

SEC. 2. Section 24953 of the Education Code is amended to read:

24953. (a) For purposes of this section, the following definitions shall apply:

(1) "Annuity contract" means an annuity contract described in Section 403(b) of the Internal Revenue Code that is available to employees as described in Section 770.3 of the Insurance Code.

(2) “Custodial account” means a custodial account described in Section 403(b)(7) of the Internal Revenue Code.

(3) “Third-party administrator” means a person or entity other than the system that provides administrative or compliance services to the system as described in subdivision (b).

(b) An employer that employs persons to perform creditable service subject to coverage by the plan under this part, or the Controller on behalf of any state employer under the uniform state payroll system, excluding the California State University System, that employs persons eligible to participate in an annuity contract or custodial account as described in Section 403(b) of the Internal Revenue Code of 1986, may enter into a written contract with the system for services regarding an annuity contract and custodial account provided by the employer. That contract may include any of the following:

(1) Services to ensure compliance with Section 403(b) of the Internal Revenue Code regarding the annuity contract and custodial account including, but not limited to, services that permit the system to do any of the following:

(A) Administer and maintain written plan documents governing the employer’s plan.

(B) Review and authorize hardship withdrawal requests, transfer requests, loan requests and other disbursements permitted under Section 403(b) of the Internal Revenue Code.

(C) Review and determine domestic relations orders as qualified domestic relations orders as described in Section 414(p) of the Internal Revenue Code.

(D) Provide notice to eligible employees that is consistent with Title 26 of the Code of Federal Regulations that those employees may participate in an annuity contract and custodial account.

(E) Administer and maintain specimen salary reduction agreements for the employer and employees of that employer to initiate payroll deferrals.

(F) Monitor, from information provided either directly from the employee, as part of the common remitting services provided pursuant to paragraph (2), through information provided by the employer, or through information provided by vendors authorized by the employer to provide investment products, the maximum contributions allowed by employees participating in the annuity contract and custodial account as described in Sections 402(g), 414(v), and 415 of the Internal Revenue Code.

(G) Calculate and maintain vesting information for contributions made by the employer to the annuity contract and custodial account.

(H) Identify and notify employees that are required to take a minimum distribution of the funds in that employee's annuity contract and custodial account as described in Section 401(a)(9) of the Internal Revenue Code.

(I) Coordinate responses to the Internal Revenue Service if there is an Internal Revenue Service audit of the annuity contract and custodial account.

(2) Services to administer the annuity contract and custodial account that include, but are not limited to, all of the following:

(A) Common remitting services.

(B) General educational information to employees about the annuity contract and custodial account that includes, but is not limited to, the enrollment process, program eligibility, and investment options.

(C) Internal reports for the employer to ensure compliance with Section 403(b) of the Internal Revenue Code and Title 26 of the Code of Federal Regulations.

(D) Consulting services related to the design, operation, and administration of the plan.

(E) Internal audits, on behalf of an employer, of a provider's plan compliance procedures with respect to the provider's annuity contract and custodial account offered under the employer's plan. These audits shall not be conducted more than once per year for a provider's plan, unless documented evidence indicates a problem in complying with Section 403(b) of the Internal Revenue Code.

(c) If the system elects to contract with a third-party administrator for the administrative or compliance services to employers described in subdivision (b), the system shall do all of the following:

(1) Determine that hiring the third-party administrator is in the best interest of the participants to the annuity contract and custodial account, their beneficiaries, and the employer that provides that annuity contract and custodial account.

(2) Require the third-party administrator to provide proof of liability insurance and a fidelity bond in an amount determined by the system to be sufficient to protect the assets of participants and beneficiaries in the annuity contract and custodial account.

(3) Require evidence, if the third-party administrator is related to or affiliated with a provider of investment products pursuant to Section 403(b) of the Internal Revenue Code, that data generated from the services provided by the third-party administrator are maintained in a manner that prevents the provider of investment products from accessing that data.

(d) Any personal information obtained by the system in providing services pursuant to this section shall be used by the system only to

provide those services for the employer in accordance with the contract entered into with the employer pursuant to subdivision (b).

(e) Nothing in this section requires an employer to contract with the system for the administrative or compliance services described in subdivision (b). A written contract for the administrative or compliance services described in subdivision (b) shall be on behalf of and at the request of the employer.

(f) Nothing in this section shall be construed to interfere with either:

(1) The rights of employees or beneficiaries as described in Section 770.3 of the Insurance Code.

(2) The ability of an employer to establish nonarbitrary requirements upon providers of an annuity contract that, in the employer's determination, aid in the administration of its benefit programs and do not unreasonably discriminate against any provider of an annuity contract or interfere with the rights of employees or beneficiaries as described in Section 770.3 of the Insurance Code.

(g) The cost of providing administrative or compliance services pursuant to this section shall be deemed to be a cost incurred by the employer and subject to subdivision (b) of Section 44041 or subdivision (b) of Section 87040, as may be applicable.

(h) In any conflict between this section and Section 44041.5 or 87040.5, including, with respect to the provision of services provided pursuant to a contract between an employer and the system, the provisions of this section shall prevail.

(i) The system shall disclose to an employer seeking the services described in this section any fees, commissions, cost offsets, reimbursements, or marketing or promotional items received by the system or a third-party administrator from any plan provider selected as a vendor of an annuity contract or custodial account by the employer. If the system or a third-party administrator is affiliated with or has a contractual relationship with a provider of annuity contracts or custodial accounts, the system or third-party administrator shall disclose the existence of that relationship to each employer and employee participating in the annuity contract or custodial account.

SEC. 3. Section 25100 of the Education Code is amended to read:

25100. (a) The board shall establish a vendor registration process through which information about tax-deferred retirement investment products as described in Section 403(b) of the Internal Revenue Code of 1986 shall be made available for consideration by public employees of all local school districts, community college districts, county offices of education, and state employees of a state employer under the uniform state payroll system, excluding the California State University System,

eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986.

(b) For the purposes of this chapter, “403(b) product or 403(b) products” means tax-deferred retirement investment products as described in Section 403(b) of the Internal Revenue Code of 1986, and its subsequent amendments, and complying with applicable California insurance laws, and federal and California securities laws and rules as applied by appropriate regulatory entities.

(c) For the purposes of this chapter:

(1) “Employer” means any local school district, community college district, or county office of education, or any state employer under the uniform state payroll system, excluding the California State University System, with employees eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986, with the Controller acting on the state employer’s behalf.

(2) “Vendor” means a public retirement system, broker-dealer, registered investment company, nonbank custodian, or life insurance company qualified to do business in California that provides 403(b) products. “Vendor” does not include individual registered representatives, brokers, financial planners, or agents.

(3) “Nonbank custodian” means a fund custodian, other than a bank, that meets the criteria of a trustee specified in Section 408(a)(2) of the Internal Revenue Code.

(4) “Broker-dealer” means only those broker-dealers who offer a proprietary 403(b) product or who charge fees that are otherwise not disclosed.

SEC. 4. Section 25101 of the Education Code is amended to read:

25101. A prospective vendor of 403(b) products that offers those products, or the products of other 403(b) vendors, to employers and their eligible employees, shall register those products with the board pursuant to this chapter. Registered vendors shall offer only registered 403(b) products as funding vehicles for 403(b) plans.

(a) Prospective vendors shall be registered with the board based upon a complete response to the disclosures required by this subdivision. This information shall be included in the impartial investment information bank established pursuant to Section 25104. The prospective vendors shall provide the following information:

(1) A statement of experience in California and in other states in providing retirement annuities, custodial account mutual fund arrangements, or other retirement products and related financial services under public employer retirement plans.

(2) A characterization by the vendor of its offering as either an annuity or custodial account, as defined under Sections 403(b)(1) and 403(b)(7) of the Internal Revenue Code, respectively.

(3) A disclosure of all expenses paid directly or indirectly by retirement plan participants, including, but not limited to, penalties for early withdrawals, declining or fixed withdrawal charges, surrender or deposit charges, management fees, and annual fees, supported by documentation as required for prospectus disclosure by the National Association of Securities Dealers and the Securities and Exchange Commission. Vendors shall be required to provide information regarding the impact of product fees upon a hypothetical investment, as described in Section 25104.

(4) The types of products, product features, including presence of two tier annuity features, services offered to participants, and information about how to access product prospectuses or other relevant product information.

(5) A discussion of the ability, experience, and commitment of the vendor to provide retirement counseling and education services, including, but not limited to, access to group meetings and individual counseling by various means, including telephone and telecommunications devices for the deaf (TDD), Internet, and face-to-face consultations by registered representatives.

(6) A statement of the financial strength and stability of the vendor, as may be applicable, by identifying its ratings assigned by nationally recognized rating services that evaluate the financial strength of life insurance, mutual funds, and other similar companies.

(7) The location of offices and counselors, or method of distribution, of the vendor relative to serving employers and their eligible employees in California.

(8) A description of the ability of the vendor to comply with all applicable provisions of federal and state law governing retirement plans, including minimum distribution requirements and contribution limits.

(9) To the extent applicable, the demonstrated ability of the vendor to offer an appropriate array of accumulation funding options, including, but not limited to, a diversified mix of value, growth, growth and income, hybrid and index funds or accounts across large, mid, and small capitalization asset classes, both domestic and international. These investment products may include mutual funds, group or individual annuity contracts, fixed or variable annuity contracts, individual retirement annuities, interests in trust and collective trusts, separate accounts, and other financial instruments.

(10) A discussion of the range of administrative and customer services provided, including asset allocation, accounting and administration of

benefits for individual participants, recordkeeping for individual participants, asset purchase, control, and safekeeping, execution of a participant's instructions as to asset and contribution allocation, calculation of daily net asset values, direct access for participants to their account information, periodic reporting to active participants, not less than quarterly, on their account balances and transactions, and compliance with the standard of care applicable in the provision of investment services and consistent with federal law.

(11) Certification by the vendor that the information provided to the board accurately reflects the provisions of the Section 403(b) products they register pursuant to this chapter.

(b) Registration may not be conditioned upon the content of the information.

(c) Vendors shall supply information and data in the format required by the board.

SEC. 5. Section 25111 of the Education Code is amended to read:

25111. Each employer, in consultation with the exclusive bargaining agent of its employees, if any, may develop a process to ensure that employees are aware of, and have access to, information provided in the impartial investment bank maintained by the board.

SEC. 6. Section 25112 of the Education Code is amended to read:

25112. Personnel, including elected school officials, acting on behalf of an employer, may not receive consideration from a vendor in exchange for the promotion of a particular vendor or vendor's products.

SEC. 7. Section 25113 of the Education Code is amended to read:

25113. An employer may not forward annuity or custodial account consideration to the vendor of any unregistered 403(b) product, except insofar as an employee continues making contributions to an unregistered product or products as described in Section 25114.

SEC. 8. Section 25114 of the Education Code is amended to read:

25114. Except as provided in this section, an employee shall select from registered 403(b) products.

(a) An employee of a local school district, community college district, or county office of education may continue to make contributions to unregistered products purchased or entered into prior to the date of implementation of the impartial investment bank, as established by this chapter.

(b) A state employee of a state employer under the uniform state payroll system, excluding the California State University System, eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986, may continue to make contributions to unregistered products purchased or entered into prior to January 1, 2009.

SEC. 9. Section 25115 of the Education Code is amended to read:

25115. For purposes of restricting the use of 403(b) investment products provided to eligible employees of employers by those vendors and investment products registered with the board pursuant to this chapter, the provisions of Section 770.3 of the Insurance Code do not apply.

SEC. 10. Section 12420.2 of the Government Code is amended to read:

12420.2. The Controller may purchase annuity contracts on behalf of any state employer under the uniform state payroll system, excluding the California State University System, that employs persons eligible to participate in an annuity contract and custodial account as described in Section 403(b) of the Internal Revenue Code of 1986 provided that all of the following conditions are met:

(a) The annuity contract is under an annuity plan which meets the requirements of subdivision (b) of Section 403 of the Internal Revenue Code.

(b) The employee makes application to the Controller for the purchase and reduction of salary.

(c) All provisions of the Insurance Code applicable to the purchase of those annuities are satisfied.

SEC. 11. Section 770.3 of the Insurance Code is amended to read:

770.3. No state department or agency shall negotiate any life or disability insurance or require the placing of that insurance through particular agents, brokers, or companies, except to the extent that the state has a direct financial interest in the subject of the insurance. The state has no financial interest in an annuity purchased for an employee if the premium therefor is paid from a deduction from or reduction in the employee's salary, and any annuity paid for through a deduction or reduction shall not be deemed to have been provided by the state for its employees for purposes of this section, and the state shall not negotiate or require the placing of the annuity through particular agents, brokers, or companies. Nothing contained in this section shall affect the program of life and disability insurance in connection with veterans' farm and home purchases through the Department of Veterans Affairs except that the total life insurance benefit under that program shall in no event exceed 120 percent of the unpaid contract balance. Except in those cases where the premium for an annuity is paid entirely from a deduction from or reduction in an employee's salary, nothing contained in this section shall affect life or disability insurance programs which may be provided by the state for its employees.

Notwithstanding anything in this section to the contrary, in any case in which a tax-sheltered annuity under an annuity plan which meets the

requirements of Section 403(b) of the Internal Revenue Code of 1954 is to be placed or purchased for an employee, the employee shall have the right to designate the licensed agent, broker, or company through whom the employee's employer shall arrange for the placement or purchase of the tax-sheltered annuity. In any case in which the employee has designated an agent, broker, or company, the employer shall comply with that designation, except in the case of a designation subject to Section 1153 or Section 12420.2 of the Government Code, or Section 24950 of the Education Code.

As used in this section, "state department or agency" shall include, but not be limited to, school districts.

This section shall apply to all local governmental agencies, as well as state departments and agencies.

CHAPTER 231

An act to amend the heading of Chapter 12 (commencing with Section 2029.010) of Title 4 of Part 4 of, to add Article 1 (commencing with Section 2029.100) to Chapter 12 of Title 4 of Part 4 of, and to repeal Section 2029.010 of, the Code of Civil Procedure, and to amend Section 70626 of the Government Code, relating to civil discovery.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. The heading of Chapter 12 (commencing with Section 2029.010) of Title 4 of Part 4 of the Code of Civil Procedure is amended to read:

CHAPTER 12. DISCOVERY IN ACTION PENDING OUTSIDE CALIFORNIA

SEC. 2. Section 2029.010 of the Code of Civil Procedure is repealed.

SEC. 3. Article 1 (commencing with Section 2029.100) is added to Chapter 12 of Title 4 of Part 4 of the Code of Civil Procedure, to read:

Article 1. Interstate and International Depositions and Discovery Act

2029.100. This article may be cited as the Interstate and International Depositions and Discovery Act.

2029.200. In this article:

- (a) "Foreign jurisdiction" means either of the following:
- (1) A state other than this state.
 - (2) A foreign nation.
- (b) "Foreign subpoena" means a subpoena issued under authority of a court of record of a foreign jurisdiction.
- (c) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.
- (d) "State" means a state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, a federally recognized Indian tribe, or any territory or insular possession subject to the jurisdiction of the United States.
- (e) "Subpoena" means a document, however denominated, issued under authority of a court of record requiring a person to do any of the following:
- (1) Attend and give testimony at a deposition.
 - (2) Produce and permit inspection and copying of designated books, documents, records, electronically stored information, or tangible things in the possession, custody, or control of the person.
 - (3) Permit inspection of premises under the control of the person.
- 2029.300. (a) To request issuance of a subpoena under this section, a party shall submit the original or a true and correct copy of a foreign subpoena to the clerk of the superior court in the county in which discovery is sought to be conducted in this state. A request for the issuance of a subpoena under this section does not constitute making an appearance in the courts of this state.
- (b) In addition to submitting a foreign subpoena under subdivision (a), a party seeking discovery shall do both of the following:
- (1) Submit an application requesting that the superior court issue a subpoena with the same terms as the foreign subpoena. The application shall be on a form prescribed by the Judicial Council pursuant to Section 2029.390. No civil case cover sheet is required.
 - (2) Pay the fee specified in Section 70626 of the Government Code.
- (c) When a party submits a foreign subpoena to the clerk of the superior court in accordance with subdivision (a), and satisfies the requirements of subdivision (b), the clerk shall promptly issue a subpoena for service upon the person to which the foreign subpoena is directed.
- (d) A subpoena issued under this section shall satisfy all of the following conditions:
- (1) It shall incorporate the terms used in the foreign subpoena.

(2) It shall contain or be accompanied by the names, addresses, and telephone numbers of all counsel of record in the proceeding to which the subpoena relates and of any party not represented by counsel.

(3) It shall bear the caption and case number of the out-of-state case to which it relates.

(4) It shall state the name of the court that issues it.

(5) It shall be on a form prescribed by the Judicial Council pursuant to Section 2029.390.

2029.350. (a) Notwithstanding Sections 1986 and 2029.300, if a party to a proceeding pending in a foreign jurisdiction retains an attorney licensed to practice in this state, who is an active member of the State Bar, and that attorney receives the original or a true and correct copy of a foreign subpoena, the attorney may issue a subpoena under this article.

(b) A subpoena issued under this section shall satisfy all of the following conditions:

(1) It shall incorporate the terms used in the foreign subpoena.

(2) It shall contain or be accompanied by the names, addresses, and telephone numbers of all counsel of record in the proceeding to which the subpoena relates and of any party not represented by counsel.

(3) It shall bear the caption and case number of the out-of-state case to which it relates.

(4) It shall state the name of the superior court of the county in which the discovery is to be conducted.

(5) It shall be on a form prescribed by the Judicial Council pursuant to Section 2029.390.

2029.390. On or before January 1, 2010, the Judicial Council shall do all of the following:

(a) Prepare an application form to be used for purposes of Section 2029.300.

(b) Prepare one or more new subpoena forms that include clear instructions for use in issuance of a subpoena under Section 2029.300 or 2029.350. Alternatively, the Judicial Council may modify one or more existing subpoena forms to include clear instructions for use in issuance of a subpoena under Section 2029.300 or 2029.350.

2029.400. A subpoena issued under this article shall be personally served in compliance with the law of this state, including, without limitation, Section 1985.

2029.500. Titles 3 (commencing with Section 1985) and 4 (commencing with Section 2016.010) of Part 4, and any other law or court rule of this state governing a deposition, a production of documents or other tangible items, or an inspection of premises, including any law or court rule governing payment of court costs or sanctions, apply to discovery under this article.

2029.600. (a) If a dispute arises relating to discovery under this article, any request for a protective order or to enforce, quash, or modify a subpoena, or for other relief may be filed in the superior court in the county in which discovery is to be conducted and, if so filed, shall comply with the applicable rules or statutes of this state.

(b) A request for relief pursuant to this section shall be referred to as a petition notwithstanding any statute under which a request for the same relief would be referred to as a motion or by another term if it was brought in a proceeding pending in this state.

(c) A petition for relief pursuant to this section shall be accompanied by a civil case cover sheet.

2029.610. (a) On filing a petition under Section 2029.600, a petitioner who is a party to the out-of-state proceeding shall pay a first appearance fee as specified in Section 70611 of the Government Code. A petitioner who is not a party to the out-of-state proceeding shall pay the fee specified in subdivision (c) of Section 70626 of the Government Code.

(b) The court in which the petition is filed shall assign it a case number.

(c) On responding to a petition under Section 2029.600, a party to the out-of-state proceeding shall pay a first appearance fee as specified in Section 70612 of the Government Code. A person who is not a party to the out-of-state proceeding may file a response without paying a fee.

(d) Any petition, response, or other document filed under this section shall satisfy all of the following conditions:

(1) It shall bear the caption and case number of the out-of-state case to which it relates.

(2) The first page shall state the name of the court in which the document is filed.

(3) The first page shall state the case number assigned by the court under subdivision (b).

2029.620. (a) If a petition has been filed under Section 2029.600 and another dispute later arises relating to discovery being conducted in the same county for purposes of the same out-of-state proceeding, the deponent or other disputant may file a petition for appropriate relief in the same superior court as the previous petition.

(b) The first page of the petition shall clearly indicate that it is not the first petition filed in that court that relates to the out-of-state case.

(c) (1) If the petitioner in the new dispute is a party to the out-of-state case who previously paid a first appearance fee under this article, the petitioner shall pay a motion fee as specified in subdivision (a) of Section 70617 of the Government Code. If the petitioner in the new dispute is a party to the out-of-state case but has not previously paid a first appearance

fee under this article, the petitioner shall pay a first appearance fee as specified in Section 70611 of the Government Code.

(2) If the petitioner in the new dispute is not a party to the out-of-state case, the petitioner shall pay the fee specified in subdivision (c) of Section 70626 of the Government Code, unless the petitioner previously paid that fee. If the petitioner previously paid the fee specified in subdivision (c) of Section 70626 of the Government Code, the petitioner shall pay a motion fee as specified in subdivision (a) of Section 70617 of the Government Code.

(d) If a person responding to the new petition is not a party to the out-of-state case, or is a party who previously paid a first appearance fee under this article, that person does not have to pay a fee for responding. If a person responding to the new petition is a party to the out-of-state case but has not previously paid a first appearance fee under this article, that person shall pay a first appearance fee as specified in Section 70612 of the Government Code.

(e) Any petition, response, or other document filed under this section shall satisfy all of the following conditions:

(1) It shall bear the caption and case number of the out-of-state case to which it relates.

(2) The first page shall state the name of the court in which the document is filed.

(3) The first page shall state the same case number that the court assigned to the first petition relating to the out-of-state case.

(f) A petition for relief pursuant to this section shall be accompanied by a civil case cover sheet.

2029.630. A petition under Section 2029.600 or Section 2029.620 is subject to the requirements of Section 1005 relating to notice and to filing and service of papers.

2029.640. If a party to a proceeding pending in a foreign jurisdiction seeks discovery from a witness in this state by properly issued notice or by agreement, it is not necessary for that party to obtain a subpoena under this article to be able to seek relief under Section 2029.600 or 2029.620. The deponent or any other party may also seek relief under Section 2029.600 or 2029.620 in those circumstances, regardless of whether the deponent was subpoenaed under this article.

2029.650. (a) If a superior court issues an order granting, denying, or otherwise resolving a petition under Section 2029.600 or 2029.620, a person aggrieved by the order may petition the appropriate court of appeal for an extraordinary writ. No order or other action of a court under this article is appealable in this state.

(b) Pending its decision on the writ petition, the court of appeal may stay the order of the superior court, the discovery that is the subject of that order, or both.

2029.700. (a) Sections 2029.100, 2029.200, 2029.300, 2029.400, 2029.500, 2029.600, 2029.800, 2029.900, and this section, collectively, constitute and may be referred to as the “California version of the Uniform Interstate Depositions and Discovery Act.”

(b) In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among the states that enact it.

2029.800. This article applies to requests for discovery in cases pending on or after the operative date of this section.

2029.900. Section 2029.390 is operative on January 1, 2009. The remainder of this article is operative on January 1, 2010.

SEC. 3.5. Section 2029.200 is added to the Code of Civil Procedure, to read:

2029.200. In this article:

(a) “Foreign jurisdiction” means either of the following:

- (1) A state other than this state.
- (2) A foreign nation.

(b) “Foreign subpoena” means a subpoena issued under authority of a court of record of a foreign jurisdiction.

(c) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(d) “State” means a state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, a federally recognized Indian tribe, or any territory or insular possession subject to the jurisdiction of the United States.

(e) “Subpoena” means a document, however denominated, issued under authority of a court of record requiring a person to do any of the following:

- (1) Attend and give testimony at a deposition.
- (2) Produce and permit inspection, copying, testing, or sampling of designated books, documents, records, electronically stored information, or tangible things in the possession, custody, or control of the person.
- (3) Permit inspection of premises under the control of the person.

SEC. 4. Section 70626 of the Government Code is amended to read:

70626. (a) The fee for each of the following services is fifteen dollars (\$15). Amounts collected shall be distributed to the Trial Court Trust Fund under Section 68085.1.

(1) Issuing a writ of attachment, a writ of mandate, a writ of execution, a writ of sale, a writ of possession, a writ of prohibition, or any other writ for the enforcement of any order or judgment.

(2) Issuing an abstract of judgment.

(3) Issuing a certificate of satisfaction of judgment under Section 724.100 of the Code of Civil Procedure.

(4) Certifying a copy of any paper, record, or proceeding on file in the office of the clerk of any court.

(5) Taking an affidavit, except in criminal cases or adoption proceedings.

(6) Acknowledgment of any deed or other instrument, including the certificate.

(7) Recording or registering any license or certificate, or issuing any certificate in connection with a license, required by law, for which a charge is not otherwise prescribed.

(8) Issuing any certificate for which the fee is not otherwise fixed.

(b) The fee for each of the following services is twenty dollars (\$20). Amounts collected shall be distributed to the Trial Court Trust Fund under Section 68085.1.

(1) Issuing an order of sale.

(2) Receiving and filing an abstract of judgment rendered by a judge of another court and subsequent services based on it, unless the abstract of judgment is filed under Section 704.750 or 708.160 of the Code of Civil Procedure.

(3) Filing a confession of judgment under Section 1134 of the Code of Civil Procedure.

(4) Filing an application for renewal of judgment under Section 683.150 of the Code of Civil Procedure.

(5) Issuing a commission to take a deposition in another state or place under Section 2026.010 of the Code of Civil Procedure, or issuing a subpoena under Section 2029.300 to take a deposition in this state for purposes of a proceeding pending in another jurisdiction.

(6) Filing and entering an award under the Workers' Compensation Law (Division 4 (commencing with Section 3200) of the Labor Code).

(7) Filing an affidavit of publication of notice of dissolution of partnership.

(8) Filing an appeal of a determination whether a dog is potentially dangerous or vicious under Section 31622 of the Food and Agricultural Code.

(9) Filing an affidavit under Section 13200 of the Probate Code, together with the issuance of one certified copy of the affidavit under Section 13202 of the Probate Code.

(10) Filing and indexing all papers for which a charge is not elsewhere provided, other than papers filed in actions or special proceedings, official bonds, or certificates of appointment.

(c) The fee for filing a first petition under Section 2029.600 or 2029.620 of the Code of Civil Procedure, if the petitioner is not a party to the out-of-state case, is eighty dollars (\$80). Amounts collected shall be distributed to the Trial Court Trust Fund pursuant to Section 68085.1.

SEC. 5. Section 3.5 of this bill makes changes in Section 2029.200 of the Code of Civil Procedure, as it is proposed to be added by Section 3 of this bill, to conform to changes proposed by AB 926. Section 3.5 of this bill shall only become operative if (1) AB 926 and this bill are both enacted and become effective on or before January 1, 2009, and (2) AB 926 amends subdivision (a) of Section 2031.010 of the Code of Civil Procedure to permit discovery by “inspecting, copying, testing, or sampling” instead of only by “inspecting,” in which case the version of Section 2029.200 of the Code of Civil Procedure to be added by Section 3 of this bill shall not become operative.

CHAPTER 232

An act to amend Section 41514.1 of the Health and Safety Code, relating to air pollution.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 41514.1 of the Health and Safety Code is amended to read:

41514.1. (a) A health facility shall test each of its diesel backup generators 12 times a year with testing intervals of not less than 20 days and not more than 40 days. The tests shall be conducted for at least 30 continuous minutes pursuant to either of the following:

(1) A dynamic load that is at least 30 percent of the nameplate rating of the generator.

(2) A test conducted at less than 30 percent of the nameplate rating of the generator, if the health facility revises its existing documented management plan to conform with the National Fire Protection Association 110: Standard for Emergency and Standby Power Systems, 2005 edition, testing and maintenance activities. These activities shall include inspection procedures for assessing the prime mover’s exhaust

gas temperature against the minimum temperature recommended by the manufacturer.

(b) If a diesel backup generator cannot be tested pursuant to the requirements of either paragraph (1) or (2) of subdivision (a), it shall be tested for 30 continuous minutes at intervals described in subdivision (a) with available Emergency Power Supply Systems (EPSS) load and tested annually with supplemental loads of all of the following in the following order for a total of two continuous hours:

- (1) Twenty-five percent of nameplate rating for 30 minutes.
- (2) Fifty percent of nameplate rating for 30 minutes.
- (3) Seventy-five percent of nameplate rating for 60 minutes.

(c) A health facility shall submit all data collected under this section to the State Department of Public Health when requested by the department.

(d) 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.

(e) For the purposes of this section, "health facility" has the same meaning as Section 1250, but includes only those facilities described in subdivision (a), (b), (c), (d), (f), (g), or (k) of that section.

(f) Nothing in this section affects the authority of the state board or a district to regulate diesel backup generators owned by a health facility.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 233

An act to add Section 44265.2 to the Education Code, relating to teachers.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. The Legislature encourages a public or private institution of higher education or a local educational agency that conducts a commission-accredited program of professional preparation for the education specialist credential in special education to accept coursework or field experience completed in another commission-accredited preparation program if the coursework or field experience is determined by the institution or agency to be comparable.

SEC. 2. Section 44265.2 is added to the Education Code, to read:

44265.2. (a) The commission shall convene a workgroup of interested parties including, but not limited to, representatives of the California State University, the University of California, private postsecondary institutions of higher education, local educational agencies, and organizations that represent public school educators, for the purpose of providing guidance to programs in determining the comparability of coursework or field experience completed in other commission-accredited programs to special education programs.

(b) The commission shall report the workgroup's findings to the Legislature, the Governor, and the Secretary for Education on or before December 1, 2009.

CHAPTER 234

An act to amend Section 7480 of the Government Code, and to amend Sections 19368 and 19411 of the Revenue and Taxation Code, relating to financial institutions.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 7480 of the Government Code, as amended by Section 1 of Chapter 705 of the Statutes of 2006, is amended to read:

7480. Nothing in this chapter shall prohibit any of the following:

(a) The dissemination of any financial information that is not identified with, or identifiable as being derived from, the financial records of a particular customer.

(b) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent

use of drafts, checks, access cards, or other orders drawn upon any bank, credit union, or savings association in this state, the police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request a bank, credit union, or savings association to furnish, and a bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

- (1) The number of items dishonored.
- (2) The number of items paid that created overdrafts.
- (3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.
- (4) The dates and amounts of deposits and debits and the account balance on these dates.
- (5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.
- (6) The date the account opened and, if applicable, the date the account closed.
- (7) Surveillance photographs and video recordings of persons accessing the crime victim's financial account via an automated teller machine (ATM) or from within the financial institution for dates on which illegal acts involving the account were alleged to have occurred. Nothing in this paragraph does any of the following:
 - (A) Requires a financial institution to produce a photograph or video recording if it does not possess the photograph or video recording.
 - (B) Affects any existing civil immunities as provided in Section 47 of the Civil Code or any other provision of law.
- (8) A bank, credit union, or savings association that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).
 - (c) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, access cards, or other orders drawn upon any bank, credit union, or savings association doing business in this state, the police or sheriff's department or district attorney, a county adult protective

services office when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request, with the consent of the accountholder, the bank, credit union, or savings association to furnish, and the bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

- (1) The number of items dishonored.
- (2) The number of items paid that created overdrafts.
- (3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.
- (4) The dates and amounts of deposits and debits and the account balance on these dates.
- (5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.
- (6) The date the account opened and, if applicable, the date the account closed.
- (7) Surveillance photographs and video recordings of persons accessing the crime victim's financial account via an automated teller machine (ATM) or from within the financial institution for dates on which illegal acts involving this account were alleged to have occurred. Nothing in this paragraph does any of the following:
 - (A) Requires a financial institution to produce a photograph or video recording if it does not possess the photograph or video recording.
 - (B) Affects any existing civil immunities as provided in Section 47 of the Civil Code or any other provision of law.
- (8) A bank, credit union, or savings association doing business in this state that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).
 - (d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:
 - (1) Authorization of the disclosure for the period specified in subdivision (c).

(2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.

(3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Corporations when conducting investigations in connection with the enforcement of laws administered by the Commissioner of Corporations, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Financial Institutions by reference to Division 1 (commencing with Section 99), Division 1.5 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000), of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001), of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14 (commencing with Section 32001), and Part 17 (commencing with Section 37001), of Division 2 of the Revenue and Taxation Code.

(3) The amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(i) The disclosure to the Controller of the information required by Section 7853 of the Revenue and Taxation Code.

(j) The disclosure to the Employment Development Department of the amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(k) The disclosure by a construction lender, as defined in Section 3087 of the Civil Code, to the Registrar of Contractors, of information concerning the making of progress payments to a prime contractor requested by the registrar in connection with an investigation under Section 7108.5 of the Business and Professions Code.

(l) Upon receipt of a written request from a local child support agency referring to a support order pursuant to Section 17400 of the Family

Code, a financial institution shall disclose the following information concerning the account or the person named in the request, whom the local child support agency shall identify, whenever possible, by social security number:

(1) If the request states the identifying number of an account at a financial institution, the name of each owner of the account.

(2) Each account maintained by the person at the branch to which the request is delivered, and, if the branch is able to make a computerized search, each account maintained by the person at any other branch of the financial institution located in this state.

(3) For each account disclosed pursuant to paragraphs (1) and (2), the account number, current balance, street address of the branch where the account is maintained, and, to the extent available through the branch's computerized search, the name and address of any other person listed as an owner.

(4) Whenever the request prohibits the disclosure, a financial institution shall not disclose either the request or its response, to an owner of the account or to any other person, except the officers and employees of the financial institution who are involved in responding to the request and to attorneys, employees of the local child support agencies, auditors, and regulatory authorities who have a need to know in order to perform their duties, and except as disclosure may be required by legal process.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information in response to a request pursuant to this subdivision, (B) failing to notify the owner of an account, or complying with a request under this paragraph not to disclose to the owner, the request or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the request pursuant to a computerized search of the records of the financial institution.

(6) The local child support agency may request information pursuant to this subdivision only when the local child support agency has received at least one of the following types of physical evidence:

(A) Any of the following, dated within the last three years:

(i) Form 599.

(ii) Form 1099.

(iii) A bank statement.

(iv) A check.

(v) A bank passbook.

(vi) A deposit slip.

(vii) A copy of a federal or state income tax return.

(viii) A debit or credit advice.

(ix) Correspondence that identifies the child support obligor by name, the bank, and the account number.

(x) Correspondence that identifies the child support obligor by name, the bank, and the banking services related to the account of the obligor.

(xi) An asset identification report from a federal agency.

(B) A sworn declaration of the custodial parent during the 12 months immediately preceding the request that the person named in the request has had or may have had an account at an office or branch of the financial institution to which the request is made.

(7) Information obtained by a local child support agency pursuant to this subdivision shall be used only for purposes that are directly connected with the administration of the duties of the local child support agency pursuant to Section 17400 of the Family Code.

(m) (1) As provided in paragraph (1) of subdivision (c) of Section 666 of Title 42 of the United States Code, upon receipt of an administrative subpoena on the current federally approved interstate child support enforcement form, as approved by the federal Office of Management and Budget, a financial institution shall provide the information or documents requested by the administrative subpoena.

(2) The administrative subpoena shall refer to the current federal Office of Management and Budget control number and be signed by a person who states that he or she is an authorized agent of a state or county agency responsible for implementing the child support enforcement program set forth in Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. A financial institution may rely on the statements made in the subpoena and has no duty to inquire into the truth of any statement in the subpoena.

(3) If the person who signs the administrative subpoena directs a financial institution in writing not to disclose either the subpoena or its response to any owner of an account covered by the subpoena, the financial institution shall not disclose the subpoena or its response to the owner.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information or providing documents in response to a subpoena pursuant to this subdivision, (B) failing to notify any owner of an account covered by the subpoena or complying with a request not to disclose to the owner, the subpoena or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the subpoena pursuant to a computerized search of the records of the financial institution.

(n) The dissemination of financial information and records pursuant to any of the following:

(1) Compliance by a financial institution with the requirements of Section 2892 of the Probate Code.

(2) Compliance by a financial institution with the requirements of Section 2893 of the Probate Code.

(3) An order by a judge upon a written ex parte application by a peace officer showing specific and articulable facts that there are reasonable grounds to believe that the records or information sought are relevant and material to an ongoing investigation of a felony violation of Section 186.10 or of any felony subject to the enhancement set forth in Section 186.11.

(A) The ex parte application shall specify with particularity the records to be produced, which shall be only those of the individual or individuals who are the subject of the criminal investigation.

(B) The ex parte application and any subsequent judicial order shall be open to the public as a judicial record unless ordered sealed by the court, for a period of 60 days. The sealing of these records may be extended for 60-day periods upon a showing to the court that it is necessary for the continuance of the investigation. Sixty-day extensions may continue for up to one year or until termination of the investigation of the individual or individuals, whichever is sooner.

(C) The records ordered to be produced shall be returned to the peace officer applicant or his or her designee within a reasonable time period after service of the order upon the financial institution.

(D) Nothing in this subdivision shall preclude the financial institution from notifying a customer of the receipt of the order for production of records unless a court orders the financial institution to withhold notification to the customer upon a finding that the notice would impede the investigation.

(E) Where a court has made an order pursuant to this paragraph to withhold notification to the customer under this paragraph, the peace officer or law enforcement agency who obtained the financial information shall notify the customer by delivering a copy of the ex parte order to the customer within 10 days of the termination of the investigation.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for any of the following:

(A) Disclosing information to a probate court pursuant to Sections 2892 and 2893.

(B) Disclosing information in response to a court order pursuant to paragraph (3).

(C) Complying with a court order under this subdivision not to disclose to the customer, the order, or the dissemination of information pursuant to the court order.

(o) Disclosure by a financial institution to a peace officer, as defined in Section 830.1 of the Penal Code, pursuant to the following:

(1) Paragraph (1) of subdivision (a) of Section 1748.95 of the Civil Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 1748.95 of the Civil Code.

(2) Paragraph (1) of subdivision (a) of Section 4002 of the Financial Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 4002 of the Financial Code.

(3) Paragraph (1) of subdivision (a) of Section 22470 of the Financial Code, provided that any financial institution that is a finance lender has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 22470 of the Financial Code.

(p) When the governing board of the Public Employees' Retirement System or the State Teachers' Retirement System certifies in writing to a financial institution that a benefit recipient has died and that transfers to the benefit recipient's account at the financial institution from the retirement system occurred after the benefit recipient's date of death, the financial institution shall furnish the retirement system with the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of the benefit recipient's death, or if the account has been closed, the name and address of the person who closed the account.

(q) When the retirement board of a retirement system established under the County Employees Retirement Law of 1937 certifies in writing to a financial institution that a retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial institution from the retirement system occurred after the date of death of the retired member or beneficiary of a retired member, the financial institution shall furnish the retirement system with the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of death of the retired member or beneficiary of a retired member, or if the account has been closed, the name and address of the person who closed the account.

(r) When the Franchise Tax Board certifies in writing to a financial institution that (1) a taxpayer filed a tax return that authorized a direct deposit refund with an incorrect financial institution account or routing number that resulted in all or a portion of the refund not being received, directly or indirectly, by the taxpayer; (2) the direct deposit refund was not returned to the Franchise Tax Board; and (3) the refund was deposited directly on a specified date into the account of an accountholder of the

financial institution who was not entitled to receive the refund, then the financial institution shall furnish to the Franchise Tax Board the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of direct deposit refund, or if the account has been closed, the name and address of the person who closed the account.

SEC. 2. Section 7480 of the Government Code, as added by Section 3 of Chapter 140 of the Statutes of 2005, is amended to read:

7480. Nothing in this chapter prohibits any of the following:

(a) The dissemination of any financial information that is not identified with, or identifiable as being derived from, the financial records of a particular customer.

(b) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association in this state, the police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request a bank, credit union, or savings association to furnish, and a bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

- (1) The number of items dishonored.
- (2) The number of items paid that created overdrafts.
- (3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.
- (4) The dates and amounts of deposits and debits and the account balance on these dates.
- (5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.
- (6) The date the account opened and, if applicable, the date the account closed.
- (7) A bank, credit union, or savings association that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(c) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association doing business in this state, the police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request, with the consent of the accountholder, the bank, credit union, or savings association to furnish, and the bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

- (1) The number of items dishonored.
- (2) The number of items paid that created overdrafts.
- (3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.
- (4) The dates and amounts of deposits and debits and the account balance on these dates.
- (5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.
- (6) The date the account opened and, if applicable, the date the account closed.
- (7) A bank, credit union, or savings association doing business in this state that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:

- (1) Authorization of the disclosure for the period specified in subdivision (c).
- (2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.
- (3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Corporations when conducting investigations in connection with the enforcement of laws administered by the Commissioner of Corporations, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Financial Institutions by reference to Division 1 (commencing with Section 99), Division 1.5 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000) of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001) of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14 (commencing with Section 32001), and Part 17 (commencing with Section 37001) of Division 2 of the Revenue and Taxation Code.

(3) The amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(i) The disclosure to the Controller of the information required by Section 7853 of the Revenue and Taxation Code.

(j) The disclosure to the Employment Development Department of the amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(k) The disclosure by a construction lender, as defined in Section 3087 of the Civil Code, to the Registrar of Contractors, of information concerning the making of progress payments to a prime contractor requested by the registrar in connection with an investigation under Section 7108.5 of the Business and Professions Code.

(l) Upon receipt of a written request from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code, a financial institution shall disclose the following information concerning the account or the person named in the request, whom the

local child support agency shall identify, whenever possible, by social security number:

(1) If the request states the identifying number of an account at a financial institution, the name of each owner of the account.

(2) Each account maintained by the person at the branch to which the request is delivered, and, if the branch is able to make a computerized search, each account maintained by the person at any other branch of the financial institution located in this state.

(3) For each account disclosed pursuant to paragraphs (1) and (2), the account number, current balance, street address of the branch where the account is maintained, and, to the extent available through the branch's computerized search, the name and address of any other person listed as an owner.

(4) Whenever the request prohibits the disclosure, a financial institution shall not disclose either the request or its response, to an owner of the account or to any other person, except the officers and employees of the financial institution who are involved in responding to the request and to attorneys, employees of the local child support agencies, auditors, and regulatory authorities who have a need to know in order to perform their duties, and except as disclosure may be required by legal process.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information in response to a request pursuant to this subdivision, (B) failing to notify the owner of an account, or complying with a request under this paragraph not to disclose to the owner, the request or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the request pursuant to a computerized search of the records of the financial institution.

(6) The local child support agency may request information pursuant to this subdivision only when the local child support agency has received at least one of the following types of physical evidence:

(A) Any of the following, dated within the last three years:

(i) Form 599.

(ii) Form 1099.

(iii) A bank statement.

(iv) A check.

(v) A bank passbook.

(vi) A deposit slip.

(vii) A copy of a federal or state income tax return.

(viii) A debit or credit advice.

(ix) Correspondence that identifies the child support obligor by name, the bank, and the account number.

(x) Correspondence that identifies the child support obligor by name, the bank, and the banking services related to the account of the obligor.

(xi) An asset identification report from a federal agency.

(B) A sworn declaration of the custodial parent during the 12 months immediately preceding the request that the person named in the request has had or may have had an account at an office or branch of the financial institution to which the request is made.

(7) Information obtained by a local child support agency pursuant to this subdivision shall be used only for purposes that are directly connected with the administration of the duties of the local child support agency pursuant to Section 17400 of the Family Code.

(m) (1) As provided in paragraph (1) of subdivision (c) of Section 666 of Title 42 of the United States Code, upon receipt of an administrative subpoena on the current federally approved interstate child support enforcement form, as approved by the federal Office of Management and Budget, a financial institution shall provide the information or documents requested by the administrative subpoena.

(2) The administrative subpoena shall refer to the current federal Office of Management and Budget control number and be signed by a person who states that he or she is an authorized agent of a state or county agency responsible for implementing the child support enforcement program set forth in Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. A financial institution may rely on the statements made in the subpoena and has no duty to inquire into the truth of any statement in the subpoena.

(3) If the person who signs the administrative subpoena directs a financial institution in writing not to disclose either the subpoena or its response to any owner of an account covered by the subpoena, the financial institution shall not disclose the subpoena or its response to the owner.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information or providing documents in response to a subpoena pursuant to this subdivision, (B) failing to notify any owner of an account covered by the subpoena or complying with a request not to disclose to the owner, the subpoena or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the subpoena pursuant to a computerized search of the records of the financial institution.

(n) The dissemination of financial information and records pursuant to any of the following:

(1) Compliance by a financial institution with the requirements of Section 2892 of the Probate Code.

(2) Compliance by a financial institution with the requirements of Section 2893 of the Probate Code.

(3) An order by a judge upon a written ex parte application by a peace officer showing specific and articulable facts that there are reasonable grounds to believe that the records or information sought are relevant and material to an ongoing investigation of a felony violation of Section 186.10 or of any felony subject to the enhancement set forth in Section 186.11.

(A) The ex parte application shall specify with particularity the records to be produced, which shall be only those of the individual or individuals who are the subject of the criminal investigation.

(B) The ex parte application and any subsequent judicial order shall be open to the public as a judicial record unless ordered sealed by the court, for a period of 60 days. The sealing of these records may be extended for 60-day periods upon a showing to the court that it is necessary for the continuance of the investigation. Sixty-day extensions may continue for up to one year or until termination of the investigation of the individual or individuals, whichever is sooner.

(C) The records ordered to be produced shall be returned to the peace officer applicant or his or her designee within a reasonable time period after service of the order upon the financial institution.

(D) Nothing in this subdivision shall preclude the financial institution from notifying a customer of the receipt of the order for production of records unless a court orders the financial institution to withhold notification to the customer upon a finding that the notice would impede the investigation.

(E) Where a court has made an order pursuant to this paragraph to withhold notification to the customer under this paragraph, the peace officer or law enforcement agency who obtained the financial information shall notify the customer by delivering a copy of the ex parte order to the customer within 10 days of the termination of the investigation.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for any of the following:

(A) Disclosing information to a probate court pursuant to Sections 2892 and 2893.

(B) Disclosing information in response to a court order pursuant to paragraph (3).

(C) Complying with a court order under this subdivision not to disclose to the customer, the order, or the dissemination of information pursuant to the court order.

(o) Disclosure by a financial institution to a peace officer, as defined in Section 830.1 of the Penal Code, pursuant to the following:

(1) Paragraph (1) of subdivision (a) of Section 1748.95 of the Civil Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 1748.95 of the Civil Code.

(2) Paragraph (1) of subdivision (a) of Section 4002 of the Financial Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 4002 of the Financial Code.

(3) Paragraph (1) of subdivision (a) of Section 22470 of the Financial Code, provided that any financial institution that is a finance lender has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 22470 of the Financial Code.

(p) When the governing board of the Public Employees' Retirement System or the State Teachers' Retirement System certifies in writing to a financial institution that a benefit recipient has died and that transfers to the benefit recipient's account at the financial institution from the retirement system occurred after the benefit recipient's date of death, the financial institution shall furnish the retirement system the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of the benefit recipient's death, or if the account has been closed, the name and address of the person who closed the account.

(q) When the retirement board of a retirement system established under the County Employees Retirement Law of 1937 certifies in writing to a financial institution that a retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial institution from the retirement system occurred after the date of death of the retired member or beneficiary of a retired member, the financial institution shall furnish the retirement system the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of death of the retired member or beneficiary of a retired member, or if the account has been closed, the name and address of the person who closed the account.

(r) When the Franchise Tax Board certifies in writing to a financial institution that (1) a taxpayer filed a tax return that authorized a direct deposit refund with an incorrect financial institution account or routing number that resulted in all or a portion of the refund not being received, directly or indirectly, by the taxpayer; (2) the direct deposit refund was not returned to the Franchise Tax Board; and (3) the refund was deposited directly on a specified date into the account of an accountholder of the financial institution who was not entitled to receive the refund, then the financial institution shall furnish to the Franchise Tax Board the name

and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of direct deposit refund, or if the account has been closed, the name and address of the person who closed the account.

(s) This section shall become operative on January 1, 2013.

SEC. 3. Section 19368 of the Revenue and Taxation Code is amended to read:

19368. (a) If the Franchise Tax Board makes or allows a refund or credit that it determines to be erroneous, in whole or in part, the amount erroneously made or allowed may be assessed and collected after notice and demand pursuant to Section 19051 (pertaining to mathematical errors), except that the rights of protest and appeal shall apply with respect to amounts assessable as deficiencies without regard to the running of any period of limitations provided elsewhere in this part. Notice and demand for repayment must be made within two years after the refund or credit was made or allowed, or during the period within which the Franchise Tax Board may mail a notice of proposed deficiency assessment, whichever period expires the later. Abatement of interest on an amount due under this section is governed by subdivision (c) of Section 19104.

(b) (1) This section shall also apply to a misdirected refund. For purposes of this subdivision, a "misdirected refund" means a direct deposit refund that was deposited in the account of a person other than the taxpayer entitled to that refund. A misdirected refund does not include any refund caused by Franchise Tax Board error, which is an erroneous refund under subdivision (a).

(2) This subdivision shall only apply if the Franchise Tax Board determines that all of the following conditions have been satisfied:

(A) A taxpayer filed a tax return that designated one or more direct deposit refunds.

(B) The taxpayer, tax preparer, or electronic return originator entered an incorrect financial institution account or routing number that resulted in all or a portion of the refund not being received, directly or indirectly, by the taxpayer due the refund.

(C) The taxpayer did not receive the refund.

(D) The recipient of the misdirected refund was not entitled to the refund.

(3) Before any credit of the misdirected refund is allowed to the taxpayer, the taxpayer shall provide one or more of the following to the Franchise Tax Board, upon written request by the board:

(A) An affidavit from the taxpayer that the taxpayer notified the financial institution that the taxpayer, tax preparer, or electronic return originator entered an incorrect financial institution account or routing

number and that the state-issued refund was directly deposited into an account not owned, directly or indirectly, by the taxpayer entitled to the refund.

(B) An affidavit from the taxpayer indicating that neither the taxpayer nor the taxpayer's representative has custody or control, directly or indirectly, over the account at the financial institution that received the direct deposit refund.

(C) An affidavit from the taxpayer indicating that neither the taxpayer nor the taxpayer's representative has received reimbursement of the refund moneys from any source.

(4) The Franchise Tax Board shall mail notice and demand for repayment as prescribed in subdivision (a) to the recipient of the misdirected refund at the last known address.

(5) Effective on the date the notice and demand for repayment to the recipient is mailed to the recipient, the taxpayer's account shall be credited with the amount of the misdirected refund.

(6) This subdivision shall apply to any misdirected refund deposited on or after January 1, 2009.

SEC. 4. Section 19411 of the Revenue and Taxation Code is amended to read:

19411. (a) The Franchise Tax Board may recover any refund or credit or any portion thereof that is erroneously made or allowed to the taxpayer or any third party, including where the taxpayer or a related party caused, in any way, that erroneous refund, together with interest at the adjusted annual rate established pursuant to Section 19521, in an action brought in a court of competent jurisdiction in the County of Sacramento in the name of the people of the State of California within whichever of the following periods expires the later:

(1) Two years after the refund or credit was made.

(2) During the period within which the Franchise Tax Board may mail a notice of proposed deficiency assessment.

(b) Abatement of interest under this section is governed by subdivision (c) of Section 19104.

SEC. 5. It is the intent of the Legislature that the procedures identified in Section 7480 of the Government Code, as adopted at the 2007-08 Regular Session, that provide an exception to the California Right to Financial Privacy Act (Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code) for purposes of the Franchise Tax Board to obtain the name and address of a recipient of a misdirected refund from a financial institution be exercised by the

Franchise Tax Board only after all other avenues to recover the misdirected refund have been exhausted.

CHAPTER 235

An act to amend Section 69437.6 of, and to repeal Section 81676.5 of, the Education Code, relating to postsecondary education.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 69437.6 of the Education Code is amended to read:

69437.6. (a) An applicant competing for an award under this article shall meet all the requirements of Article 1 (commencing with Section 69430).

(b) To compete for a competitive Cal Grant A award, an applicant shall, at a minimum, meet all of the requirements of Article 2 (commencing with Section 69434), with the exception of paragraphs (1) and (8) of subdivision (b) of Section 69434. However, in lieu of meeting the grade point average requirement set forth in paragraph (3) of subdivision (b) of Section 69434, an applicant may submit a community college or college grade point average of at least 2.4 on a 4.0 scale.

(c) To compete for a competitive Cal Grant B award, an applicant shall, at a minimum, meet all of the requirements of Article 3 (commencing with Section 69435), with the exception of paragraphs (1) and (8) of subdivision (a) of Section 69435.3. However, in lieu of meeting the grade point average requirements of paragraph (3) of subdivision (a) of Section 69435.3, a student may do either of the following:

(1) Demonstrate attainment of a community college or college grade point average of at least 2.0 on a 4.0 scale.

(2) Reestablish his or her grade point average by completing at least 16 cumulative units of credit for academic coursework at an accredited California community college, as defined by the commission, by regulation, with at least a 2.0 community college grade point average.

(d) To compete for a competitive California Community College Transfer Cal Grant Award, an applicant shall, at a minimum, meet the requirements of Article 4 (commencing with Section 69436), with the exception of paragraphs (8) and (9) of subdivision (b) of Section 69436.

(e) All other competitors shall, at a minimum, comply with all of the requirements of subdivision (b) of Section 69432.9.

(f) An individual selected for a Cal Grant A award who enrolls in a California community college may elect to have the award held in reserve for him or her for a period not to exceed two academic years, except that the commission may extend the period in which his or her award may be held in reserve for up to three academic years if, in the commission's judgment, the rate of academic progress has been as rapid as could be expected for the personal and financial conditions that the student has encountered. The commission shall, in this case, hold the award in reserve for the additional year. Upon receipt of a request to transfer the award to a tuition or fee charging qualifying institution, the individual shall be eligible to receive the Cal Grant A award previously held in reserve if, at the time of the request, he or she meets all of the requirements of this article. Upon receipt of the request, the commission shall reassess the financial need of the award recipient. The commission may prescribe the forms and procedures to be utilized for the purposes of this section. A recipient's years of eligibility for payment of benefits shall be based upon his or her grade level at the time the award is transferred to the tuition or fee charging qualifying institution. Any award so held in reserve shall only be counted once toward the 22,500 awards authorized by this article.

SEC. 2. The Legislature hereby finds and declares all of the following:

(a) Section 81676.5, by its own terms, was to be repealed one year from the date that it became effective, or when the California Supreme Court decision in *1st Street Books v. Marin Community College District* (1989) 208 Cal.App.3d 1275 was issued, whichever occurred last.

(b) Despite the sunset provision in Section 81676.5, it was never repealed.

(c) On August 1, 1996, in *SEIU Local 715 v. Board of Trustees of the West Valley Mission Community College District* (1996) 47 Cal.App.4th 1661, 1667-1670, the California Court of Appeal declared that Section 81676.5, by its own terms, had been repealed.

(d) This bill is therefore declaratory of existing statutory and case law.

SEC. 3. Section 81676.5 of the Education Code is repealed.

SEC. 4. The repeal of Section 81676.5 of the Education Code made by this act does not constitute a change in, but is declaratory of, existing law.

CHAPTER 236

An act to amend Sections 35783, 35783.1, 36991, 36992, 62521, 62583, and 62584 of, and to repeal Sections 36993 and 36994 of, the Food and Agricultural Code, relating to milk, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 35783 of the Food and Agricultural Code is amended to read:

35783. Market milk shall be cooled as indicated by a recording thermometer to 50 degrees Fahrenheit (10 degrees Celsius) or less within four hours of the commencement of the first milking and to 45 degrees Fahrenheit (7 degrees Celsius) or less within two hours of the completion of milking. The blend temperature after the first milking and subsequent milkings, or milk in transit on bulk milk tankers, shall not exceed 50 degrees Fahrenheit (10 degrees Celsius). The secretary may promulgate regulations to provide for temporary deviations from the requirements of this section that may occur as a result of emergencies arising from equipment failure, or as a result of other unusual circumstances; provided, however, that the quality and safety of the product are not adversely affected.

SEC. 2. Section 35783.1 of the Food and Agricultural Code is amended to read:

35783.1. A recording thermometer shall be installed in each dairy farm milk storage tank used to cool or store market milk during the milking process. If a farm pickup tanker is used in lieu of a dairy farm tank, then the recording thermometer shall be installed in the pipeline following an effective cooling device that cools the milk to 45 degrees Fahrenheit (7 degrees Celsius) or less. Nothing in this section shall be construed as meaning that a recording thermometer must be attached when milk tankers are moved over the road. The director shall issue regulations providing standards for such thermometer including installation and operation.

SEC. 3. Section 36991 of the Food and Agricultural Code is amended to read:

36991. Frozen yogurt is a frozen dairy product. It shall be made from milk, with or without added milk solids, flavoring, or seasoning, which has been pasteurized and afterwards fermented by one or more strains

of *Lactobacillus bulgaricus*, including yogurt strains, *Streptococcus thermophilus* and *Lactobacillus acidophilus*. It shall not be pasteurized following fermentation. It shall contain not more than 10 coliform bacteria per gram, contain not more than 10 colonies per gram each of molds, yeasts, and other fungi, and be free of any other objectionable bacteria that may impair the quality of the product.

SEC. 4. Section 36992 of the Food and Agricultural Code is amended to read:

36992. Frozen yogurt shall contain not less than 3.5 percent milkfat.

SEC. 5. Section 36993 of the Food and Agricultural Code is repealed.

SEC. 6. Section 36994 of the Food and Agricultural Code is repealed.

SEC. 7. Section 62521 of the Food and Agricultural Code is amended to read:

62521. For purposes of this chapter, the following terms mean:

(a) (1) "Acceptable security" means a surety bond from an admitted insurer, deposits of government securities, a letter of credit, or other form of performance guarantee acceptable to the secretary and meeting the requirements as acceptable security pursuant to law. Any instrument used as acceptable security shall contain provisions the secretary may prescribe, shall have an effective life of no less than two years, shall name the secretary as the beneficiary of the instrument, shall be clean and irrevocable if the security is a letter of credit, shall provide that the secretary may draw upon it up to the total amount in the event of the handler's payment default, and, except as otherwise provided in paragraph (3), shall be verified to the secretary as being in effect and complying with the provisions of this chapter at the end of every six-month interval following the date on which a handler originally posts the instrument. Except as provided in paragraphs (2) and (3), acceptable securities provided to the secretary shall not be released by the secretary unless the handler's average monthly purchases, as determined annually by the secretary, fall below thirty million dollars (\$30,000,000), or the fund cash, whichever is higher. Any interest accrued by the instrument shall be the property, and for the benefit, of the handler posting the instrument.

(2) Subject to the provisions of this chapter, a handler who has posted an acceptable security shall have the right to replace that instrument with a new acceptable security meeting the requirements of this chapter at the end of every six-month interval following the date on which the handler originally posted the instrument. The secretary shall release the issuer of any acceptable security from all past, present, or future obligations secured by the acceptable security upon the secretary's acceptance of replacement security meeting the requirements of this chapter and the secretary shall then provide written confirmation to the

issuer of the original acceptable security that an acceptable replacement security had been provided.

(3) Upon receipt of an affidavit confirming that the amount paid under an acceptable security posted pursuant to this chapter was equal to the total amount of that instrument, the secretary shall release the issuer of that acceptable security from all past, present, and future liability. Upon receipt of an affidavit confirming any other amount paid by an issuer under an acceptable security posted pursuant to this chapter, the secretary shall release the issuer of that security to the extent of the issuer's payment.

(b) "Board" means the Milk Producers Security Trust Fund Board.

(c) "Covered milk" means milk that would, in the event of a default in payment by the purchasing handler, qualify for coverage under Article 5 (commencing with Section 62580) of Chapter 2.5 of Part 3.

(d) "Fund" means the Milk Producers Security Trust Fund created pursuant to Section 62506.

(e) "Fund cash" means the combined value of the security charges collected pursuant to Section 62561 and any increments received pursuant to Section 62573.

(f) (1) Except as provided in paragraph (2), "fund surplus" means the portion of fund cash at any particular time that consists of increments received by the fund pursuant to Section 62573.

(2) If payment of producer claims pursuant to Article 7 (commencing with Section 62620) reduces the fund cash to thirty million dollars (\$30,000,000), "fund surplus" shall thereafter mean the amount by which the fund cash exceeds thirty million dollars (\$30,000,000).

(g) "Handler" means any person who as owner, agent, broker, or intermediary, either directly or indirectly, receives, purchases, or otherwise acquires ownership, possession, or control of milk in unprocessed or bulk form from a producer or a producer-handler for the purpose of manufacturing, processing, selling, or other handling. It includes cooperative associations that, either directly or indirectly, receive, purchase, or otherwise acquire ownership, possession, or control of milk from other handlers or producers who are nonmembers of the cooperative.

(h) "Milk" means bulk whole milk, bulk reduced-fat milk, bulk lowfat milk, bulk skim milk, bulk condensed skim, and bulk cream, and any other combination of these products which have not had nondairy ingredients added. It does not include milk which has been packaged in bottles, cartons, dispenser cans, or other consumer packages.

(i) "Producer" means any person that produces milk from five or more cows whose bulk milk is received, acquired, or handled by a handler. It includes the nonprofit cooperative associations described in Article 3

(commencing with Section 61871) of Chapter 2 in the sale of milk of its member producers to other handlers.

SEC. 8. Section 62583 of the Food and Agricultural Code is amended to read:

62583. If, on the date of the notice issued pursuant to Section 62582, a producer has a contract with the handler which is on file with the secretary, and that producer has received payment from a handler whose milk purchases have been declared ineligible, shipments by that producer which occur more than five days from the date of the notice of ineligibility issued by the secretary will not be considered in determining any claim the producer may make against the fund, unless the secretary reestablishes eligibility for future shipments to be covered by the fund.

SEC. 9. Section 62584 of the Food and Agricultural Code is amended to read:

62584. If, on the date of the notice issued pursuant to Section 62582, a producer does not have a contract with the handler which is on file with the secretary, shipments by that producer which occur more than five days from the date of the notice of ineligibility issued by the secretary will not be considered in determining any claim the producer may make against the fund, unless the secretary reestablishes eligibility for future shipments to be covered by the fund.

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.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify milk temperature requirements consistent with federal law, prevent wasteful expenditures by dairy processors in the processing of milk, clarify coverage terms of the Milk Producers Security Trust Fund, and be consistent with federal law with regards to frozen dairy products, it is necessary that this act take effect immediately.

CHAPTER 237

An act to amend Section 24011 of the Government Code, and to amend Sections 15680 and 15688 of, to add Sections 1456.2 and 7605 to, and to repeal and add Section 15660.5 of, the Probate Code, relating to public administrators and conservators.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 24011 of the Government Code is amended to read:

24011. Notwithstanding the provisions of Section 24009:

(a) The Boards of Supervisors of Glenn County, Lake County, Lassen County, Madera County, Mendocino County, Monterey County, Napa County, Solano County, Sonoma County, Trinity County, Tuolumne County, and Ventura County may, by ordinance, provide that the public administrator shall be appointed by the board.

(b) The Boards of Supervisors of Lake County, Madera County, Mendocino County, Napa County, Trinity County, and Tuolumne County may appoint the same person to the offices of public administrator, veteran service officer, and public guardian. The Boards of Supervisors of Glenn County, Kings County, Lassen County, Monterey County, Solano County, Sonoma County, and Ventura County, may, by ordinance, appoint the same person to the offices of public administrator and public guardian.

(c) The Boards of Supervisors of Glenn County, Lake County, Lassen County, Madera County, Mendocino County, Napa County, Trinity County, and Tuolumne County may separate the consolidated offices of district attorney and public administrator at any time in order to make the appointments permitted by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of district attorney.

(d) The Board of Supervisors of Ventura County may separate the consolidated office of public administrator from the office of treasurer, in order to make the appointment authorized by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of treasurer.

SEC. 2. Section 1456.2 is added to the Probate Code, to read:

1456.2. On or before January 1, 2010, the public conservator shall comply with the continuing education requirements that are established by the California State Association of Public Administrators, Public Guardians, and Public Conservators.

SEC. 3. Section 7605 is added to the Probate Code, to read:

7605. On or before January 1, 2010, the public administrator shall comply with the continuing education requirements that are established by the California State Association of Public Administrators, Public Guardians, and Public Conservators.

SEC. 4. Section 15660.5 of the Probate Code is repealed.

SEC. 5. Section 15660.5 is added to the Probate Code, to read:

15660.5. (a) The court may appoint as trustee of a trust the public guardian or public administrator of the county in which the matter is pending subject to the following requirements:

(1) Neither the public guardian nor the public administrator shall be appointed as trustee unless the court finds, after reasonable inquiry, that no other qualified person is willing to act as trustee or the public guardian, public administrator, or his or her representative consents.

(2) The public administrator shall not be appointed as trustee unless either of the following is true:

(A) At the time of the appointment and pursuant to the terms of the trust, the entire trust is then to be distributed outright. For purposes of this paragraph, a trust that is "then to be distributed outright" does not include a trust pursuant to which payments to, or on behalf of, a beneficiary or beneficiaries are to be made from the trust on an ongoing basis for more than six months after the date of distribution.

(B) The public administrator consents.

(3) Neither the public guardian nor the public administrator shall be appointed as a cotrustee unless the public guardian, public administrator, or his or her representative consents.

(4) Neither the public guardian nor the public administrator shall be appointed as general trustee without a hearing and notice to the public guardian or public administrator, or his or her representative, and other interested persons as provided in Section 17203.

(5) Neither the public guardian nor the public administrator shall be appointed as temporary trustee without receiving notice of hearing as provided in Section 1220. The court shall not waive this notice of hearing, but may shorten the time for notice upon a finding of good cause.

(b) (1) If the public guardian or the public administrator consents to the appointment as trustee under this section, he or she shall submit a written certification of the consent to the court no later than two court days after the noticed hearing date described in paragraph (4) or (5) of

subdivision (a). The public administrator shall not be appointed as trustee under subparagraph (A) of paragraph (2) of subdivision (a) if, after receiving notice as required by this section, the public administrator files a written certification with the court that the public administrator is unable to provide the level of services needed to properly fulfill the obligations of a trustee of the trust.

(2) If the public administrator has been appointed as trustee without notice as required in paragraph (4) or (5) of subdivision (a), and the public administrator files a written certification with the court that he or she is unable to provide the level of services needed to properly fulfill the obligations of a trustee of the trust, this shall be good cause for the public administrator to be relieved as trustee.

(c) The order of appointment shall provide for an annual bond fee as described in Section 15688.

SEC. 6. Section 15680 of the Probate Code is amended to read:

15680. (a) Subject to subdivision (b), and except as provided in Section 15688, if the trust instrument provides for the trustee's compensation, the trustee is entitled to be compensated in accordance with the trust instrument.

(b) Upon proper showing, the court may fix or allow greater or lesser compensation than could be allowed under the terms of the trust in any of the following circumstances:

(1) Where the duties of the trustee are substantially different from those contemplated when the trust was created.

(2) Where the compensation in accordance with the terms of the trust would be inequitable or unreasonably low or high.

(3) In extraordinary circumstances calling for equitable relief.

(c) An order fixing or allowing greater or lesser compensation under subdivision (b) applies only prospectively to actions taken in administration of the trust after the order is made.

SEC. 7. Section 15688 of the Probate Code is amended to read:

15688. Notwithstanding any other provision of this article and the terms of the trust, a public guardian or public administrator who is appointed as a trustee of a trust pursuant to Section 15660.5 shall be paid from the trust property for all of the following:

(a) Reasonable expenses incurred in the administration of the trust.

(b) Compensation for services of the public guardian or public administrator and the attorney of the public guardian or public administrator, as follows:

(1) If the public guardian or public administrator is appointed as trustee of a trust that provides for the outright distribution of the entire trust estate, compensation for the public guardian or public administrator, and any attorney for the public guardian or public administrator, shall

be calculated as that provided to a personal representative and attorney pursuant to Part 7 (commencing with Section 10800) of Division 7, based on the fair market value of the assets as of the date of the appointment, provided that the minimum amount of compensation for the public guardian or the public administrator shall be one thousand dollars (\$1,000). Additionally, the minimum amount of compensation for the attorney for the public guardian or the public administrator, if any, shall be one thousand dollars (\$1,000).

(2) For a trust other than that described in paragraph (1), the public guardian or public administrator shall be compensated as provided in Section 15680. Compensation shall be consistent with compensation allowed for professional fiduciaries or corporate fiduciaries providing comparable services.

(3) Except as provided in paragraph (1), reasonable compensation for the attorney for the public guardian or public administrator.

(c) An annual bond fee in the amount of twenty-five dollars (\$25) plus one-fourth of 1 percent of the amount of the trust assets greater than ten thousand dollars (\$10,000). The amount charged shall be deposited in the county treasury.

SEC. 8. Due to the unique circumstances of Ventura County, with respect to the reorganization of their county offices, the Legislature hereby finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution. Therefore, the special legislation contained in Section 1 of this act is necessarily applicable only to Ventura County.

SEC. 9. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

CHAPTER 238

An act to amend Sections 106976, 107155, and 114980 of, and to add Article 5.5 (commencing with Section 107115) to Chapter 4 of Part 1 of Division 104 of, the Health and Safety Code, relating to radiologic technology.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 106976 of the Health and Safety Code is amended to read:

106976. (a) Notwithstanding any other provision of the Radiologic Technology Act (Section 27), a person who is currently certified as meeting the standards of competence in nuclear medicine technology pursuant to Article 6 (commencing with Section 107150) may perform a computerized tomography scan only on a dual mode machine on which both a nuclear medicine procedure, including a positron emission tomography scan, and a computerized tomography scan may be performed if both of the following conditions are met:

(1) The person holds a current, valid certificate in computerized tomography issued by the American Registry of Radiologic Technologists, or a similarly recognized organization, has registered with the department pursuant to Article 5.5 (commencing with Section 107115) as participating in on-the-job training to meet the clinical competencies required by the American Registry of Radiologic Technologists, or a similarly recognized organization, and is under the direct supervision of a person who holds a current, valid certificate in diagnostic radiology technology, or is a student described in subdivision (b) of Section 106975.

(2) The person is under the supervision of a person who is an authorized user identified on a specific license authorizing medical use of radioactive materials pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9).

(b) A violation of this section is a misdemeanor pursuant to Section 107170 and a violator is subject to discipline pursuant to Section 107165.

SEC. 2. Article 5.5 (commencing with Section 107115) is added to Chapter 4 of Part 1 of Division 104 of the Health and Safety Code, to read:

Article 5.5. Radiologic and Nuclear Technology On-the-job Training

107115. (a) A person seeking to participate in on-the-job training for purposes of paragraph (1) of subdivision (a) of Section 106976, or clause (i) of subparagraph (A) of subdivision (d) of Section 107155, shall, prior to his or her participation, do both of the following:

(1) Register with the department by submitting an application in accordance with subdivision (b).

(2) Obtain a receipt of acknowledgment, as described in subdivision (c).

(b) The application shall contain all of the following information:

(1) The applicant's legal name, mailing address, and telephone number.

(2) A statement identifying whether the on-the-job training will be performed to meet the requirements of the American Registry of Radiologic Technologists pursuant to paragraph (1) of subdivision (a) of Section 106976, or to meet the requirements of the Nuclear Medicine Technology Certification Board pursuant to clause (i) of subparagraph (A) of paragraph (4) of subdivision (d) of Section 107155.

(3) For those applicants seeking to meet the requirements of paragraph (1) of subdivision (a) of Section 106976, the certificate number as shown on the applicant's Nuclear Medicine Technology Certificate (NMTC) issued by the department pursuant to Article 6 (commencing with Section 107150).

(4) For those applicants seeking to meet the requirements of clause (i) of subparagraph (A) of paragraph (4) of subdivision (d) of Section 107155, the certificate number as shown on the applicant's Radiologic Technology Certificate (RTC) issued by the department pursuant to Article 5 (commencing with Section 106955).

(5) A letter from each facility where the applicant will perform the activities described in Section 106976 or Section 107155, as applicable. The letter shall be on facility letterhead that identifies the facility and its mailing and physical addresses, and shall include all of the following information:

(A) The license number as shown on the facility's specific license issued pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9).

(B) Identification of the applicant within the letter and a statement that the individual is approved to perform activities in the facility to meet the clinical competencies required by the organizations identified in Section 106976 or Section 107155, as applicable.

(C) The name, signature, and date of signature of the person providing supervision pursuant to paragraph (2) of subdivision (a) of Section 106976 or clause (ii) of subparagraph (A) of paragraph (4) of subdivision (d) of Section 107155.

(6) The signature of the applicant.

(7) (A) A fee that is equal to the fee established pursuant to Section 107080 to obtain a RTC, provided that the amount of the fee shall not exceed the reasonable cost of administering this section.

(B) All moneys collected pursuant to subparagraph (A) shall be deposited in the Radiation Control Fund established pursuant to Section 114980, and used for the purpose described in that section.

(c) (1) Upon receipt of the information and the fee described in subdivision (a), the individual shall be deemed registered, and the

department shall issue to the individual an acknowledgment of registration.

(2) The registration shall be valid for a period of 24 consecutive months and is not renewable, except as provided in paragraph (3).

(3) (A) If the individual fails to obtain a valid computerized tomography certificate issued by the American Registry of Radiologic Technologists or positron emission tomography certificate issued by the Nuclear Medicine Technology Certification Board, as applicable, within the validity period of the registration, the individual may reapply for a one-time six-month extension by resubmitting the application described in subdivision (b). If the individual fails to obtain the appropriate certificate during the extended six-month period, the individual shall immediately cease activities.

(B) The department may reauthorize the individual to resume activities upon the department's approval of an action plan submitted by the individual. The action plan shall detail the reasons why the certificate was not obtained, how much of the required competencies have been completed, and what actions will be taken to complete the particular competencies and obtain the certificate. Reauthorization shall not exceed six months.

(d) A violation of this section is a misdemeanor pursuant to Sections 107075 or 107170, as applicable, and a violator is subject to discipline pursuant to Sections 107065, 107070, or 107165, as applicable.

SEC. 3. Section 107155 of the Health and Safety Code is amended to read:

107155. (a) Any person not currently licensed as a physician and surgeon pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, or as a clinical laboratory technologist, bioanalyst, or clinical chemist pursuant to Chapter 3 (commencing with Section 1200) of Division 2 of the Business and Professions Code, who performs nuclear medicine technology shall be subject to the standards of competence established by the department pursuant to this article.

(b) Nothing in this article shall be construed to limit the existing authority of, or scope of practice of, a physician and surgeon, clinical laboratory technologist, bioanalyst, or clinical chemist granted pursuant to their licenses, or to further require persons to establish competence to perform in vitro tests.

(c) In vitro procedures using radioactive materials shall be performed in a licensed clinical laboratory.

(d) This article shall not apply to any of the following persons:

(1) Any person employed by an agency of the United States government, while performing the duties of the employment.

(2) A licensed clinical laboratory technologist who administers a radioactive marker test substance to a human subject to perform a measurement on a sample containing the radioactive marker test substance that has been removed from the subject.

(3) A registered pharmacist who handles radioactive drugs in accordance with the California State Board of Pharmacy regulations contained in the most recent version of Sections 1708.3 to 1708.8, inclusive, of Article 2 of Chapter 17 of Title 16 of the California Code of Regulations.

(4) (A) A person who holds a current, valid certificate in diagnostic radiologic technology pursuant to subdivision (b) of Section 114870 may perform a positron emission tomography scan only on a dual mode machine on which both a positron emission tomography scan and a computerized tomography scan may be performed if both of the following conditions are met:

(i) The person holds a current, valid certificate in positron emission tomography issued by the Nuclear Medicine Technology Certification Board, or a similarly recognized organization, has registered with the department pursuant to Section 106977 as participating in on-the-job training to meet clinical competencies required by the Nuclear Medicine Technology Certification Board, or a similarly recognized organization, and is under the direct supervision of a person who currently meets the standards of competence for the performance of nuclear medicine technology, or complies with the regulations issued by the department governing students of nuclear medicine technology in order to obtain a current, valid certificate in positron emission tomography issued by the Nuclear Medicine Technology Certification Board.

(ii) The person is under the supervision of a person who is an authorized user identified on a specific license authorizing medical use of radioactive materials pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9).

(B) A violation of this paragraph is a misdemeanor pursuant to Section 107075 and a violator is subject to discipline pursuant to Sections 107065 and 107070.

SEC. 4. Section 114980 of the Health and Safety Code is amended to read:

114980. The Radiation Control Fund is hereby created as a special fund in the State Treasury. All moneys, including fees, penalties, interest earned, and fines collected under Sections 107100, 107160, 115045, 115065, and 115080, Article 5.5 (commencing with Section 107115) of Chapter 4 of Part 1, and the regulations adopted pursuant to those sections, shall be deposited in the Radiation Control Fund to cover the costs related to the enforcement of this chapter, including, but not limited

to, implementation of Section 115000, Article 6 (commencing with Section 107150) of Chapter 4 of Part 1, and the Radiologic Technology Act (Section 27), and Article 5.5 (commencing with Section 107115) of Chapter 4 of Part 1, and shall be available for expenditure by the department only upon appropriation by the Legislature. In addition to any moneys collected by, or on behalf of, the department for deposit in the Radiation Control Fund, all interest earned by the Radiation Control Fund shall be deposited in the Radiation Control Fund.

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.

CHAPTER 239

An act to add Section 99237.6 to the Education Code, relating to teachers.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 99237.6 is added to the Education Code, to read:

99237.6. (a) As an option for fulfilling up to 50 percent of the 80 hours of followup training required pursuant to Section 99237, eligible elementary and secondary teachers may participate in 40 hours of instruction in areas including, but not limited to, all of the following:

- (1) Data analysis.
- (2) Alignment of assessment and instruction.
- (3) Implication of data analysis and its effect on increasing pupil achievement.
- (4) Impact on pupil success through diagnostic teaching.
- (5) Differentiating instruction through pacing and complexity.
- (6) Grouping as an aid to instruction.
- (7) Statewide and local data management systems.

(b) In order to be eligible to participate in the training described pursuant to this section, a teacher shall have completed 40 hours of professional development training pursuant to Section 99237.

(c) If a local educational agency chooses to offer the option provided for in subdivision (a), the local educational agency shall contract with a training provider that is approved by the state board and whose training curriculum meets the criteria established by the state board and is based on the areas listed in paragraphs (1) to (7), inclusive, of subdivision (a).

(d) The Superintendent may appoint an advisory committee to ensure the quality and effectiveness of the training provided pursuant to this section. If an advisory committee is established, the majority of the committee shall be made up of professionals with expertise in data analysis, the implications regarding management of universal access, providing instruction to pupils while teaching the academic content standards and English language development standards, and experience in using data analysis to increase pupil academic achievement.

CHAPTER 240

An act relating to energy.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The Department of Water Resources concluded in the most recent California Water Plan that the largest single new supply available for meeting the state's growing demand for water over the next 25 years is water use efficiency.

(b) In the report titled "California's Water-Energy Relationship" prepared by the State Energy Resources Conservation and Development Commission (Energy Commission) as part of its 2005 Integrated Energy Policy Report proceeding, the Energy Commission concluded that water-related energy use consumes 19 percent of the state's electricity, 30 percent of the state's natural gas, and 88 billion gallons of diesel fuel each year.

(c) It may be possible to obtain significant energy savings by reducing the use of water and developing and treating water more effectively.

(d) If the Public Utilities Commission finds that water efficiency improvement programs can achieve cost-effective energy efficiency

savings, electrical corporations and gas corporations should consider potential energy savings that could be achieved through water efficiency improvements and, where cost effective, incorporate those programs into their energy efficiency programs.

(e) Because water may be transported from or through one electrical utility's service territory and used in the service territory of a different electrical utility, an electrical utility should be authorized to partner in water efficiency programs outside their service territory if the Public Utilities Commission or the local publicly owned electric utility's governing board finds that by partnering the utilities would optimize energy efficiency programs and result in energy savings within their service territory.

(f) In Decision 07-12-050 the Public Utilities Commission approved pilot programs for the state's largest electrical and gas corporations through which they will develop partnerships with water agencies to undertake specific water conservation programs and will measure the results and fund studies necessary to understand more accurately the relationship between water savings and the reduction of energy use and the extent to which those reductions would vary for different water agencies.

(g) Pursuant to Decision 07-12-050, the electrical and gas corporations are to design their programs beginning January 1, 2008, and are to implement the programs for one year, beginning July 1, 2008, or by an earlier date if the Energy Division of the Public Utilities Commission is able to obtain certain consultants.

SEC. 2. The Public Utilities Commission shall by March 31, 2010, report to the Legislature on the results of the pilot programs approved in Decision 07-12-050. The commission shall provide conclusions drawn from the pilot programs and make recommendations as to whether the electrical and gas corporations would or could achieve cost-effective energy efficiency improvements through water conservation programs.

CHAPTER 241

An act to add Section 1463.27 to the Penal Code, relating to domestic violence.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. It is the intent of the Legislature that the county programs created or funded pursuant to this act serve individuals in urban, rural, and suburban areas of California.

SEC. 2. Section 1463.27 is added to the Penal Code, to read:

1463.27. (a) Notwithstanding any other provision of law, in addition to any other fine or penalty assessment, the board of supervisors of a county may, by resolution, authorize a fee of not more than two hundred fifty dollars (\$250) upon every fine, penalty, or forfeiture imposed and collected by the courts for a crime of domestic violence specified in paragraph (1) of subdivision (e) of Section 243 and in Section 273.5. Notwithstanding Section 1463 or 1464, money collected pursuant to this section shall be used to fund domestic violence prevention programs that focus on assisting immigrants, refugees, or persons who live in a rural community. Counties with existing domestic violence prevention programs that assist those persons may direct funds to those programs.

(b) The court shall determine if the defendant has the ability to pay the fee imposed under this section. In making that determination, the court shall take into account the total amount of fines and restitution that the defendant is subject to, and may waive payment of this additional fee.

(c) The court shall deposit the moneys collected pursuant to this section in a fund designated by the board of supervisors, to be used as specified in subdivision (a).

CHAPTER 242

An act to amend Section 2233 of the Business and Professions Code, relating to medicine.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 2233 of the Business and Professions Code is amended to read:

2233. The board may, by stipulation or settlement with the affected physician and surgeon, issue a public letter of reprimand after it has conducted an investigation or inspection as provided in this article, rather than filing or prosecuting a formal accusation. The public letter of

reprimand may, at the discretion of the board, include a requirement for specified training or education. The affected physician and surgeon shall indicate agreement or nonagreement in writing within 30 days of formal notification by the board of its intention to issue the letter. The board, at its option, may extend the response time. Use of a public reprimand shall be limited to minor violations and shall be issued under guidelines established by regulations of the board. A public letter of reprimand issued pursuant to this section may be disclosed to an inquiring member of the public.

CHAPTER 243

An act to amend Section 395.06 of the Military and Veterans Code, relating to military and veterans.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 395.06 of the Military and Veterans Code is amended to read:

395.06. (a) Every officer and enlisted member of the California National Guard who, in order to undertake active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143, or a proclamation of a state of extreme emergency or when the California National Guard is on active duty pursuant to Section 146, or a service member called to active service or duty under Chapter 7.5 (commencing with Section 400), has left a position, other than a temporary position, in private employment, receives a certificate of satisfactory service in the California National Guard or an equivalent thereof, is still qualified to perform the duties of that position, and makes application within 40 days after release from service shall be considered as on leave of absence during that period and shall be restored by the former employer to the former position or to a position of similar seniority, status, and pay without loss of retirement or other benefits, unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so, and shall not be discharged from the position without cause within one year after being restored to the position.

(b) Every officer and enlisted member who has left a part-time position in private employment for purposes of service pursuant to subdivision

(a), receives a certificate of satisfactory service in the California National Guard or an equivalent thereof, is still qualified to perform the duties of that position, and makes application within five days after release from service shall be considered as on leave of absence during that period and shall be restored by the former employer to the former position, or to a position of similar seniority, status, and pay, if any exists, and shall not be discharged from the position without cause within one year after being restored to the position.

(c) If any employer fails or refuses to comply with this section, the superior court of the county in which the employer maintains a place of business may, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of this section, specifically require the employer to comply with this section and compensate the person for any loss of wages or benefits suffered by reason of the employer's unlawful action. The court shall order a speedy hearing and shall advance it on the calendar. Upon application to the district attorney of the county in which the employer maintains a place of business by any person claiming to be entitled to the benefits of this section, the district attorney, if reasonably satisfied that the person is entitled to these benefits, shall appear and act as attorney for the person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof to specifically require the employer to comply with this section. No fees or court costs are required to be paid by the person applying for these benefits.

(d) Upon application to the city prosecutor of the city in which the employer maintains a place of business by any person claiming to be entitled to the benefits of this section, the city prosecutor, if reasonably satisfied that the person is entitled to these benefits, may appear and act as attorney for the person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof to specifically require the employer to comply with this section. No fees or court costs are required to be paid by the person applying for these benefits.

CHAPTER 244

An act to amend Section 26909 of the Government Code, relating to local government.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 26909 of the Government Code is amended to read:

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, the provisions of this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional

standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

CHAPTER 245

An act to add Section 56321.6 to the Education Code, relating to special education.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 56321.6 is added to the Education Code, to read:

56321.6. The copy of the notice of parent rights shall include information regarding the state special schools for pupils who are deaf, hard of hearing, blind, visually impaired, or deaf-blind.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

CHAPTER 246

An act to amend Section 66007 of the Government Code, relating to land use.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 66007 of the Government Code is amended to read:

66007. (a) Except as otherwise provided in subdivisions (b) and (g), any local agency that imposes any fees or charges on a residential development for the construction of public improvements or facilities shall not require the payment of those fees or charges, notwithstanding any other provision of law, until the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first. However, utility service fees may be collected at the time an application for utility service is received. If the residential development contains more than one dwelling, the local agency may determine whether the fees or charges shall be paid on a pro rata basis for each dwelling when it receives its final inspection or certificate of occupancy, whichever occurs first; on a pro rata basis when a certain percentage of the dwellings have received their final inspection or certificate of occupancy, whichever occurs first; or on a lump-sum basis when the first dwelling in the development receives its final inspection or certificate of occupancy, whichever occurs first.

(b) (1) Notwithstanding subdivision (a), the local agency may require the payment of those fees or charges at an earlier time if (A) the local agency determines that the fees or charges will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy or (B) the fees or charges are to reimburse the local agency for expenditures previously made. "Appropriated," as used in this subdivision, means authorization by the governing body of the local agency for which the fee is collected to make expenditures and incur obligations for specific purposes.

(2) (A) Paragraph (1) does not apply to units reserved for occupancy by lower income households included in a residential development proposed by a nonprofit housing developer in which at least 49 percent of the total units are reserved for occupancy by lower income households,

as defined in Section 50079.5 of the Health and Safety Code, at an affordable rent, as defined in Section 50053 of the Health and Safety Code. In addition to the contract that may be required under subdivision (c), a city, county, or city and county may require the posting of a performance bond or a letter of credit from a federally insured, recognized depository institution to guarantee payment of any fees or charges that are subject to this paragraph. Fees and charges exempted from paragraph (1) under this paragraph shall become immediately due and payable when the residential development no longer meets the requirements of this paragraph.

(B) The exception provided in subparagraph (A) does not apply to fees and charges levied pursuant to Chapter 6 (commencing with Section 17620) of Part 10.5 of Division 1 of Title 1 of the Education Code.

(c) (1) If any fee or charge specified in subdivision (a) is not fully paid prior to issuance of a building permit for construction of any portion of the residential development encumbered thereby, the local agency issuing the building permit may require the property owner, or lessee if the lessee's interest appears of record, as a condition of issuance of the building permit, to execute a contract to pay the fee or charge, or applicable portion thereof, within the time specified in subdivision (a). If the fee or charge is prorated pursuant to subdivision (a), the obligation under the contract shall be similarly prorated.

(2) The obligation to pay the fee or charge shall inure to the benefit of, and be enforceable by, the local agency that imposed the fee or charge, regardless of whether it is a party to the contract. The contract shall contain a legal description of the property affected, shall be recorded in the office of the county recorder of the county and, from the date of recordation, shall constitute a lien for the payment of the fee or charge, which shall be enforceable against successors in interest to the property owner or lessee at the time of issuance of the building permit. The contract shall be recorded in the grantor-grantee index in the name of the public agency issuing the building permit as grantee and in the name of the property owner or lessee as grantor. The local agency shall record a release of the obligation, containing a legal description of the property, in the event the obligation is paid in full, or a partial release in the event the fee or charge is prorated pursuant to subdivision (a).

(3) The contract may require the property owner or lessee to provide appropriate notification of the opening of any escrow for the sale of the property for which the building permit was issued and to provide in the escrow instructions that the fee or charge be paid to the local agency imposing the same from the sale proceeds in escrow prior to disbursing proceeds to the seller.

(d) This section applies only to fees collected by a local agency to fund the construction of public improvements or facilities. It does not apply to fees collected to cover the cost of code enforcement or inspection services, or to other fees collected to pay for the cost of enforcement of local ordinances or state law.

(e) “Final inspection” or “certificate of occupancy,” as used in this section, have the same meaning as described in Sections 305 and 307 of the Uniform Building Code, International Conference of Building Officials, 1985 edition.

(f) Methods of complying with the requirement in subdivision (b) that a proposed construction schedule or plan be adopted, include, but are not limited to, (1) the adoption of the capital improvement plan described in Section 66002, or (2) the submittal of a five-year plan for construction and rehabilitation of school facilities pursuant to subdivision (c) of Section 17017.5 of the Education Code.

(g) A local agency may defer the collection of one or more fees up to the close of escrow. This subdivision shall not apply to fees and charges levied pursuant to Chapter 6 (commencing with Section 17620) of Part 10.5 of Division 1 of Title 1 of the Education Code.

CHAPTER 247

An act to amend Section 2221 of, and to add Section 2221.05 to, the Business and Professions Code, relating to medicine.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 2221 of the Business and Professions Code is amended to read:

2221. (a) The board may deny a physician’s and surgeon’s certificate to an applicant guilty of unprofessional conduct or of any cause that would subject a licensee to revocation or suspension of his or her license; or, the board in its sole discretion, may issue a probationary physician’s and surgeon’s certificate to an applicant subject to terms and conditions, including, but not limited to, any of the following conditions of probation:

(1) Practice limited to a supervised, structured environment where the licensee’s activities shall be supervised by another physician and surgeon.

(2) Total or partial restrictions on drug prescribing privileges for controlled substances.

(3) Continuing medical or psychiatric treatment.

(4) Ongoing participation in a specified rehabilitation program.

(5) Enrollment and successful completion of a clinical training program.

(6) Abstention from the use of alcohol or drugs.

(7) Restrictions against engaging in certain types of medical practice.

(8) Compliance with all provisions of this chapter.

(9) Payment of the cost of probation monitoring.

(b) The board may modify or terminate the terms and conditions imposed on the probationary certificate upon receipt of a petition from the licensee.

(c) Enforcement and monitoring of the probationary conditions shall be under the jurisdiction of the board in conjunction with the administrative hearing procedures established pursuant to Sections 11371, 11372, 11373, and 11529 of the Government Code, and the review procedures set forth in Section 2335.

(d) The board shall deny a physician's and surgeon's certificate to an applicant who is required to register pursuant to Section 290 of the Penal Code. This subdivision does not apply to an applicant who is required to register as a sex offender pursuant to Section 290 of the Penal Code solely because of a misdemeanor conviction under Section 314 of the Penal Code.

(e) An applicant shall not be eligible to reapply for a physician's and surgeon's certificate for a minimum of three years from the effective date of the final decision or action regarding the denial of his or her application, except that the board may, in its discretion and for good cause demonstrated, permit reapplication after not less than one year has elapsed from the effective date of the final decision or action regarding the denial.

SEC. 2. Section 2221.05 is added to the Business and Professions Code, to read:

2221.05. (a) Notwithstanding subdivision (a) of Section 2221, the board may issue a physician's and surgeon's certificate to an applicant who has committed minor violations that the board deems, in its discretion, do not merit the denial of a certificate or require probationary status under Section 2221, and may concurrently issue a public letter of reprimand.

(b) A public letter of reprimand issued concurrently with a physician's and surgeon's certificate shall be purged three years from the date of issuance.

(c) A public letter of reprimand issued pursuant to this section shall be disclosed to an inquiring member of the public and shall be posted on the board's Internet Web site.

(d) Nothing in this section shall be construed to affect the board's authority to issue an unrestricted license.

CHAPTER 248

An act to amend Section 820.1 of the Streets and Highways Code, relating to transportation.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 820.1 of the Streets and Highways Code is amended 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, 2009, and again, no later than January 1, 2011, 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, excluding those projects categorically excluded from environmental review, 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.

(5) An assessment of overall project delivery time from the time environmental studies begin to the time the project is ready to advertise for construction, including the time required for each project phase and distinguishing between different types of environmental documents and between projects on the state highway system and local assistance projects. The department may also include other variables that it determines may be useful in the assessment.

(e) (1) This section 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.

(2) 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.

CHAPTER 249

An act to amend Section 120130 of the Health and Safety Code, relating to disease prevention.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 120130 of the Health and Safety Code is amended to read:

120130. (a) The department shall establish a list of reportable diseases and conditions. For each reportable disease and condition, the department shall specify the timeliness requirements related to the reporting of each disease and condition, and the mechanisms required for, and the content to be included in, reports made pursuant to this section. The list of reportable diseases and conditions may include both communicable and noncommunicable diseases. The list may include those diseases that are either known to be, or suspected of being, transmitted by milk or milk-based products. The list shall also include, but not be limited to, diphtheria, listeria, salmonella, shigella, streptococcal infection in food handlers or dairy workers, and typhoid. The list may be modified at any time by the department, after consultation with the California Conference of Local Health Officers. Modification of the list shall be exempt from the administrative regulation and rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall be implemented without being adopted as a regulation, except that the revised list shall be filed with the Secretary of State and printed in the California Code of Regulations as required under subdivision (d). Those diseases listed as reportable shall be properly reported as required to the department by the health officer.

(b) The department may from time to time adopt and enforce regulations requiring strict or modified isolation, or quarantine, for any of the contagious, infectious, or communicable diseases, if in the opinion of the department the action is necessary for the protection of the public health.

(c) The health officer may require strict or modified isolation, or quarantine, for any case of contagious, infectious, or communicable disease, when this action is necessary for the protection of the public health.

(d) The list established pursuant to subdivision (a) and any subsequent modifications shall be published in Title 17 of the California Code of Regulations.

(e) Notwithstanding any other provision of law, no civil or criminal penalty, fine, sanction, finding, or denial, suspension, or revocation of licensure for any person or facility may be imposed based upon a failure to provide the notification of a reportable disease or condition that is required under this section, unless the disease or condition that is required to be reported was printed in the California Code of Regulations at least six months prior to the date of the claimed failure to report.

(f) Commencing July 1, 2009, or within one year of the establishment of a state electronic laboratory reporting system, whichever is later, a report generated pursuant to this section by a laboratory shall be submitted electronically in a manner specified by the department, except that this electronic reporting requirement shall not apply to reports of HIV infections. The department shall allow laboratories that receive incomplete patient information to report the name of the provider who submitted the request to the local health officer.

(g) The department may on its Web site and via electronic mail advise out-of-state laboratories that are known to the department to test specimens from California residents of the new reporting requirements.

SEC. 1.5. Section 120130 of the Health and Safety Code is amended to read:

120130. (a) The department shall establish a list of reportable diseases and conditions. For each reportable disease and condition, the department shall specify the timeliness requirements related to the reporting of each disease and condition, and the mechanisms required for, and the content to be included in, reports made pursuant to this section. The list of reportable diseases and conditions may include both communicable and noncommunicable diseases. The list may include those diseases that are either known to be, or suspected of being, transmitted by milk or milk-based products. The list shall also include, but not be limited to, diphtheria, listeria, salmonella, shigella, streptococcal infection in food handlers or dairy workers, and typhoid. The list may be modified at any time by the department, after consultation with the California Conference of Local Health Officers. Modification of the list shall be exempt from the administrative regulation and rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and

shall be implemented without being adopted as a regulation, except that the revised list shall be filed with the Secretary of State and printed in the California Code of Regulations as required under subdivision (d). Those diseases listed as reportable shall be properly reported as required to the department by the health officer.

(b) The department shall establish a list of communicable diseases and conditions for which clinical laboratories shall submit a culture or a specimen to the local public health laboratory to undergo characterization. The list shall set forth the conditions under which the culture and specimen shall, also, be submitted to the state public health laboratory to undergo further characterization. The list may be modified at any time by the department, after consultation with the California Conference of Local Health Officers and the California Association of Public Health Laboratory Directors. Both establishment and modification of the list shall be exempt from the administrative regulation and rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall be implemented without being adopted as a regulation, except that the initial list and any modifications shall be filed with the Secretary of State and printed in the California Code of Regulations as required under subdivision (e).

(c) The department may from time to time adopt and enforce regulations requiring strict or modified isolation, or quarantine, for any of the contagious, infectious, or communicable diseases, if in the opinion of the department the action is necessary for the protection of the public health.

(d) The health officer may require strict or modified isolation, or quarantine, for any case of contagious, infectious, or communicable disease, when this action is necessary for the protection of the public health.

(e) The lists established pursuant to subdivisions (a) and (b) and any subsequent modifications shall be published in Title 17 of the California Code of Regulations.

(f) Notwithstanding any other provision of law, no civil or criminal penalty, fine, sanction, finding, or denial, suspension, or revocation of licensure for any person or facility may be imposed based upon a failure to provide the notification of a reportable disease or condition or to provide the submission of a culture or specimen that is required under this section, unless the name of the disease or condition that is required to be reported or of which a culture or specimen is required to be submitted was printed in the California Code of Regulations and the department notified the person or facility of the disease or condition at

least six months prior to the date of the claimed failure to report or submit.

(g) Commencing July 1, 2009, or within one year of the establishment of a state electronic laboratory reporting system, whichever is later, a report generated pursuant to this section by a laboratory shall be submitted electronically in a manner specified by the department, except that this electronic reporting requirement shall not apply to reports of HIV infections. The department shall allow laboratories that receive incomplete patient information to report the name of the provider who submitted the request to the local health officer.

(h) The department may on its Web site and via electronic mail advise out-of-state laboratories that are known to the department to test specimens from California residents of the new reporting requirements.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 120130 of the Health and Safety Code proposed by both this bill and SB 356. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 120130 of the Health and Safety Code, and (3) this bill is enacted after SB 356, in which case Section 1 of this bill shall not become operative.

SEC. 3 No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 250

An act to amend Section 23114 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 23114 of the Vehicle Code is amended to read:
23114. (a) Except as provided in Subpart I (commencing with Section 393.100) of Title 49 of the Code of Federal Regulations related

to hay and straw, a vehicle shall not be driven or moved on any highway unless the vehicle is so constructed, covered, or loaded as to prevent any of its contents or load other than clear water or feathers from live birds from dropping, sifting, leaking, blowing, spilling, or otherwise escaping from the vehicle.

(b) (1) Aggregate material shall only be carried in the cargo area of a vehicle. The cargo area shall not contain any holes, cracks, or openings through which that material may escape, regardless of the degree to which the vehicle is loaded, except as provided in paragraph (2).

(2) Every vehicle used to transport aggregate materials, regardless of the degree to which the vehicle is loaded, shall be equipped with all of the following:

(A) Properly functioning seals on any openings used to empty the load, including, but not limited to, bottom dump release gates and tailgates.

(B) Splash flaps behind every tire, or set of tires, regardless of the position on the truck, truck tractor, or trailer.

(C) Center flaps at a location to the rear of each bottom dump release gate as to trucks or trailers equipped with bottom dump release gates. The center flap may be positioned directly behind the bottom dump release gate and in front of the rear axle of the vehicle, or it may be positioned to the rear of the rear axle in line with the splash flaps required behind the tires. The width of the center flap may extend not more than one inch from one sidewall to the opposite sidewall of the inside tires and shall extend to within five inches of the pavement surface, and may be not less than 24 inches from the bottom edge to the top edge of that center flap.

(D) Fenders starting at the splash flap with the leading edge of the fenders extending forward at least six inches beyond the center of the axle that cover the tops of tires not already covered by the truck, truck tractor, or trailer body.

(E) Complete enclosures on all vertical sides of the cargo area, including, but not limited to, tailgates.

(F) Shed boards designed to prevent aggregate materials from being deposited on the vehicle body during top loading.

(c) Vehicles comprised of full rigid enclosures are exempt only from subparagraphs (C) and (F) of paragraph (2) of subdivision (b).

(d) For purposes of this section, "aggregate material" means rock fragments, pebbles, sand, dirt, gravel, cobbles, crushed base, asphalt, and other similar materials.

(e) (1) In addition to subdivisions (a) and (b), a vehicle may not transport any aggregate material upon a highway unless the material is covered.

(2) Vehicles transporting loads composed entirely of asphalt material are exempt only from the provisions of this section requiring that loads be covered.

(3) Vehicles transporting loads composed entirely of petroleum coke material are not required to cover their loads if they are loaded using safety procedures, specialized equipment, and a chemical surfactant designed to prevent materials from blowing, spilling, or otherwise escaping from the vehicle.

(4) Vehicles transporting loads of aggregate materials are not required to cover their loads if the load, where it contacts the sides, front, and back of the cargo container area, remains six inches from the upper edge of the container area, and if the load does not extend, at its peak, above any part of the upper edge of the cargo container area.

(f) A person who provides a location for vehicles to be loaded with an aggregate material or other material shall provide a location for vehicle operators to comply with this section before entering a highway.

(1) A person is exempt from the requirements of this subdivision if the location that he or she provides for vehicles to be loaded with the materials described in this subdivision has 100 yards or less between the scale houses where the trucks carrying aggregate material are weighed and the point of egress to a public road.

(2) A driver of a vehicle loaded with aggregate material leaving locations exempted from the requirements of this subdivision is authorized to operate on public roads only until that driver is able to safely cover the load at a site near the location's point of egress to the public road. Except as provided under paragraph (4) of subdivision (e), an uncovered vehicle described in this paragraph may not operate more than 200 yards from the point of egress to the public road.

CHAPTER 251

An act to amend Section 14514.7 of the Public Resources Code, relating to beverage containers.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 14514.7 of the Public Resources Code is amended to read:

14514.7. “Nonprofit convenience zone recycler” means a recycling center that meets the criteria described in subdivision (a) or (b):

(a) The recycling center is all of the following:

(1) Operated by an organization established under Section 501(c) or 501(d) of Title 26 of the United States Code.

(2) Certified by the department pursuant to Section 14538.

(3) Located within a convenience zone, but is not necessarily a supermarket site.

(b) The recycling center is all of the following:

(1) Operated by an organization established under Section 501(c) or 501(d) of Title 26 of the United States Code and has operated in the same location for a period of not less than five years.

(2) Certified by the department pursuant to Section 14538.

(3) Located within one mile of a supermarket that is in convenience zone that is exempt from the requirement of subdivision (a) of Section 14571.

CHAPTER 252

An act to amend Sections 3102, 3103, and 3103.5 of the Elections Code, relating to elections.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 3102 of the Elections Code, as amended by Section 39 of Chapter 508 of the Statutes of 2007, is amended to read:

3102. (a) Applications for the ballots of special absentee voters shall be received and, except as provided in Section 3103.5, the ballots shall be received and canvassed, at the same time and under the same procedure as vote by mail ballots, insofar as that procedure is not inconsistent with this chapter.

(b) 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 3102 of the Elections Code, as amended by Section 40 of Chapter 508 of the Statutes of 2007, is amended to read:

3102. (a) Applications for the ballots of special absentee voters shall be received, and the ballots shall be received and canvassed at the same

time and under the same procedure as vote by mail ballots, insofar as that procedure is not inconsistent with this chapter.

(b) This section shall become operative January 1, 2011.

SEC. 3. Section 3103 of the Elections Code, as amended by Section 41 of Chapter 508 of the Statutes of 2007, is amended to read:

3103. (a) Any application made pursuant to this chapter that is received by the elections official prior to the 60th day before the election shall be kept and processed on or after the 60th day before the election.

(b) The elections official shall immediately send the voter a ballot in a form prescribed and provided by the Secretary of State. The elections official shall send with the ballot a list of all candidates who have qualified for the ballot by the 60th day before the election and a list of all measures that are to be submitted to the voters and on which the voter is qualified to vote. The voter shall be entitled to write in the name of any specific candidate seeking nomination or election to any office listed on the ballot.

(c) Notwithstanding Section 15341 or any other provision of law, any name written upon a ballot for a particular office pursuant to subdivision (b) shall be counted for the office or nomination, providing the candidate whose name has been written on the ballot has, as of the date of the election, qualified to have his or her name placed on the ballot for the office, or has qualified as a write-in candidate for the office.

(d) Except as provided in Section 3103.5, the elections official shall receive and canvass special absentee voter ballots described in this section under the same procedure as vote by mail ballots, insofar as that procedure is not inconsistent with this section.

(e) In the event that a voter executes a special absentee ballot pursuant to this section and an application for a vote by mail ballot pursuant to Section 3101, the elections official shall cancel the voter's permanent vote by mail status, and process the application in accordance with Chapter 1 (commencing with Section 3000).

(f) Notwithstanding any other provision of law, a special absentee voter who qualifies pursuant to this section may, by facsimile transmission, register to vote and apply for a special absentee ballot or a vote by mail ballot. Upon request, the elections official may send to the qualified special absentee voter either by mail, facsimile, or electronic transmission the special absentee ballot or, if available, a vote by mail ballot pursuant to Chapter 1 (commencing with Section 3000).

(g) 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. 4. Section 3103 of the Elections Code, as amended by Section 42 of Chapter 508 of the Statutes of 2007, is amended to read:

3103. (a) Any application made pursuant to this chapter that is received by the elections official prior to the 60th day before the election shall be kept and processed on or after the 60th day before the election.

(b) The elections official shall immediately send the voter a ballot in a form prescribed and provided by the Secretary of State. The elections official shall send with the ballot a list of all candidates who have qualified for the ballot by the 60th day before the election and a list of all measures that are to be submitted to the voters and on which the voter is qualified to vote. The voter shall be entitled to write in the name of any specific candidate seeking nomination or election to any office listed on the ballot.

(c) Notwithstanding Section 15341 or any other provision of law, any name written upon a ballot for a particular office pursuant to subdivision (b) shall be counted for the office or nomination, providing the candidate whose name has been written on the ballot has, as of the date of the election, qualified to have his or her name placed on the ballot for the office, or has qualified as a write-in candidate for the office.

(d) The elections official shall receive and canvass special absentee voter ballots described in this section under the same procedure as vote by mail ballots, insofar as that procedure is not inconsistent with this section.

(e) In the event that a voter executes a special absentee ballot pursuant to this section and an application for a vote by mail ballot pursuant to Section 3101, the elections official shall reject the voted ballot previously cast, cancel the voter's permanent vote by mail status, and process the application in accordance with Chapter 1 (commencing with Section 3000).

(f) Notwithstanding any other provision of law, a special absentee voter who qualifies pursuant to this section may, by facsimile transmission, register to vote and apply for a special absentee ballot or a vote by mail ballot. Upon request, the elections official may send to the qualified special absentee voter either by mail, facsimile, or electronic transmission the special absentee ballot or, if available, a vote by mail ballot pursuant to Chapter 1 (commencing with Section 3000).

(g) This section shall become operative January 1, 2011.

SEC. 5. Section 3103.5 of the Elections Code is amended to read:

3103.5. (a) (1) A special absentee voter who is temporarily living outside of the territorial limits of the United States or the District of Columbia, or is called for military service within the United States on or after the final date to make application for a vote by absent voter ballot, may return his or her ballot by facsimile transmission. To be counted, the ballot returned by facsimile transmission must be received by the voter's elections official no later than the closing of the polls on

election day and must be accompanied by an identification envelope containing all of the information required by Section 3011 and an oath of voter declaration in substantially the following form:

OATH OF VOTER

I, _____, acknowledge that by returning my voted ballot by facsimile transmission I have waived my right to have my ballot kept secret. Nevertheless, I understand that, as with any vote by mail voter, my signature, whether on this oath of voter form or my identification envelope, will be permanently separated from my voted ballot to maintain its secrecy at the outset of the tabulation process and thereafter.

My residence address is _____ .
(Street Address) (City) (ZIP Code)

My current mailing address is _____ .
(Street Address) (City) (ZIP Code)

My e-mail address is _____. My facsimile transmission number is _____.

I am a resident of _____ County, State of California, and I have not applied, nor intend to apply, for a vote by mail ballot from any other jurisdiction for the same election.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this _____ day of _____, 20_____.

(Signature) _____
voter (power of attorney cannot be accepted)

YOUR BALLOT CANNOT BE COUNTED UNLESS YOU SIGN THE ABOVE OATH AND INCLUDE IT WITH YOUR BALLOT AND IDENTIFICATION ENVELOPE, ALL OF WHICH ARE RETURNED BY FACSIMILE TRANSMISSION.

(2) Notwithstanding the voter’s waiver of the right to a secret ballot, each elections official shall adopt appropriate procedures to protect the secrecy of ballots returned by facsimile transmission.

(3) Upon receipt of a ballot returned by facsimile transmission, the elections official shall determine the voter's eligibility to vote by comparing the signature on the return information with the signature on the voter's affidavit of registration. The ballot shall be duplicated and all materials preserved according to procedures set forth in this code.

(4) Notwithstanding paragraph (1), a special absentee voter who is permitted to return his or her ballot by facsimile transmission is, nonetheless, encouraged to return his or her ballot by mail or in person if possible. A special absentee voter should return a ballot by facsimile transmission only if doing so is necessary for the ballot to be received before the close of polls on election day.

(b) The Secretary of State shall make a recommendation to the Legislature, no later than December 31, 2008, on the benefits and problems, if any, derived from permitting qualified special absentee voters to return their ballots by facsimile transmission, and shall include in the recommendation the number of ballots returned by facsimile transmission pursuant to this section.

(c) 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. 6. 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.

CHAPTER 253

An act to amend Section 2842.4 of the Public Utilities Code, relating to energy.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 2842.4 of the Public Utilities Code is amended to read:

2842.4. (a) The commission shall, for each electrical corporation, establish a pay-as-you-save pilot program for eligible customers.

(b) For the purposes of this section, an “eligible customer” means a customer of an electrical corporation that meets the following criteria:

(1) The customer uses a combined heat and power system with a generating capacity of not more than 20 megawatts that is in compliance with Section 2843.

(2) The customer is any of the following:

(A) A nonprofit organization described in Section 501(c) (3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c) (3)), that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)).

(B) A federal, state, or local government facility.

(c) The pilot program shall enable an eligible customer to finance all of the upfront costs for the purchase and installation of a combined heat and power system by repaying those costs over time through on-bill financing at the difference between what an eligible customer would have paid for electricity and the actual savings derived for a period of up to 10 years.

(d) The commission shall ensure that the reasonable costs of the electrical corporation associated with the pilot program are recovered.

(e) All costs of the pay-as-you-save program or financing mechanisms shall be borne solely by the combined heat and power generators that use the program or financing mechanisms, and the commission shall ensure that the costs of the program are not shifted to the other customers or classes of customers of the electrical corporation.

(f) Each electric corporation shall make on-bill financing available to eligible customers until the statewide cumulative rated generating capacity from pilot program combined heat and power systems in the service territories of the three largest electrical corporations in the state reaches 100 megawatts. An electrical corporation shall only be required to participate in the pilot program until it meets its proportionate share of the 100-megawatt limitation, based on the percentage of its peak demand to the total statewide peak demand within the service territories of all electrical corporations.

(g) An approval made by the Department of Finance for a state agency to purchase, lease, or otherwise acquire a combined heat and power facility that would be financed through the pay-as-you-save pilot program, may not be made sooner than 30 days after written notification thereof is provided to the Chairperson of the Senate Committee on Budget

and Fiscal Review, the Chairperson of the Assembly Committee on Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine.

CHAPTER 254

An act to amend Sections 23800 and 23801 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 23800 of the Business and Professions Code is amended to read:

23800. The department may place reasonable conditions upon retail licensees or upon any licensee in the exercise of retail privileges in the following situations:

(a) If grounds exist for the denial of an application for a license or where a protest against the issuance of a license is filed and if the department finds that those grounds may be removed by the imposition of those conditions.

(b) Where findings are made by the department which would justify a suspension or revocation of a license, and where the imposition of a condition is reasonably related to those findings. In the case of a suspension, the conditions may be in lieu of or in addition to the suspension.

(c) Where the department issues an order suspending or revoking only a portion of the privileges to be exercised under the license.

(d) Where findings are made by the department that the licensee has failed to correct objectionable conditions within a reasonable time after receipt of notice to make corrections given pursuant to subdivision (e) of Section 24200, or subdivision (a) or (b) of Section 24200.1.

(e) (1) At the time of transfer of a license pursuant to Section 24071.1, 24071.2, or 24072 and upon written notice to the licensee, the department may adopt conditions that the department determines are reasonable pursuant to its investigation or that are requested by the local governing body, or its designated subordinate officer or agency, in whose jurisdiction the license is located. The request for conditions shall be supported by substantial evidence that the problems either on the premises

or in the immediate vicinity identified by the local governing body or its designated subordinate officer or agency will be mitigated by the conditions. Upon receipt of the request for conditions, the department shall either adopt the conditions requested or notify the local governing body, or its designated subordinate officer or agency, in writing of its determination that there is not substantial evidence that the problem exists or that the conditions would not mitigate the problems identified. The department may adopt conditions only when the request is filed. Any request for conditions from the local governing body or its designated subordinate officer or agency pursuant to this provision shall be filed with the department within the time authorized for a local law enforcement agency to file a protest or proposed conditions pursuant to Section 23987.

(2) If the license to be transferred subject to paragraph (1) is located in an area of undue concentration as defined in Section 23958.4, the period within which the local governing body or its designated subordinate officer or agency may submit a written request for conditions shall be 40 days after the mailing of the notices required by Section 23987. For purposes of this provision only, undue concentration shall be established when the requirements of both paragraph (1) of subdivision (a) and either paragraph (2) or paragraph (3) of subdivision (a) of Section 23958.4 exist. Pursuant to Section 23987, the department may extend the 40-day period for a period not to exceed an additional 20 days upon the written request of any local law enforcement agency or local government entity with jurisdiction. Nothing in this paragraph is intended to reduce the burden of the local governing body or its designated subordinate officer or agency to support any request for conditions as required by paragraph (1). Notwithstanding Section 23987, the department may not transfer any license subject to this paragraph until after the time period permitted to request conditions as specified in this paragraph.

(f) At the time of a transfer of a license pursuant to Article 5 (commencing with Section 24070) of Chapter 6.

SEC. 2. Section 23801 of the Business and Professions Code is amended to read:

23801. The conditions authorized by Section 23800 may cover any matter relating to the privileges to be exercised under the license, the personal qualifications of the licensee, the conduct of the business or the condition of the premises, which will protect the public welfare and morals, including, but not limited to, the following:

- (a) Restrictions as to hours of sale.
- (b) Display of signs.
- (c) Employment of designated persons.

(d) Types and strengths of alcoholic beverages to be served where such types or strengths are otherwise limited by law.

(e) In cases under subdivision (c) of Section 23800, the portion of the privileges to be exercised under the license.

(f) The personal conduct of the licensee.

(g) In cases under subdivision (f) of Section 23800, restrictions on the presence of the license transferor on the licensed premises without lawful business if that license transferor has multiple violations of this division when in possession of the license. For purposes of this section, "lawful business" specifically excludes, without limitation, working or volunteering at the premises, consulting with the licensee regarding the operation of the premises, and loitering.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 255

An act to add Section 16502.5 to the Welfare and Institutions Code, relating to county child welfare services.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) In order to execute their responsibilities in overseeing the administration of the child welfare services and foster care programs, county boards of supervisors have a compelling interest in accessing case information when a child, who has previously come to the attention of, or was in the protective custody of, the county child welfare agency dies.

(b) It is the intent of the Legislature to clarify that boards of supervisors may access otherwise confidential case information when a child who has previously come to the attention of, or was in the protective custody of, the county welfare agency dies.

SEC. 2. Section 16502.5 is added to the Welfare and Institutions Code, to read:

16502.5. (a) Notwithstanding any other provision of law, a county board of supervisors may receive and review any records in the custody of the juvenile court or any other involved county agencies relating to a child who has died and who had previously come to the attention of, or was under the supervision of, the county child welfare agency.

(b) The board may only receive and review the information in closed session. A board of supervisors in a county with a foster care population of more than 10,000 may take formal action to permit individual board members' offices to receive and review the information for the purpose of determining which cases should be brought to the attention of the full board in closed session. The information or records obtained shall be maintained in a manner that ensures the maximum protection of privacy and confidentiality rights.

(c) The board or its members and staff may not disclose or release any information obtained pursuant to subdivision (a), unless otherwise permitted by state law, and shall be bound by all state and federal confidentiality laws.

CHAPTER 256

An act to amend Section 17533.6 of the Business and Professions Code, relating to advertising.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 17533.6 of the Business and Professions Code is amended to read:

17533.6. (a) It is unlawful for any person, firm, corporation, or association that is a nongovernmental entity to solicit information, or to solicit the purchase of or payment for a product or service, or to solicit the contribution of funds or membership fees, by means of a mailing, electronic message, or Internet Web site that contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any state or local government connection, approval, or endorsement, unless the requirements of paragraph (1) or (2) have been met, as follows:

(1) The nongovernmental entity has an expressed connection with, or the approval or endorsement of, a state or local government entity, if permitted by other provisions of law.

(2) The solicitation meets both of the following requirements:

(A) The solicitation bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other type on its face, the following notice:

“THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY ANY GOVERNMENT AGENCY, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT.”

(B) In the case of a mailed solicitation, the envelope or outside cover or wrapper in which the matter is mailed bears on its face in capital letters and in conspicuous and legible type, the following notice:

“THIS IS NOT A GOVERNMENT DOCUMENT.”

(b) Except as provided in subdivision (c), any business that solicits the purchase of, or payment for, a service by means of an unsolicited mailing that offers to assist the recipient in dealing with a state or local governmental agency shall do both of the following:

(1) State on the envelope and in the mailing that the business is not a governmental agency and is not associated with the governmental agency referenced.

(2) Include in the mailing the contact information for the governmental agency referenced.

(c) Subdivision (b) shall not apply if either of the following requirements has been met:

(1) The business has an expressed connection with, or the approval or endorsement of, a state or local government entity, if permitted by other provisions of law.

(2) The business has an “established business relationship,” as defined in Section 1798.83 of the Civil Code, with the recipient.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 257

An act to amend Section 2000.5 of the Fish and Game Code, to amend Section 19348 of the Food and Agricultural Code, and to add Section 91.8 to the Streets and Highways Code, relating to animal carcasses.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

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

SECTION 1. Section 2000.5 of the Fish and Game Code is amended to read:

2000.5. (a) Notwithstanding Section 219, 2000, or any other provision of law, and notwithstanding any requirement for a permit or license or other entitlement to take a species, the accidental taking of a bird, mammal, reptile, or amphibian by collision with a motor vehicle while the vehicle is being operated on a road or highway is not a violation of this code or a regulation adopted pursuant to this code. For purposes of this section, "highway" means highway as defined by Section 360 of the Vehicle Code and "road" means road as defined by Section 527 of the Vehicle Code. Nothing in this section authorizes a person to possess any bird, mammal, reptile, or amphibian accidentally taken by collision with a motor vehicle as provided in this subdivision. However, accidental takes on the road or highway may be removed by the state or local agency having jurisdiction over the road or highway.

(b) This section does not apply to Chapter 1.5 (commencing with Section 2050).

SEC. 2. Section 19348 of the Food and Agricultural Code is amended to read:

19348. (a) Unless a waiver is granted by the State Veterinarian in conjunction with implementation of Section 9562, no dead animal hauler or any other person shall transport any dead animal to any place, other than to a licensed rendering plant, a licensed collection center, an animal disease diagnostic laboratory acceptable to the department, the nearest crematory, or to a destination in another state that has been approved for that purpose by the appropriate authorities in that state.

(b) Nothing in this section shall be interpreted to conflict with any state or federal environmental or zoning law, or to prohibit an owner of a live animal from burying the animal on the owner's property after the animal dies if the burial is within three miles of where the animal died.

(c) Subdivision (a) does not apply to the Department of Transportation or to local agencies having jurisdiction over a road or highway when engaged in removing animal carcasses from the road or highway.

SEC. 3. Section 91.8 is added to the Streets and Highways Code, to read:

91.8. (a) The department shall, within its maintenance program, establish procedures for the removal and disposal of animal carcasses on state highways.

(b) Notwithstanding any other provision of law, including, but not limited to, prohibitions on the possession and transportation of endangered or protected species, or the property rights associated with livestock and other commercially valuable animals, the department may remove or relocate an animal carcass from a state highway for safety purposes.

(c) The department shall dispose of animal carcasses in an environmentally appropriate manner considering both of the following:

(1) The animal's probable legal status, whether as domestic or commercial property, wild, feral, protected, or endangered, as follows:

(A) When practicable, an owner of a domestic animal shall be notified of the location or disposition of the animal carcass. Unless returned to the owner, license tags, nameplates, or other identification shall be retained by the department for 30 days.

(B) A branded livestock carcass shall be removed from the roadway but not otherwise transported until the owner is contacted. If the owner cannot be identified, the department shall notify the regional brand inspector.

(C) In the case of wild, feral, protected, or endangered animals, disposal shall be accomplished in accordance with applicable provisions of the Fish and Game Code.

(2) If disposal technologies including, but not limited to, natural decomposition, burial, incineration, donation, rendering, or composting are not available or practicable, the department may use any nontraditional or novel technology that may be appropriate under the circumstances.

(d) Animal carcasses shall not be relocated to or disposed of within 150 feet of waterways or drainageways that lead directly to waterways, or buried within five feet of groundwater.

(e) The department shall maintain a record of designated disposal sites used for consolidation of animal carcasses.

CHAPTER 258

An act to add Section 1670.7 to the Civil Code, and to add Section 784.8 to the Penal Code, relating to human trafficking.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 1670.7 is added to the Civil Code, to read:
1670.7. Any provision of a contract that purports to allow a deduction from a person's wages for the cost of emigrating and transporting that person to the United States is void as against public policy.

SEC. 2. Section 784.8 is added to the Penal Code, to read:

784.8. When charges alleging multiple violations of Section 236.1 that involve the same victim or victims in multiple territorial jurisdictions are filed in one county pursuant to this section, the court shall hold a hearing to consider whether the matter should proceed in the county of filing, or whether one or more counts should be severed. The district attorney filing the complaint shall present evidence to the court that the district attorney in each county where any of the charges could have been filed has agreed that the matter should proceed in the county of filing. In determining whether all counts in the complaint should be joined in one county for prosecution, the court shall consider the location and complexity of the likely evidence, where the majority of the offenses occurred, the rights of the defendant and the people, and the convenience of, or hardship to, the victim or victims and witnesses.

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.

CHAPTER 259

An act to amend Section 4953 of the Public Resources Code, relating to fire.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. This act shall be known and may be cited as the Wildfire Prevention Assistance Act of 2008.

SEC. 2. Section 4953 of the Public Resources Code is amended to read:

4953. (a) The department shall utilize inmates and wards assigned to conservation camps in performing fire prevention, fire control, and other work of the department. At times it deems proper and on terms it deems wise, the department may enter into contracts or cooperative agreements with a public agency, local, state, or federal, or with a qualified nonprofit organization that has a demonstrated ability to plan, implement, and complete a conservation project and meets other criteria, as determined by the department, for the performance of other conservation projects that are appropriate for those public agencies or that nonprofit organization under policies that shall be established by the Prison Industry Authority. The charge for the service shall be determined by the director. All these contracts are subject to the approval of the director and the Director of General Services.

(b) For the purposes of this section, "nonprofit organization" means any California corporation exempt from taxation under Section 501(c)(3), 501(c)(4), or 501(c)(5) of the federal Internal Revenue Code.

CHAPTER 260

An act to amend Section 14132.725 of the Welfare and Institutions Code, relating to telemedicine.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 14132.725 of the Welfare and Institutions Code is amended to read:

14132.725. (a) Commencing July 1, 2006, to the extent that federal financial participation is available, face-to-face contact between a health care provider and a patient shall not be required under the Medi-Cal program for teleophthalmology and teledermatology by store and forward. Services appropriately provided through the store and forward process are subject to billing and reimbursement policies developed by the department.

(b) For purposes of this section, “teleophthalmology and teledermatology by store and forward” means an asynchronous transmission of medical information to be reviewed at a later time by a physician at a distant site who is trained in ophthalmology or dermatology, where the physician at the distant site reviews the medical information without the patient being present in real time. A patient receiving teleophthalmology or teledermatology by store and forward shall be notified of the right to receive interactive communication with the distant specialist physician, and shall receive an interactive communication with the distant specialist physician, upon request. If requested, communication with the distant specialist physician may occur either at the time of the consultation, or within 30 days of the patient’s notification of the results of the consultation.

(c) 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, and make specific this section by means of all county letters, provider bulletins, and similar instructions.

(d) On or before January 1, 2008, the department shall report to the Legislature the number and type of services provided, and the payments made related to the application of store and forward telemedicine as provided, under this section as a Medi-Cal benefit.

(e) The health care provider shall comply with the informed consent provisions of subdivisions (c) to (g), inclusive, of, and subdivisions (i) and (j) of, Section 2290.5 of the Business and Professions Code when a patient receives teleophthalmology or teledermatology by store and forward.

(f) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

CHAPTER 261

An act to add Sections 20221.5 and 20571.5 to the Government Code, relating to public employees’ retirement.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 20221.5 is added to the Government Code, to read:

20221.5. Every state agency, school employer, or contracting agency shall, upon request from the board, provide information on its employees who are not enrolled as members of the system to assist the board to carry out the administration of the system.

(a) The information provided under this section shall be submitted in the manner and under the conditions prescribed by the board.

(b) Nothing in this section shall be construed to supersede or diminish an employer's responsibility to determine eligibility or to enroll its qualifying employees in membership.

(c) Any information obtained under this section shall be treated as confidential by the system, under the same terms and conditions that apply to information that is confidential pursuant to Section 20230.

SEC. 2. Section 20571.5 is added to the Government Code, to read:

20571.5. Notwithstanding any other provision of this article, the board may enter into an agreement with the governing body of a contracting agency for the termination of a portion of the contract with respect to a member classification with no active employees. The terms of the agreement shall be reflected in an amendment to the agency's contract with the board. The board may require that the portion of the contract being terminated be in effect for at least five years. Upon the termination of a portion of a contract, the board shall do the following:

(a) Hold for the benefit of the members of this system who are credited with service rendered as employees of the contracting agency, and for the benefit of beneficiaries of this system who are entitled to receive benefits on account of that service, the portion of the accumulated contributions then held by this system and credited to, or as having been made by, the agency. This portion of the accumulated contributions shall not exceed the difference between the following:

(1) An amount actuarially equivalent, including contingencies for mortality fluctuations, as determined by the actuary and approved by the board, to the amount this system is obligated to pay after the effective date of termination to, or on account of, persons who are or have been employed by, and on account of service rendered by them to, the agency.

(2) The contributions, with credited interest thereon, then held by this system as having been made by those persons as employees of the agency.

(b) Merge all plan assets and liabilities into the terminated agency pool to provide exclusively for the payment of benefits to members of these plans.

(1) If the sum of the accumulated contributions is less than the actuarial equivalent specified in paragraph (1) of subdivision (a), the agency shall contribute to the system, under the terms fixed by the board,

an amount equal to the difference between the amount specified in paragraph (1) of subdivision (a) and the accumulated contributions.

(2) If the sum of accumulated contributions exceeds the amount specified in paragraph (1) of subdivision (a), the excess contributions shall be merged into the active plan or plans of the contracting agency, as determined by the chief actuary.

(c) Enter into an agreement with the governing body of a contracting agency terminating a portion of a contract in order to ensure both of the following:

(1) The final compensation used in the calculation of benefits of its employees is calculated in the same manner as the benefits of employees of agencies that are not terminating, regardless of whether the employees of the terminating agency retire directly from employment with the contracting agency terminating a portion of a contract or continue in other public service.

(2) Related necessary adjustments in the employer's contribution rate are made, from time to time, by the board prior to the date of termination to ensure adequate funding of benefits or the governing body of the contracting agency terminating a portion of a contract and the board agree to another actuarially sound payment technique, including a lump-sum payment at termination.

CHAPTER 262

An act to amend Sections 17209, 17212.1, 17331, and 17414.1 of the Financial Code, relating to financial institutions.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 17209 of the Financial Code is amended to read:

17209. An application for a license as an escrow agent shall be signed and verified by an authorized officer of the applicant, and such application shall be accompanied by a certified copy of the articles of incorporation and a copy of the bylaws of the proposed licensee. The application shall set forth:

(a) The names and addresses of the incorporators, directors, and officers.

(b) An itemized statement of the estimated receipts and expenditures of the proposed first year of operations.

(c) An audited financial statement showing compliance with Section 17210.

(d) The name and address of the person, or persons, meeting the requirements of Section 17200.8, and a statement supporting such persons' qualifications.

(e) The type of business for which the license is requested.

(f) Any other matters the commissioner may require.

(g) An application for a license as an escrow agent filed with the commissioner shall also include a completed statement of identity and questionnaire, as prescribed by the commissioner, for all stockholders, directors, officers, trustees, managers, and other persons participating in the escrow business directly or indirectly compensated by the escrow agent (other than usual and customary employees who file pursuant to subdivision (d) of Section 17414.1 and Section 17419) and shall also include fingerprints and related information for those persons pursuant to subdivision (h). The commissioner shall notify the applicant in writing if any of the information received pursuant to this division shows that a person's employment, participation, or ownership interest would be in violation of Section 17414.1, and the escrow agent shall deny the person the employment or interest. If the application is not satisfactorily amended to remove the deficiency within six months of the first notice of deficiency, the application shall be summarily denied. Persons required to file the employment application pursuant to Section 17419 are not required to file the statement of identity and questionnaire described in this section.

(h) (1) The fingerprint images and related information shall be submitted by the commissioner to the Department of Justice, in a manner established by the Department of Justice, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions, state or federal arrests, and information as to the existence of and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance pending trial or appeal.

(2) Upon receipt, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received from the commissioner pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the commissioner pursuant to subdivision (p) of Section 11105 of the Penal Code.

(3) The commissioner shall request from the Department of Justice subsequent arrest notification service as provided pursuant to Section 11105.2 of the Penal Code.

(4) The Department of Justice shall charge a fee sufficient to cover the costs of processing the requests pursuant to this subdivision.

SEC. 2. Section 17212.1 of the Financial Code is amended to read:

17212.1. All licensees shall notify the commissioner of any changes in shareholders, directors, officers, trustees, managers, and other persons participating in the escrow business directly or indirectly compensated by the escrow agent (other than usual and customary employees who file pursuant to subdivision (d) of Section 17414.1 and Section 17419), by filing by certified mail, return receipt requested, for those persons a statement of identity and questionnaire, as prescribed by the commissioner for those persons, and fingerprint images and related information, submitted using the process established by the Department of Justice for requesting state and federal summary criminal history information. Persons who have previously submitted fingerprints or fingerprint images and related information to the commissioner may so notify the commissioner and need not submit additional fingerprint images and related information unless requested to do so by the commissioner. The commissioner shall provide written notice to both the licensee and to the person if any of the information received pursuant to this division shows that the person's employment, participation, or ownership interest would be in violation of Section 17414.1, and upon that notification the escrow agent shall deny the person the employment or interest. No person shall have access to trust funds or sign checks or otherwise perform any activities related to the processing of escrow transactions after the licensed escrow agent has been notified by the commissioner that the person's employment, participation, or ownership interest is in violation of Section 17414.1. The requirements set forth in this section are in addition to those required under Section 17213.

The commissioner may by regulation require licensees to file at such times as he or she may specify additional information as he or she may reasonably require regarding any changes in the information provided in any application filed pursuant to this division.

SEC. 3. Section 17331 of the Financial Code is amended to read:

17331. (a) An applicant applying for licensure as an escrow agent under this division is required to apply for a Fidelity Corporation Certificate, prepared and issued by Fidelity Corporation, for each proposed shareholder, officer, director, trustee, manager, or employee who is to be directly or indirectly compensated by the escrow agent, prior to licensure of the escrow agent by the commissioner.

(b) A shareholder, officer, director, trustee, manager, or employee of an escrow agent, directly or indirectly compensated by an escrow agent within this state, is required to complete and execute a Fidelity Corporation Certificate application, prepared and issued by Fidelity Corporation, as a condition of his or her employment or entitlement to compensation, before the person may continue the regular discharge of his or her duties, or have access to moneys or negotiable securities belonging to or in the possession of the escrow agent, or draw checks upon the escrow agent or the trust funds of the escrow agent.

(c) Fidelity Corporation Certificates may also be known as Escrow Agent's Fidelity Corporation Certificates or EAFC Certificates. The certificate at all times remains the property of Fidelity Corporation, and is not transferable by either a member or employee. The certificate is not a warranty or guarantee by Fidelity Corporation of the integrity, veracity, or competence of the person.

(d) An application for a Fidelity Corporation Certificate shall be in writing and in the form prescribed by Fidelity Corporation. The application may include (1) a fee not to exceed fifty dollars (\$50), (2) two passport-size photographs, and (3) a set of fingerprint images and related information using the process established by the Department of Justice for requesting state summary criminal history information, plus the fee charged by the Department of Justice for processing noncriminal applicant fingerprint images and related information, in a manner established by the Department of Justice pursuant to subdivision (l). The Department of Justice shall honor the Fidelity Corporation report request form and issue a report to Fidelity Corporation, notwithstanding any other provision of law or regulation to the contrary. Fidelity Corporation is also entitled to submit a set of fingerprint images and related information in the Department of Justice specified noncriminal applicant fingerprint format for the purpose of requesting and obtaining a report from the Department of Justice, for the officers and employees of Fidelity Corporation. A member shall cause the filing of applications for all existing employees as required by this section within 30 days of written notice by Fidelity Corporation to the member.

(e) The application form shall include a provision for binding arbitration to allow for arbitration of any appeal or dispute as to a decision by Fidelity Corporation concerning the certificate, as follows:

A DISPUTE AS TO WHETHER THE DENIAL OF THIS CERTIFICATE APPLICATION OR ANY SUBSEQUENT SUSPENSION OR REVOCATION OF THE CERTIFICATE IS UNNECESSARY OR UNAUTHORIZED OR WAS IMPROPERLY, NEGLIGENTLY, OR UNLAWFULLY RENDERED, MAY BE DETERMINED BY SUBMISSION TO ARBITRATION AS

PROVIDED BY CALIFORNIA LAW, AND NOT BY A LAWSUIT OR RESORT TO COURT PROCESS EXCEPT AS CALIFORNIA LAW PROVIDES FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS OR EXCEPT AS PROVIDED BY SECTION 17331.3 OF THE FINANCIAL CODE. THE APPLICANT MAY, SUBJECT TO AGREEMENT, SUBMIT ANY ISSUE ARISING FROM A DECISION BY FIDELITY CORPORATION TO DENY THIS CERTIFICATE APPLICATION OR TO SUSPEND OR REVOKE THE CERTIFICATE TO BE DECIDED BY BINDING NEUTRAL ARBITRATION. UPON AN AGREEMENT TO SUBMIT TO BINDING NEUTRAL ARBITRATION, THE APPLICANT HAS NO RIGHT TO HAVE ANY DISPUTE CONCERNING THIS CERTIFICATE APPLICATION LITIGATED IN A COURT OR JURY TRIAL NOR ANY JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, EXCEPT AS SPECIFICALLY PROVIDED IN THE ESCROW LAW. ARBITRATION MAY BE COMPELLED AS PROVIDED BY LAW.

(f) There is no liability on the part of and no cause of action of any nature may arise against Fidelity Corporation or its members, directors, officers, employees, or agents, the State of California, the Department of Corporations, or any officer, agent, or employee of the state or the Department of Corporations for statements made by Fidelity Corporation in reports or recommendations made pursuant to this division, or for reports or recommendations made pursuant to this division to Fidelity Corporation by its members, directors, officers, employees or agents, the State of California, the Department of Corporations, or any officer, agent, or employee of the state or the Department of Corporations, unless the information provided is false and the party making the statement or providing the false information does so with knowledge and malice. Reports or recommendations made pursuant to this section, or Section 17331.1, 17331.2, or 17331.3, are not public documents.

(g) There is no liability on the part of and no cause of action of any nature may arise against Fidelity Corporation or its members, directors, officers, employees, or agents, the State of California, the Department of Corporations, or an officer, agent, or employee of the state or the Department of Corporations for the release of any information furnished to Fidelity Corporation pursuant to this section unless the information released is false and the party, including Fidelity Corporation, its members, directors, officers, employees, or agents, the state, the Department of Corporations, or any officer, agent, or employee of the state or the Department of Corporations, who releases the false information does so with knowledge and malice.

(h) There is no liability on the part of and no cause of action of any nature may arise against Fidelity Corporation or its directors, officers, employees, or agents, for any decision to deny an application for a certificate or to suspend or revoke the certificate of any person or for the timing of any decision or the timing of any notice to persons or members thereof, or for any failure to deny an application under subdivision (a) of Section 17331.2. This subdivision does not apply to acts performed in bad faith or with malice.

(i) Fidelity Corporation, any member of Fidelity Corporation, an agent of Fidelity Corporation or of its members, or any person who uses any information obtained under this section for any purpose not authorized by this chapter is guilty of a misdemeanor.

(j) Section 17331, 17331.1, or 17331.2 does not constitute a restriction or limitation upon the obligation of Fidelity Corporation to indemnify members against loss, as provided in Sections 17310 and 17314. The failure to obtain a certificate, the denial of an application for a certificate, or the suspension, cancellation, or revocation of a certificate does not limit the obligation of Fidelity Corporation to indemnify a member against loss.

(k) Notwithstanding Section 11105 of the Penal Code, Fidelity Corporation is entitled to receive state summary criminal history information and subsequent arrest notification from the Department of Justice as a result of fingerprint images and related information submitted to the Department of Justice by the Department of Corporations, pursuant to subdivision (g) of Section 17209, Section 17212.1, and subdivision (d) of Section 17414.1, by or on behalf of escrow agents, shareholders, officers, directors, trustees, managers, or employees of an escrow agent, directly or indirectly compensated by an escrow agent. The Department of Justice and Fidelity Corporation shall enter into an agreement to implement this subdivision. The Department of Corporations shall forward to Fidelity Corporation, weekly, a list of names of individual fingerprints submitted to the Department of Justice.

(l) (1) The fingerprint images and related information required pursuant to subdivision (d) shall be submitted by the Department of Corporations to the Department of Justice, in a manner established by the Department of Justice, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions, state or federal arrests, and information as to the existence of and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance pending trial or appeal.

(2) Upon receipt, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal

history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the Department of Corporations and a fitness determination to Fidelity Corporation pursuant to subdivision (p) of Section 11105 of the Penal Code.

(3) The Department of Justice shall charge a fee sufficient to cover the costs of processing the requests pursuant to this subdivision.

SEC. 4. Section 17414.1 of the Financial Code is amended to read:

17414.1. (a) Any person who has been convicted of or pleaded nolo contendere to any crime specified in subdivision (b) within the past 10 years, or has been held liable in any civil action by final judgment or any administrative judgment by any public agency within the past seven years, of any of the provisions specified in subdivision (b), shall not serve in any capacity as an officer, director, stockholder, trustee, agent, or employee of an escrow agent, or in any position involving any duties with an escrow agent, in this state. This subdivision shall not apply to any person whose office, employment, ownership interest, or other participation in the business of a licensed escrow agent commenced prior to January 1, 1992.

(b) Subdivision (a) applies to criminal convictions of, pleas of nolo contendere to, or civil or administrative judgments entered for offenses including the following:

(1) Offenses specified in Chapter 18 (commencing with Section 3350) of Division 1.

(2) Offenses specified in Article 4 (commencing with Section 5300) of Chapter 1 of Division 2.

(3) Offenses specified in Article 8 (commencing with Section 14750) of Chapter 4 of Division 5.

(4) Offenses specified in Chapter 3 (commencing with Section 17400), and Chapter 7 (commencing with Section 17700) of Division 6.

(5) Offenses specified in Chapter 6 (commencing with Section 18435) of Division 7.

(6) Offenses specified in provisions of the laws of the United States added or amended by the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Public Law 101-73).

(7) Offenses involving robbery, burglary, theft, embezzlement, fraud, fraudulent conversion or misappropriation of property, forgery, bookmaking, receiving stolen property, counterfeiting, controlled substances, extortion, checks, credit cards, or computer violations specified in Section 502 of the Penal Code.

For the purpose of this section, but not Section 17423, an offense does not include a conviction for which the person has obtained a certificate

of rehabilitation from a court of competent jurisdiction under Section 1203.4 or 4852.13 of the Penal Code or a similar certificate of rehabilitation obtained in a foreign jurisdiction.

(c) On and after January 1, 1992, any person who seeks employment by, or an ownership interest in, or other participation in the business of a licensed escrow agent shall, as a condition to obtaining that employment, interest, or participation, authorize Fidelity Corporation and the commissioner, or both, to have access to that person's state and federal summary criminal history information, as defined in Section 11105 of the Penal Code, for purposes of determining whether the person has a prior conviction of, or pleaded nolo contendere to, a criminal offense specified in subdivision (b).

(d) On or before the 10th day of employment, each escrow agent shall obtain and forward to the commissioner the fingerprint images and related information of persons seeking employment by an escrow agent. The fingerprint images and related information may be submitted by certified mail, return receipt requested, or transmitted electronically, using the process established by the Department of Justice for requesting state and federal summary criminal history information. Persons who have previously submitted fingerprints or fingerprint images and related information to the commissioner may so notify the commissioner and need not submit additional fingerprint images and related information unless requested to do so by the commissioner. The commissioner shall provide written notice to both the escrow agent and to the person if any of the information received pursuant to this division shows that the person's employment would be in violation of Section 17414.1, and the escrow agent shall deny the person the employment. No person whose employment is in violation of subdivision (a) shall have access to trust funds or sign checks or otherwise perform any activities related to the processing of escrow transactions after the licensed escrow agent has been notified by the commissioner that the person's employment is in violation of subdivision (a).

(e) Any state and federal summary criminal history information obtained pursuant to this section shall be kept confidential and no recipient shall disclose the contents other than for the purpose of determining eligibility for employment by, or acquisition of an ownership interest in, or other participation in the business of a licensed escrow agent.

(f) The authority granted by this section to the commissioner or to Fidelity Corporation shall be in addition to any other authority granted by law to obtain information about any person who is subject to this division. Nothing in this section shall be construed to limit any authority of the commissioner or Fidelity Corporation otherwise provided by law.

(g) Any person who knowingly violates subdivision (a) or (d), including, but not limited to, any escrow agent who permits employment by, or an ownership interest in, or other participation in the business of an escrow agent in violation of subdivision (a) or (d) shall, upon conviction, be subject to punishment as set forth in Section 17700. Any person who knows of a violation of subdivision (a) or (d) shall immediately report the violation in writing to the commissioner. No person shall be civilly liable for reporting as required under this subdivision, unless the information provided in the report is false and the person providing false information does so with knowledge and malice. The reports filed under this section, including the identity of the person making the filing, shall remain confidential pursuant to state law.

(h) Nothing in this section shall be construed to permit the reinstatement of any person barred by the commissioner pursuant to Section 17423 nor to prohibit the commissioner from bringing any action pursuant to Section 17423.

(i) If any provision of this section or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

CHAPTER 263

An act to add Section 6320.5 to the Family Code, relating to domestic violence.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 6320.5 is added to the Family Code, to read:
6320.5. (a) An order denying a petition for an ex parte order pursuant to Section 6320 shall include the reasons for denying the petition.

(b) An order denying a jurisdictionally adequate petition for an ex parte order, pursuant to Section 6320, shall provide the petitioner the right to a noticed hearing on the earliest date that the business of the court will permit, but not later than 20 days or, if good cause appears to the court, 25 days from the date of the order. The petitioner shall serve on the respondent, at least 5 days before the hearing, copies of all

supporting papers filed with the court, including the application and affidavits.

(c) Notwithstanding subdivision (b), upon the denial of the ex parte order pursuant to Section 6320, the petitioner shall have the option of waiving his or her right to a noticed hearing. However, nothing in this section shall preclude a petitioner who waives his or her right to a noticed hearing from refileing a new petition, without prejudice, at a later time.

(d) The Judicial Council, on or before January 1, 2010, shall develop a form to implement this section.

CHAPTER 264

An act to amend Sections 1001.60, 1001.64, and 1001.65 of the Penal Code, relating to the bad check diversion program.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 1001.60 of the Penal Code is amended to read:
1001.60. Upon the adoption of a resolution by the board of supervisors declaring that there are sufficient funds available to fund the program, the district attorney may create within his or her office a diversion program pursuant to this chapter for persons who write bad checks. For purposes of this chapter, "writing a bad check" means making, drawing, uttering, or delivering any check or draft upon any bank or depository for the payment of money where there is probable cause to believe there has been a violation of Section 476a. The program may be conducted by the district attorney or by a private entity under contract with the district attorney.

SEC. 2. Section 1001.64 of the Penal Code is amended to read:
1001.64. The district attorney may enter into a written agreement with the person to forego prosecution on the bad check for a period to be determined by the district attorney, not to exceed six months, pending all of the following:

(a) Completion of a class or classes conducted by the district attorney or private entity under contract with the district attorney.

(b) Full restitution being made to the victim of the bad check to hold offenders accountable for victims' losses as a result of criminal conduct. For the purpose of this subdivision, "restitution" means the face value

of the bad check or bad checks and any bank charges, as described in Section 1001.65.

(c) Full payment of the diversion fees, if any, specified in Section 1001.65.

SEC. 3. Section 1001.65 of the Penal Code is amended to read:

1001.65. (a) A district attorney may collect a processing fee if his or her office collects and processes a bad check. The amount of the fee shall not exceed fifty dollars (\$50) for each bad check in addition to the actual amount of any bank charges, including the returned check fee, if any, incurred by the victim as a result of the offense.

(b) Notwithstanding subdivision (a), when a criminal complaint is filed in a bad check case after the maker of the check fails to comply with the terms of the bad check diversion program, the court, after conviction, may impose a bad check processing fee for the recovery and processing efforts by the district attorney of not more than fifty dollars (\$50) for each bad check in addition to the actual amount of any bank charges incurred by the victim as a result of the offense, including the returned check fee, if any, not to exceed one thousand two hundred dollars (\$1,200) in the aggregate. The court also may, as a condition of probation, require a defendant to participate in and successfully complete a check writing education class. If so required, the court shall make inquiry into the financial condition of the defendant and, upon a finding that the defendant is able in whole or part to pay the expense of the education class, the court may order him or her to pay for all or part of that expense.

(c) If the district attorney elects to collect any fee for bank charges incurred by the victim pursuant to this section, including any fee charged for a returned check, that fee shall be paid to the victim for any bank fees that the victim may have been assessed. In no event shall reimbursement of a bank charge to the victim pursuant to subdivision (a) or (b) exceed fifteen dollars (\$15) per check.

CHAPTER 265

An act to amend Sections 1815, 1816, and 1981 of the Civil Code, relating to involuntary deposits.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. Section 1815 of the Civil Code is amended to read:
1815. An involuntary deposit is made:

(a) By the accidental leaving or placing of personal property in the possession of any person, without negligence on the part of its owner.

(b) In cases of fire, shipwreck, inundation, insurrection, riot, or like extraordinary emergencies, by the owner of personal property committing it, out of necessity, to the care of any person.

(c) By the delivery to, or picking up by, and the holding of, a stray live animal by any person or public or private entity.

(d) By the abandonment or leaving of a live animal, as proscribed by Section 597.1 of the Penal Code, in or about any premises or real property that has been vacated upon, or immediately preceding, the termination of a lease or other rental agreement or foreclosure of the property.

SEC. 2. Section 1816 of the Civil Code is amended to read:

1816. (a) The person or private entity with whom a thing is deposited in the manner described in Section 1815 is bound to take charge of it, if able to do so.

(b) Any person or private entity with whom a live animal is deposited in the manner described in subdivision (d) of Section 1815 shall immediately notify animal control officials for the purpose of retrieving the animal pursuant to Section 597.1 of the Penal Code. Animal control officers who respond shall be entitled to exercise the right afforded them pursuant to that section to secure a lien for the purpose of recovering the costs of attempting to rescue the animal. Nothing in this subdivision shall impose any new or additional civil or criminal liability upon a depository who complies with this subdivision.

(c) A public agency or shelter with whom an abandoned animal is deposited in the manner described in Section 1815 is bound to take charge of it, as provided in Section 597.1 of the Penal Code.

(d) The person in possession of the abandoned animal is subject to all local ordinances and state laws that govern the proper care and treatment of those animals.

(e) For purposes of this section, the person or private entity that notifies animal control officials to retrieve the animal or the successor property owner shall not be considered the keeper of the animal or the agent of the animal's owner as those terms are used in Section 597.1 of the Penal Code.

SEC. 3. Section 1981 of the Civil Code is amended to read:

1981. (a) This chapter provides an optional procedure for the disposition of personal property that remains on the premises after a tenancy has terminated and the premises have been vacated by the tenant.

(b) This chapter does not apply whenever Section 1862.5, 2080.8, 2080.9, or 2081 to 2081.6, inclusive, applies. This chapter does not apply to property that exists for the purpose of providing utility services and is owned by a public utility, whether or not that property is actually in operation to provide those utility services.

(c) This chapter does not apply to any manufactured home as defined in Section 18007 of the Health and Safety Code, any mobilehome as defined in Section 18008 of the Health and Safety Code, or to any commercial coach as defined in Section 18001.8 of the Health and Safety Code, including attachments thereto or contents thereof, whether or not the manufactured home, mobilehome, or commercial coach is subject to registration under the Health and Safety Code.

(d) This chapter does not apply to the disposition of an animal to which subdivision (d) of Section 1815 or Chapter 7 (commencing with Section 17001) of Part 1 of Division 9 of the Food and Agricultural Code applies, and those animals shall be disposed of in accordance with those provisions.

(e) If the requirements of this chapter are not satisfied, nothing in this chapter affects the rights and liabilities of the landlord, former tenant, or any other person.

CHAPTER 266

An act to amend Sections 4780, 4782, 4783, 4784, and 4785 of, to amend the heading of Part 4 (commencing with Section 4780) of Division 4.7 of, and to add Sections 4781.2, 4781.4, and 4781.5 to, the Probate Code, relating to health care decisions.

[Approved by Governor August 4, 2008. Filed with
Secretary of State August 4, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) It is important for people to make health care decisions before it is necessary.

(b) Health care planning is a process, rather than a single decision, that helps individuals think about the kind of care they would want if they become seriously ill or incapacitated, and encourages them to talk with their loved ones and physicians.

(c) Advance directives give individuals the ability to put their wishes in writing and to identify the person who would speak for them should they become unable to speak for themselves.

(d) The Physician Orders for Life Sustaining Treatment (POLST) form complements an advance directive by taking the individual's wishes regarding life-sustaining treatment, such as those set forth in the advance directive, and converting those wishes into a medical order.

(e) The hallmarks of a POLST form are (1) immediately actionable, signed medical orders on a standardized form, (2) orders that address a range of life-sustaining interventions as well as the patient's preferred intensity of treatment for each intervention, (3) a brightly colored, clearly identifiable form, and (4) a form that is recognized, adopted, and honored across treatment settings.

(f) A POLST is particularly useful for individuals who are frail and elderly or who have a compromised medical condition, a prognosis of one year of life, or a terminal illness.

SEC. 2. The heading of Part 4 (commencing with Section 4780) of Division 4.7 of the Probate Code is amended to read:

PART 4. REQUEST REGARDING RESUSCITATIVE MEASURES

SEC. 3. Section 4780 of the Probate Code is amended to read:
4780. (a) As used in this part:

(1) "Request regarding resuscitative measures" means a written document, signed by (A) an individual with capacity, or a legally recognized health care decisionmaker, and (B) the individual's physician, that directs a health care provider regarding resuscitative measures. A request regarding resuscitative measures is not an advance health care directive.

(2) "Request regarding resuscitative measures" includes one, or both of, the following:

(A) A prehospital "do not resuscitate" form as developed by the Emergency Medical Services Authority or other substantially similar form.

(B) A Physician Orders for Life Sustaining Treatment form, as approved by the Emergency Medical Services Authority.

(3) "Physician Orders for Life Sustaining Treatment form" means a request regarding resuscitative measures that directs a health care provider regarding resuscitative and life-sustaining measures.

(b) A legally recognized health care decisionmaker may execute the Physician Orders for Life Sustaining Treatment form only if the individual lacks capacity, or the individual has designated that the decisionmaker's authority is effective pursuant to Section 4682.

(c) The Physician Orders for Life Sustaining Treatment form and medical intervention and procedures offered by the form shall be explained by a health care provider, as defined in Section 4621. The form shall be completed by a health care provider based on patient preferences and medical indications, and signed by a physician and the patient or his or her legally recognized health care decisionmaker. The health care provider, during the process of completing the Physician Orders for Life Sustaining Treatment form, should inform the patient about the difference between an advance health care directive and the Physician Orders for Life Sustaining Treatment form.

(d) An individual having capacity may revoke a Physician Orders for Life Sustaining Treatment form at any time and in any manner that communicates an intent to revoke, consistent with Section 4695.

(e) A request regarding resuscitative measures may also be evidenced by a medallion engraved with the words “do not resuscitate” or the letters “DNR,” a patient identification number, and a 24-hour toll-free telephone number, issued by a person pursuant to an agreement with the Emergency Medical Services Authority.

SEC. 4. Section 4781.2 is added to the Probate Code, to read:

4781.2. (a) A health care provider shall treat an individual in accordance with a Physician Orders for Life Sustaining Treatment form.

(b) Subdivision (a) does not apply if the Physician Orders for Life Sustaining Treatment form requires medically ineffective health care or health care contrary to generally accepted health care standards applicable to the health care provider or institution.

(c) A physician may conduct an evaluation of the individual and, if possible, in consultation with the individual, or the individual’s legally recognized health care decisionmaker, issue a new order consistent with the most current information available about the individual’s health status and goals of care.

(d) The legally recognized health care decisionmaker of an individual without capacity shall consult with the physician who is, at that time, the individual’s treating physician prior to making a request to modify that individual’s Physician Orders for Life Sustaining Treatment form.

(e) An individual with capacity may, at any time, request alternative treatment to that treatment that was ordered on the form.

SEC. 5. Section 4781.4 is added to the Probate Code, to read:

4781.4. If the orders in an individual’s request regarding resuscitative measures directly conflict with his or her individual health care instruction, as defined in Section 4623, then, to the extent of the conflict, the most recent order or instruction is effective.

SEC. 6. Section 4781.5 is added to the Probate Code, to read:

4781.5. The legally recognized health care decisionmaker shall make health care decisions pursuant to this part in accordance with Sections 4684 and 4714.

SEC. 7. Section 4782 of the Probate Code is amended to read:

4782. A health care provider who honors a request regarding resuscitative measures is not subject to criminal prosecution, civil liability, discipline for unprofessional conduct, administrative sanction, or any other sanction, as a result of his or her reliance on the request, if the health care provider (a) believes in good faith that the action or decision is consistent with this part, and (b) has no knowledge that the action or decision would be inconsistent with a health care decision that the individual signing the request would have made on his or her own behalf under like circumstances.

SEC. 8. Section 4783 of the Probate Code is amended to read:

4783. (a) Forms for requests regarding resuscitative measures printed after January 1, 1995, shall contain the following:

“By signing this form, the legally recognized health care decisionmaker acknowledges that this request regarding resuscitative measures is consistent with the known desires of, and with the best interest of, the individual who is the subject of the form.”

(b) A printed form substantially similar to that described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 4780 is valid and enforceable if all of the following conditions are met:

(1) The form is signed by the individual, or the individual’s legally recognized health care decisionmaker, and a physician.

(2) The form directs health care providers regarding resuscitative measures.

(3) The form contains all other information required by this section.

SEC. 9. Section 4784 of the Probate Code is amended to read:

4784. In the absence of knowledge to the contrary, a health care provider may presume that a request regarding resuscitative measures is valid and unrevoked.

SEC. 10. Section 4785 of the Probate Code is amended to read:

4785. This part applies regardless of whether the individual executing a request regarding resuscitative measures is within or outside a hospital or other health care institution.

CHAPTER 267

An act to add Sections 185033, 185035, and 185037 to the Public Utilities Code, to add Chapter 20 (commencing with Section 2704) to Division 3 of the Streets and Highways Code, and to repeal Sections 1, 2, 3, and 4 of Chapter 697 of the Statutes of 2002, relating to financing a high-speed passenger train system by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 2008. Filed with
Secretary of State August 26, 2008.]

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

SECTION 1. Section 185033 is added to the Public Utilities Code, to read:

185033. The authority shall prepare, publish, and submit to the Legislature, not later than September 1, 2008, a revised business plan that identifies all of the following: the type of service it anticipates it will develop, such as local, express, commuter, regional, or interregional; a description of the primary benefits the system will provide; a forecast of the anticipated patronage, operating costs, and capital costs for the system; an estimate and description of the total anticipated federal, state, local, and other funds the authority intends to access to fund the construction and operation of the system; and the proposed chronology for the construction of the eligible corridors of the statewide high-speed train system. The revised business plan shall also include a discussion of all reasonably foreseeable risks the project may encounter, including, but not limited to, risks associated with the project's finances, patronage, construction, equipment, and technology, and other risks associated with the project's development. The plan shall describe the authority's strategies, processes, or other actions it intends to utilize to manage those risks.

SEC. 2. Section 185035 is added to the Public Utilities Code, to read:

185035. (a) The authority shall establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's plans and issuing an analysis of appropriateness and accuracy of the authority's assumptions and an analysis of the viability of the authority's financing plan, including the funding plan for each corridor required pursuant to subdivision (b) of Section 2704.08 of the Streets and Highways Code.

- (b) The peer review group shall include all of the following:
- (1) Two individuals with experience in the construction or operation of high-speed trains in Europe, Asia, or both, designated by the Treasurer.
 - (2) Two individuals, one with experience in engineering and construction of high-speed trains and one with experience in project finance, designated by the Controller.
 - (3) One representative from a financial services or financial consulting firm who shall not have been a contractor or subcontractor of the authority for the previous three years, designated by the Director of Finance.
 - (4) One representative with experience in environmental planning, designated by the Secretary of Business, Transportation and Housing.
 - (5) Two expert representatives from agencies providing intercity or commuter passenger train services in California, designated by the Secretary of Business, Transportation and Housing.
- (c) The peer review group shall evaluate the authority's funding plans and prepare its independent judgment as to the feasibility and reasonableness of the plans, appropriateness of assumptions, analyses, and estimates, and any other observations or evaluations it deems necessary.
- (d) The authority shall provide the peer review group any and all information that the peer review group may request to carry out its responsibilities.
- (e) The peer review group shall report its findings and conclusions to the Legislature no later than 60 days after receiving the plans.
- SEC. 3. Section 185037 is added to the Public Utilities Code, to read:
185037. (a) Notwithstanding any other provision of law, for any project along the high-speed rail network, the authority may contract with the department to perform project design and engineering services, including construction inspection services.
- (b) For purposes of this section, "project design and engineering services, including construction inspection services" means preliminary engineering, planning, prebid services, right-of-way acquisition, preparation of environmental documents, preparation of plans, specifications, and estimates, construction inspection including surveying and materials testing, quality control inspection including highway and utility relocation, and grade separations.
- SEC. 4. Section 1 of Chapter 697 of the Statutes of 2002, as amended by Section 1 of Chapter 71 of the Statutes of 2004, is repealed.
- SEC. 5. Section 2 of Chapter 697 of the Statutes of 2002, as amended by Sections 1 and 2 of Chapter 44 of the Statutes of 2006, is repealed.
- SEC. 6. Section 3 of Chapter 697 of the Statutes of 2002, as amended by Section 3 of Chapter 44 of the Statutes of 2006, is repealed.

SEC. 7. Section 4 of Chapter 697 of the Statutes of 2002, as amended by Section 4 of Chapter 44 of the Statutes of 2006, is repealed.

SEC. 8. (a) The continuing growth in California's population and the resulting increase in traffic congestion, air pollution, greenhouse gas emissions, and the continuation of urban sprawl make it imperative that the state proceed quickly to construct a state-of-the-art high-speed passenger train system to serve major metropolitan areas.

(b) The High-Speed Rail Authority, after extensive studies and analysis, proposes the construction of a high-speed train system that serves major population centers in the state and that links regional and local transit systems to form an integrated transportation system throughout the state. The system will link all of the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego.

(c) The high-speed train system proposed by the authority will cost about one-third of what it would cost to provide the same level of mobility and service with highway and airport improvements and will contribute significantly toward a reduction in air pollution and global warming.

(d) The high-speed train system, once it is completed and becomes operational, will contribute significantly toward the goal of reducing greenhouse gas emissions and other air pollutants and will help reduce California's dependence on foreign energy sources.

(e) The high-speed passenger train bond funds are intended to encourage the federal government and the private sector to make a significant contribution toward the construction of the high-speed train system.

(f) It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible in order to maximize ridership and the mobility of Californians, and that it be completed no later than 2020, and that all phases shall be built in a manner that yields maximum benefit consistent with available revenues.

SEC. 9. Chapter 20 (commencing with Section 2704) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 20. SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND
ACT FOR THE 21ST CENTURY

Article 1. General Provisions

2704. This chapter shall be known and may be cited as the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

2704.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the High-Speed Passenger Train Finance Committee created pursuant to Section 2704.12.

(b) "Authority" means the High-Speed Rail Authority created pursuant to Section 185020 of the Public Utilities Code, or its successor.

(c) "Fund" means the High-Speed Passenger Train Bond Fund created pursuant to Section 2704.05.

(d) "High-speed train" means a passenger train capable of sustained revenue operating speeds of at least 200 miles per hour where conditions permit those speeds.

(e) "High-speed train system" means a system with high-speed trains and includes, but is not limited to, the following components: right-of-way, track, power system, rolling stock, stations, and associated facilities.

(f) "Corridor" means a portion of the high-speed train system as described in Section 2704.04.

(g) "Usable segment" means a portion of a corridor that includes at least two stations.

Article 2. High-Speed Passenger Train Financing Program

2704.04. (a) It is the intent of the Legislature by enacting this chapter and of the people of California by approving the bond measure pursuant to this chapter to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego consistent with the authority's certified environmental impact reports of November 2005 and July 9, 2008.

(b) (1) Net proceeds received from the sale of nine billion dollars (\$9,000,000,000) principal amount of bonds authorized pursuant to this chapter, upon appropriation by the Legislature in the annual Budget Act, shall be used for (A) planning and engineering for the high-speed train system and (B) capital costs, as described in subdivision (c).

(2) As adopted by the authority in May 2007, Phase 1 of the high-speed train project is the corridor of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim.

(3) Upon a finding by the authority that expenditure of bond proceeds for capital costs in corridors other than the corridor described in paragraph (2) would advance the construction of the system, would be

consistent with the criteria described in subdivision (f) of Section 2704.08, and would not have an adverse impact on the construction of Phase 1 of the high-speed train project, the authority may request funding for capital costs, and the Legislature may appropriate funds described in paragraph (1) in the annual Budget Act, to be expended for any of the following high-speed train corridors:

- (A) Sacramento to Stockton to Fresno.
- (B) San Francisco Transbay Terminal to San Jose to Fresno.
- (C) Oakland to San Jose.
- (D) Fresno to Bakersfield to Palmdale to Los Angeles Union Station.
- (E) Los Angeles Union Station to Riverside to San Diego.
- (F) Los Angeles Union Station to Anaheim to Irvine.
- (G) Merced to Stockton to Oakland and San Francisco via the Altamont Corridor.

(4) Nothing in this section shall prejudice the authority's determination and selection of the alignment from the Central Valley to the San Francisco Bay Area and its certification of the environmental impact report.

(5) Revenues of the authority, generated by operations of the high-speed train system above and beyond operating and maintenance costs and financing obligations, including, but not limited to, support of revenue bonds, as determined by the authority, shall be used for construction, expansion, improvement, replacement, and rehabilitation of the high-speed train system.

(c) Capital costs payable or reimbursable from proceeds of bonds described in paragraph (1) of subdivision (b) include, with respect to the high-speed train system or any portion thereof, all activities necessary for acquisition of interests in real property and rights-of-way and improvement thereof; acquisition and construction of tracks, structures, power systems, and stations; acquisition of rolling stock and related equipment; mitigation of any direct or indirect environmental impacts of activities authorized by this chapter; relocation assistance for displaced property owners and occupants; other related capital facilities and equipment; and such other purposes related to the foregoing, for the procurement thereof, and for the financing or refinancing thereof, as may be set forth in a statute hereafter enacted. The method of acquisition of any of the foregoing may also be set forth in a statute hereafter enacted.

(d) Proceeds of bonds authorized pursuant to this chapter shall not be used for any operating or maintenance costs of trains or facilities.

(e) The State Auditor shall perform periodic audits of the authority's use of proceeds of bonds authorized pursuant to this chapter for consistency with the requirements of this chapter.

2704.05. Subject to Section 2704.18, the proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the High-Speed Passenger Train Bond Fund, which is hereby created.

2704.06. The net proceeds received from the sale of nine billion dollars (\$9,000,000,000) principal amount of bonds authorized pursuant to this chapter, upon appropriation by the Legislature in the annual Budget Act, shall be available, and subject to those conditions and criteria that the Legislature may provide by statute, for (a) planning the high-speed train system and (b) capital costs set forth in subdivision (c) of Section 2704.04, consistent with the authority's certified environmental impact reports of November 2005 and July 9, 2008, as subsequently modified pursuant to environmental studies conducted by the authority.

2704.07. The authority shall pursue and obtain other private and public funds, including, but not limited to, federal funds, funds from revenue bonds, and local funds, to augment the proceeds of this chapter.

2704.08. (a) Proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall not be used for more than 50 percent of the total cost of construction of each corridor or usable segment thereof of the high-speed train system, except for bond proceeds used for the purposes of subdivision (g).

(b) Not more than 10 percent of the proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall be used for environmental studies, planning, and preliminary engineering activities.

(c) (1) No later than 90 days prior to the submittal to the Legislature and the Governor of the initial request for appropriation of proceeds of bonds authorized by this chapter for any eligible capital costs on each corridor, or usable segment thereof, identified in subdivision (b) of Section 2704.04, other than costs described in subdivision (g), the authority shall have approved and submitted to the Director of Finance, the peer review group established pursuant to Section 185035 of the Public Utilities Code, and the policy committees with jurisdiction over transportation matters and the fiscal committees in both houses of the Legislature, a detailed funding plan for that corridor or a usable segment thereof.

(2) The plan shall include, identify, or certify to all of the following:

(A) The corridor, or usable segment thereof, in which the authority is proposing to invest bond proceeds.

(B) A description of the expected terms and conditions associated with any lease agreement or franchise agreement proposed to be entered into by the authority and any other party for the construction or operation of passenger train service along the corridor or usable segment thereof.

(C) The estimated full cost of constructing the corridor or usable segment thereof, including an estimate of cost escalation during construction and appropriate reserves for contingencies.

(D) The sources of all funds to be invested in the corridor, or usable segment thereof, and the anticipated time of receipt of those funds based on expected commitments, authorizations, agreements, allocations, or other means.

(E) The projected ridership and operating revenue estimate based on projected high-speed passenger train operations on the corridor or usable segment.

(F) All known or foreseeable risks associated with the construction and operation of high-speed passenger train service along the corridor or usable segment thereof and the process and actions the authority will undertake to manage those risks.

(G) Construction of the corridor or usable segment thereof can be completed as proposed in the plan.

(H) The corridor or usable segment thereof would be suitable and ready for high-speed train operation.

(I) One or more passenger service providers can begin using the tracks or stations for passenger train service.

(J) The planned passenger service by the authority in the corridor or usable segment thereof will not require a local, state, or federal operating subsidy.

(K) The authority has completed all necessary project level environmental clearances necessary to proceed to construction.

(d) Prior to committing any proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 for expenditure for construction and real property and equipment acquisition on each corridor, or usable segment thereof, other than for costs described in subdivision (g), the authority shall have approved and concurrently submitted to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee the following: (1) a detailed funding plan for that corridor or usable segment thereof that (A) identifies the corridor or usable segment thereof, and the estimated full cost of constructing the corridor or usable segment thereof, (B) identifies the sources of all funds to be used and anticipates time of receipt thereof based on offered commitments by private parties, and authorizations, allocations, or other assurances received from governmental agencies, (C) includes a projected ridership and operating revenue report, (D) includes a construction cost projection including estimates of cost escalation during construction and appropriate reserves for contingencies, (E) includes a report describing any material changes from the plan submitted pursuant to subdivision (c) for this corridor or usable segment thereof, and (F) describes the

terms and conditions associated with any agreement proposed to be entered into by the authority and any other party for the construction or operation of passenger train service along the corridor or usable segment thereof; and (2) a report or reports, prepared by one or more financial services firms, financial consulting firms, or other consultants, independent of any parties, other than the authority, involved in funding or constructing the high-speed train system, indicating that (A) construction of the corridor or usable segment thereof can be completed as proposed in the plan submitted pursuant to paragraph (1), (B) if so completed, the corridor or usable segment thereof would be suitable and ready for high-speed train operation, (C) upon completion, one or more passenger service providers can begin using the tracks or stations for passenger train service, (D) the planned passenger train service to be provided by the authority, or pursuant to its authority, will not require operating subsidy, and (E) an assessment of risk and the risk mitigation strategies proposed to be employed. The Director of Finance shall review the plan within 60 days of its submission by the authority and, after receiving any communication from the Joint Legislative Budget Committee, if the director finds that the plan is likely to be successfully implemented as proposed, the authority may enter into commitments to expend bond funds that are subject to this subdivision and accept offered commitments from private parties.

(e) Subsequent to approval of the detailed funding plan required under subdivision (d), the authority shall promptly inform the Governor and the Legislature of any material changes in plans or project conditions that would jeopardize completion of the corridor as previously planned and shall identify means of remedying the conditions to allow completion and operation of the corridor.

(f) In selecting corridors or usable segments thereof for construction, the authority shall give priority to those corridors or usable segments thereof that are expected to require the least amount of bond funds as a percentage of total cost of construction. Among other criteria it may use for establishing priorities for initiating construction on corridors or usable segments thereof, the authority shall include the following: (1) projected ridership and revenue, (2) the need to test and certify trains operating at speeds of 220 miles per hour, (3) the utility of those corridors or usable segments thereof for passenger train services other than the high-speed train service that will not result in any unreimbursed operating or maintenance cost to the authority, and (4) the extent to which the corridors include facilities contained therein to enhance the connectivity of the high-speed train network to other modes of transit, including, but not limited to, conventional rail (intercity rail, commuter rail, light rail, or other rail transit), bus, or air transit.

(g) Nothing in this section shall limit use or expenditure of proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 up to an amount equal to 7.5 percent of the aggregate principal amount of bonds described in that paragraph for environmental studies, planning, and preliminary engineering activities, and for (1) acquisition of interests in real property and right-of-way and improvement thereof (A) for preservation for high-speed rail uses, (B) to add to third-party improvements to make them compatible with high-speed rail uses, or (C) to avoid or to mitigate incompatible improvements or uses; (2) mitigation of any direct or indirect environmental impacts resulting from the foregoing; and (3) relocation assistance for property owners and occupants who are displaced as a result of the foregoing.

(h) Not more than 2.5 percent of the proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall be used for administrative purposes. The amount of bond proceeds available for administrative purposes shall be appropriated in the annual Budget Act. The Legislature may, by statute, adjust the percentage set forth in this subdivision, except that the Legislature shall not increase that percentage to more than 5 percent.

(i) No failure to comply with this section shall affect the validity of the bonds issued under this chapter.

2704.09. The high-speed train system to be constructed pursuant to this chapter shall be designed to achieve the following characteristics:

(a) Electric trains that are capable of sustained maximum revenue operating speeds of no less than 200 miles per hour.

(b) Maximum nonstop service travel times for each corridor that shall not exceed the following:

(1) San Francisco-Los Angeles Union Station: two hours, 40 minutes.

(2) Oakland-Los Angeles Union Station: two hours, 40 minutes.

(3) San Francisco-San Jose: 30 minutes.

(4) San Jose-Los Angeles: two hours, 10 minutes.

(5) San Diego-Los Angeles: one hour, 20 minutes.

(6) Inland Empire-Los Angeles: 30 minutes.

(7) Sacramento-Los Angeles: two hours, 20 minutes.

(c) Achievable operating headway (time between successive trains) shall be five minutes or less.

(d) The total number of stations to be served by high-speed trains for all of the corridors described in subdivision (b) of Section 2704.04 shall not exceed 24. There shall be no station between the Gilroy station and the Merced station.

(e) Trains shall have the capability to transition intermediate stations, or to bypass those stations, at mainline operating speed.

(f) For each corridor described in subdivision (b), passengers shall have the capability of traveling from any station on that corridor to any other station on that corridor without being required to change trains.

(g) In order to reduce impacts on communities and the environment, the alignment for the high-speed train system shall follow existing transportation or utility corridors to the extent feasible and shall be financially viable, as determined by the authority.

(h) Stations shall be located in areas with good access to local mass transit or other modes of transportation.

(i) The high-speed train system shall be planned and constructed in a manner that minimizes urban sprawl and impacts on the natural environment.

(j) Preserving wildlife corridors and mitigating impacts to wildlife movement, where feasible as determined by the authority, in order to limit the extent to which the system may present an additional barrier to wildlife's natural movement.

2704.095. (a) (1) Net proceeds received from the sale of nine hundred fifty million dollars (\$950,000,000) principal amount of bonds authorized by this chapter shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as that system is described in subdivision (b) of Section 2704.04, or that provide capacity enhancements and safety improvements. Funds under this section shall be available upon appropriation by the Legislature in the annual Budget Act for the eligible purposes described in subdivision (d).

(2) Twenty percent (one hundred ninety million dollars (\$190,000,000)) of the amount authorized by this section shall be allocated for intercity rail to the Department of Transportation, for state-supported intercity rail lines that provide regularly scheduled service and use public funds to operate and maintain rail facilities, rights-of-way, and equipment. A minimum of 25 percent of the amount available under this paragraph (forty-seven million five hundred thousand dollars (\$47,500,000)) shall be allocated to each of the state's three intercity rail corridors.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines, in consultation with the authority, to implement the requirements of this section. The guidelines shall include provisions for the administration of funds, including, but not limited to, the authority of the intercity corridor operators to loan these funds by mutual agreement between intercity rail corridors.

(3) Eighty percent (seven hundred sixty million dollars (\$760,000,000)) of the amount authorized by this section shall be allocated upon appropriation as set forth in this section to eligible recipients, except intercity rail, as described in subdivision (c) based upon a percentage amount calculated to incorporate all of the following:

(A) One-third of the eligible recipient's percentage share of statewide track miles.

(B) One-third of the eligible recipient's percentage share of statewide annual vehicle miles.

(C) One-third of the eligible recipient's percentage share of statewide annual passenger trips.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines to implement the requirements of this section.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Track miles" means the miles of track used by a public agency or joint powers authority for regular passenger rail service.

(2) "Vehicle miles" means the total miles traveled, commencing with pullout from the maintenance depot, by all locomotives and cars operated in a train consist for passenger rail service by a public agency or joint powers authority.

(3) "Passenger trips" means the annual unlinked passenger boardings reported by a public agency or joint powers authority for regular passenger rail service.

(4) "Statewide" when used to modify the terms in subparagraphs (A), (B), and (C) of paragraph (3) of subdivision (a) means the combined total in the state of those amounts for all eligible recipients.

(c) Eligible recipients for funding under paragraph (3) of subdivision (a) shall be public agencies and joint powers authorities that operate regularly scheduled passenger rail service in the following categories:

(1) Commuter rail.

(2) Light rail.

(3) Heavy rail.

(4) Cable car.

(d) Funds allocated pursuant to this section shall be used to pay or reimburse the costs of projects to provide or improve connectivity with the high-speed train system or for the rehabilitation or modernization of, or safety improvements to, tracks utilized for public passenger rail service, signals, structures, facilities, and rolling stock.

(e) Eligible recipients may use the funds for any eligible rail element set forth in subdivision (d).

(f) In order to be eligible for funding under this section, an eligible recipient under paragraph (3) of subdivision (a) shall provide matching funds in an amount not less than the total amount allocated to the recipient under this section.

(g) An eligible recipient of funding under paragraph (3) of subdivision (a) shall certify that it has met its matching funds requirement, and all other requirements of this section, by resolution of its governing board, subject to verification by the California Transportation Commission.

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or federal revenues being used for maintenance or rehabilitation of the passenger rail system. Eligible recipients of funding under paragraph (3) of subdivision (a) shall maintain their existing commitment of local, state, or federal funds for these purposes in order to remain eligible for allocation and expenditure of the additional funding made available by this section.

(i) In order to receive any allocation under this section, an eligible recipient under paragraph (3) of subdivision (a) shall annually expend from existing local, state, or federal revenues being used for the maintenance or rehabilitation of the passenger rail system in an amount not less than the annual average of its expenditures from local revenues for those purposes during the 1998–99, 1999–2000, and 2000–01 fiscal years.

(j) Funds allocated pursuant to this section to the Southern California Regional Rail Authority for eligible projects within its service area shall be apportioned each fiscal year in accordance with memorandums of understanding to be executed between the Southern California Regional Rail Authority and its member agencies. The memorandum or memorandums of understanding shall take into account the passenger service needs of the Southern California Regional Rail Authority and of the member agencies, revenue attributable to member agencies, and separate contributions to the Southern California Regional Rail Authority from the member agencies.

Article 3. Fiscal Provisions

2704.10. (a) Bonds in the total amount of nine billion nine hundred fifty million dollars (\$9,950,000,000), exclusive of refunding bonds issued in accordance with Section 2704.19, 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 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 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.

2704.11. (a) Except as provided in subdivision (b), 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.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 40 years from the date of original issuance thereof.

2704.12. (a) Solely for the purpose of authorizing the issuance and sale of the bonds authorized by this chapter and the making of those determinations and the taking of other actions as are authorized by this chapter, pursuant to the State General Obligation Bond Law, the High-Speed Passenger Train Finance Committee is hereby created. For purposes of this chapter, the High-Speed Passenger Train Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of Business, Transportation and Housing, and the chairperson of the authority. Notwithstanding any other provision of law, any member of the committee may designate a representative to act as that member in his or her place and stead for all purposes, as though the member were personally present. The Treasurer shall serve as chairperson of the committee. A majority of the committee shall constitute a quorum of the committee, and may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the authority is designated the "board."

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 term for the bonds to be issued. In addition to all other powers specifically granted in this chapter and the State General Obligation Bond Law, the committee may do all things necessary or convenient to carry out the powers and purposes of this article, including the approval of any indenture relating to the bonds, and the delegation of necessary duties to the chairperson and to the Treasurer as agent for the sale of the bonds. Any terms of any bonds issued under this chapter may be provided under an indenture instead of under a resolution, as determined by the committee.

2704.14. 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.

2704.15. 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 equal to the total of the following: (a) that 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, and (b) the sum necessary to carry out Section 2704.17, appropriated without regard to fiscal years.

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.

2704.17. For the purpose 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 unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2704.16. Any amount 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 the sale of bonds for the purpose of carrying out this chapter.

2704.18. All money deposited in the fund which is derived from premium on bonds sold shall be available to pay costs of issuing the bonds, and to the extent not so needed, together with accrued interest derived from sale of the bonds, shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2704.19. 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 the state for the issuance of bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

2704.20. 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.

2704.21. Notwithstanding any provision of this chapter or 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 under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law, or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 10. Section 9 of this act 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 9 of this act.

SEC. 11. (a) Section 9 of this act shall be submitted by the Secretary of State to the voters at the November 4, 2008, general election, notwithstanding the requirements of Sections 9040, 9043, 9044, and 9061 of the Elections Code or any other provision of law.

(b) Notwithstanding Sections 13115 and 13117 of the Elections Code, the bond measure described in subdivision (a) shall be placed as the first ballot measure on the November 4, 2008, general election ballot and shall be designated as Proposition 1A.

(c) Notwithstanding any other provision of law, all ballots of the November 4, 2008, general election shall have printed thereon as the ballot label for Proposition 1A the following:

“SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT. To provide Californians a safe, convenient, affordable, and reliable alternative to driving and high gas prices; to provide good-paying jobs and improve California’s economy while reducing air pollution, global warming greenhouse gases, and our dependence on foreign oil, shall \$9.95 billion in bonds be issued to establish a clean, efficient high-speed train service linking Southern California, the Sacramento/San Joaquin Valley, and the San Francisco Bay Area, with at least 90 percent of bond funds spent for specific projects, with federal and private matching funds required, and all bond funds subject to independent audits?”

At the appropriate location on the ballot, in the manner prescribed by law, there shall be provided the opportunity for voters to indicate whether they vote for or against the measure.

(d) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (c) 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 shall 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 summary and the financial impact summary.

(e) 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.

(f) (1) Notwithstanding any other provision of law, the Secretary of State shall use the following as the ballot title and summary for Proposition 1A:

“SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT.

Provides long-distance commuters with a safe, convenient, affordable, and reliable alternative to driving and high gas prices.

Reduces traffic congestion on the state’s highways and at the state’s airports.

Reduces California’s dependence on foreign oil.

Reduces air pollution and global warming greenhouse gases.

Establishes a clean, efficient 220 MPH transportation system.

Improves existing passenger rail lines serving the state's major population centers.

Provides for California's growing population.

Provides for a bond issue of \$9.95 billion to establish high-speed train service linking Southern California counties, the Sacramento/San Joaquin Valley, and the San Francisco Bay Area.

Provides that at least 90% of these bond funds shall be spent for specific construction projects, with federal and private sector matching funds required.

Requires that use of all bond funds is subject to independent audits.

Appropriates money from the General Fund to pay bond principal and interest."

(2) Notwithstanding any other provision of law, the language in paragraph (1) shall be the only language included in the ballot title and summary, and the Attorney General shall not supplement, subtract from, or otherwise revise that language, except that the Attorney General shall include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code.

(g) The Secretary of State shall include, in the ballot pamphlets mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of the Elections Code regarding the bond act described in subdivision (a). If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act described in subdivision (a), to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall be mailed separately.

(h) Notwithstanding Section 9054 of the Elections Code or any other provision of law, the translations of the ballot title and the condensed statement of the ballot title required pursuant to Section 9054 may be made available for public examination at a later date than the start of the public examination period for the ballot pamphlet, provided that the translations of the ballot title and the condensed statement of the ballot title must remain available for public examination for eight days.

(i) Notwithstanding Section 13282 of the Elections Code or any other provision of law, the public shall be permitted to examine the condensed statement of the ballot title for not more than eight days. Any voter may seek a writ of mandate for the purpose of requiring any statement of the ballot title, or portion thereof, to be amended or deleted only within that eight-day period.

SEC. 12. Notwithstanding any other provision of law, the bond act proposed by 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 Sections 1 and 2 of Chapter 44 of the Statutes of 2006, shall not be placed by the Secretary of State on the November 4, 2008, general election ballot, or, if already on the ballot, shall be removed therefrom.

SEC. 13. Approval by the voters of the Safe, Reliable High-Speed Passenger Train Bond Act shall constitute approval of a financial plan for purposes of Section 185036 of the Public Utilities Code.

SEC. 14. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to replace the provisions of a general obligation bond measure on the November 4, 2008, general election ballot that would authorize the issuance and sale of bonds for the financing of a high-speed passenger train system and for other related purposes with a new measure for similar purposes, it is necessary that this act take effect immediately.

CHAPTER 268

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 September 23, 2008. Filed with Secretary of State September 23, 2008.]

I object to the following appropriations contained in Assembly Bill 1781.

Item 0690-011-0214—For support of Office of Emergency Services. I delete this item.

This item would authorize a \$30,000,000 loan from the Restitution Fund to the Emergency Response Fund. The final budget package does not create the Emergency Response Fund nor appropriate any funding from it. However, the final budget package does include this loan, which is no longer necessary. Therefore, on a technical basis, I must delete this item.

Item 0690-101-6061—For local assistance, Office of Emergency Services.

I revise this item by deleting Provision 1. This Budget Bill provision is unnecessary, as it simply restates existing law. Specifically, this provision would require the allocation of funding from the Transit System Safety, Security, and Disaster Response Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 to be consistent with the provisions of Chapter 181, Statutes of 2007. Chapter 181 designated administering agencies for the bond funds authorized by the voters via Proposition 1B in November 2006, and imposed various requirements on these agencies for the allocation of the bond funds.

Item 0690-101-6073—For local assistance, Office of Emergency Services.

I revise this item by deleting Provision 1. This Budget Bill provision is unnecessary, as it simply restates existing law. Specifically, this provision would require the allocation of funding from the Port and Maritime Security Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 to be consistent with the provisions of Chapter 181, Statutes of 2007. Chapter 181 designated administering agencies for the bond funds authorized by the voters via Proposition 1B in November 2006, and imposed various requirements on these agencies for the allocation of the bond funds.

Item 1700-001-0001—For support of Department of Fair Employment and Housing. I reduce this item from \$17,813,000 to \$16,869,000 by reducing:

(1) 50-Administration of Civil Rights Law from \$23,668,000 to \$22,624,000

(2) Amount payable from the Federal Trust fund (Item 1700-001-0890) from -\$5,855,000 to -\$5,755,000.

I am reducing this item by \$944,000 which will result in the loss of 9.5 personnel years for the enforcement of civil rights. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so.

Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also revising this item to conform to the action I have taken in 1700-001-0890.

Item 1700-001-0890—For support of Department of Fair Employment and Housing. I reduce this item from \$5,855,000 to \$5,755,000.

I am revising this item to conform to the action I have taken in Item 1700-001-0001 to reflect a reduction in federal funds for processing dual filed housing and employment discrimination claims.

Item 1730-001-0044—For support of Franchise Tax Board. I reduce this item from \$2,991,000 to \$2,844,000 to make a technical correction to the Budget Bill.

This technical veto will conform with the Legislature's intent and is consistent with the legislative action taken in Item 1730-001-0001.

Item 1730-001-0064—For support of Franchise Tax Board. I reduce this item from \$5,615,000 to \$5,342,000 to make a technical correction to the Budget Bill.

This technical veto will conform with the Legislature's intent and is consistent with the legislative action taken in Item 1730-001-0001.

Item 2240-001-0001—For support of Housing and Community Development. I reduce this item from \$4,784,000 to \$4,023,000 by reducing:

(1) 10-Codes and Standards Program from \$29,964,000 to \$29,118,000.

(7) Reimbursements from -\$1,132,000 to -\$1,047,000, and by deleting Provision 2.

I am reducing this item by \$761,000 for the Employee Housing Program. While the budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also eliminating the Legislature's augmentation of reimbursements for this item by \$85,000 and, consistent with this action, I am deleting Provision 2 that expresses legislative intent that the Department of Housing and Community Development increase fees paid by employee housing providers to offset program reductions.

Item 2240-101-0001—For local assistance, Department of Housing and Community Development. I reduce this item from \$6,316,000 to \$5,973,000 by reducing:

(1) 20-Financial Assistance Program from \$173,116,000 to \$172,773,000, and deleting Provision 1.

I am reducing this item by \$343,000 to reinstate the budget-balancing reduction to the migrant housing operations program that I proposed. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains

in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 2240-101-0890—For local assistance, Department of Housing and Community Development. I revise this item by deleting Provision 2.

I am deleting Provision 2 which would specify that \$1,800,000 of the amount appropriated in this item shall be made available upon receipt of a federal grant. This language is unnecessary because the Department of Housing and Community Development cannot make the expenditure unless the federal grant is received.

Item 2240-101-6069—For local assistance, Department of Housing and Community Development. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would specify that funding in this item shall be subject to legislative review and approval of a request by the Department of Housing and Community Development. This language is unnecessary.

Item 2240-101-9736—For local assistance, Department of Housing and Community Development. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would specify that funding in this item shall be subject to legislative review and approval of a request by the Department of Housing and Community Development. This language is unnecessary.

Item 2240-102-6038—For local assistance, Department of Housing and Community Development. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would specify that funding for the Building Equity in Neighborhoods program shall be subject to legislative review and approval of a request by the Department of Housing and Community Development. This language is unnecessary because the funding proposed in the Budget is always subject to legislative review and approval.

Item 2240-105-0001—For transfer, as an expenditure, upon order of the Director of Finance, to the Emergency Housing and Assistance Fund. I delete this item.

I am reducing this item by \$401,000 to reinstate the budget-balancing reduction to the state grant program for local emergency shelters that I proposed. I am further reducing this item by \$3,599,000. While the budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 2320-001-0317—For support of Department of Real Estate. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would require the Department of Real Estate to report workload and enforcement data to the Legislature.

This reporting requirement would result in an expenditure increase without regard to the availability of resources. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, I am instructing the Commissioner to comply with the legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the Department of Real Estate's ability to perform its essential functions.

Item 2600-001-0042—For support of California Transportation Commission. I revise this item by deleting Provision 1.

While the Legislature approved the \$100,000 augmentation to fund a contract with a financial consultant to assist in reviewing the eligibility of high-occupancy toll lane project applications, it also added provisional language requiring that these funds only be used for this purpose. While this provisional language is consistent with the Administration's intended use of this funding, it is unnecessary.

Item 2660-104-6063—For local assistance, Department of Transportation. I reduce this item from \$62,999,000 to \$61,299,000 by reducing:

- (1) 20.30-Highway Transportation-Local Assistance from \$62,999,000 to \$61,299,000.

Item 2660-302-0042—For capital outlay, Department of Transportation. I reduce this item from \$847,800,000 to \$747,800,000 by reducing:

- (1) 20-Highway Transportation from \$1,897,800,000 to \$1,797,800,000, and
 - (a) State Highway Operation and Protection Program (\$1,897,800,000) to (\$1,797,800,000).

I am reducing this item by \$100,000,000 to reflect the lower estimated revenues that the State Highway Account is projected to receive from excise taxes on fuel. Continuing increases in prices have reduced consumption, resulting in less tax revenue.

Item 3340-001-0001—For support of California Conservation Corps. I reduce this item from \$35,874,000 to \$33,874,000 by reducing:

- (1) 10-Training and Work Program from \$65,032,000 to \$63,032,000.

I am reducing this item by \$2,000,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Nevertheless, I am sustaining the legislative augmentation of an additional \$1,000,000 from the Collins-Dugan California Conservation Corps Reimbursement Account to maintain three non-residential facilities and 75 corpsmember slots.

Item 3600-001-0001—For support of Department of Fish and Game. I reduce this item from \$77,301,000 to \$73,410,000 by reducing:

- (1) 20-Biodiversity Conservation Program from \$150,694,000 to \$147,572,000;
- (2) 25-Hunting, Fishing, and Public Use from \$71,276,000 to \$70,737,000;
- (3) 30-Management of Department Lands and Facilities from \$48,009,000 to \$46,895,000;
- (4) 40-Enforcement from \$61,764,000 to \$61,648,000;
- (6) 70.01-Administration from \$44,359,000 to \$43,672,000;
- (7) 70.02-Distributed Administration from -\$44,359,000 to -\$43,672,000; and
- (21) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103) from -\$17,297,000 to -\$16,297,000.

I am reducing this item by \$3,891,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the

same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

In addition, I am reducing \$1,000,000 from the Hatchery and Inland Fisheries Fund.

Item 3600-001-3103—For support of Department of Fish and Game. I reduce this item from \$17,297,000 to \$16,297,000.

I am reducing this item by \$1,000,000 to conform to the action I have taken in Item 3600-001-0001.

Item 3720-001-0001—For support of California Coastal Commission. I reduce this item from \$11,809,000 to \$11,192,000 by reducing:

- (1) 10-Coastal Management Program from \$16,630,000 to \$16,049,000;
- (2) 20-Coastal Energy Program from \$1,112,000 to \$1,076,000;
- (3) 30.01-Administration from \$1,914,000 to \$1,827,000; and
- (4) 30.02-Distributed Administration from -\$1,814,000 to -\$1,727,000.

I am reducing this item by \$617,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 3780-001-0001—For support of Native American Heritage Commission. I reduce this item from \$786,000 to \$707,000 by reducing:

- (1) 10-Native American Heritage Commission from \$792,000 to \$713,000.

I am reducing this item by \$79,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 3790-001-0001—For support of Department of Parks and Recreation. I revise this item by reducing:

(1) For support of the Department of Parks and Recreation from \$432,009,000 to \$431,099,000, and by deleting

(4.5) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3790-001-0044) (-\$910,000).

I am revising this item to conform to the action I have taken in Item 3790-001-0044.

Item 3790-001-0044—For support of Department of Parks and Recreation. I delete this item.

I am deleting this item of appropriation which acts as a \$910,000 legislative funding shift from the General Fund to the Motor Vehicle Account (MVA), State Transportation Fund to enable the Department of Parks and Recreation to comply with the State Air Resources Board's new diesel particulate matter emission regulations for on-road heavy-duty diesel vehicles. I believe regulatory compliance activities should be funded by the department's own funding sources. Consequently, the MVA is not an appropriate fund source for this purpose.

Item 3810-001-0140—For support of Santa Monica Mountains Conservancy.

I am sustaining the provisional language added by the Legislature providing that the Santa Monica Mountains Conservancy (Conservancy) shall reimburse to the Attorney General's Office (AG) for costs associated with grant reviews and attending meetings.

The clear intent of this language is to create an incentive for the AG to provide legal services to the Conservancy and to have the Conservancy to reimburse the AG for its costs related to Proposition 84. However, this new language inadvertently appears to conflict with the language in Provision 1, which requires the AG to otherwise provide legal services to the Conservancy as if it were a General Fund department.

Therefore, by sustaining this language, it is my intent that the Conservancy reimburse the AG for costs associated with Proposition 84 grant reviews and the associated meetings, and that all other legal costs be funded in a manner consistent with past practice. The Department of Finance will revisit this issue next budget year.

Item 3900-001-0001—For support of State Air Resources Board. I reduce this item from \$2,189,000 to \$189,000.

I am reducing this item by \$2,000,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is inadequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 3940-001-0001—For support of State Water Resources Control Board. I revise this item by deleting sub-schedules (a) and (b) under Program 10 Water Quality, and Provision 2 of this section.

I am eliminating Budget Act language that displays the allocations to the state's nine regional boards and requires additional actions should a reallocation of resources be necessary. The Regional Boards develop and enforce the water quality objectives and implementation plans that are developed by the State Water Board, recognizing local differences in climate, topography, geology and hydrology. The joint authority of water allocation and water quality protection enables the State Water Board to provide comprehensive protection for California's waters. This centralized structure allows the State Board to implement program priorities and to respond to statewide needs through the Regional Board. The State Board should not require a change in authority to move funds from one region to another should events occur that make it necessary such as a fire, a flood, or a change in priorities. Creating separate line items in the budget for each Regional Board would challenge the State Board's ability to manage and prioritize the needs of the whole state. Alternatively, the Water Board can address the Legislature's

intent to better understand the role of the regional water boards through an anticipated strategic and structural reorganization the Water Board is planning through its Water Quality Initiative.

Item 3960-001-0001—For support of Toxic Substances Control. I reduce this item from \$23,325,000 to \$22,170,000.

I am reducing this item by \$1,155,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am revising the dollar amount specified in Provision 1 to conform to the action taken in this item.

The Director of Toxic Substances Control may expend from this item: (a) \$11,604,000 for the following activities at the federal Stringfellow 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) ~~\$4,266,000~~ \$3,111,000 for the operation of the Illegal Drug Laboratory Removal Program.

Item 3960-001-0014—For support of Toxic Substances Control. I revise this item by reducing:

(1) 12-Site Mitigation and Brownfields Reuse from \$89,426,000 to \$88,271,000.

(8) Amount payable from General Fund (Item 3960-001-0001) from -\$23,325,000 to -\$22,170,000.

I am revising this item to conform to the action I have taken in Item 3960-001-0001.

Item 4170-101-0001—For local assistance, Department of Aging. I reduce this item from \$56,109,000 to \$42,945,000 by reducing:

(1) 10-Nutrition from \$73,373,000 to \$72,804,000;

(2) 20-Senior Community Employment from \$10,304,000 to \$7,139,000;

(3) 30-Supportive Services and Centers from \$71,894,000 to \$65,916,000; and

(4) 40-Special Projects from \$50,003,000 to \$46,751,000;

and by deleting:

(4.5) 97.20.004-Local Projects (\$200,000).

I am reducing this item by \$13,164,000 for the following programs:

- \$316,000 from the Home Delivered Meals program;
- \$253,000 from the Congregate Nutrition program;
- \$3,165,000 from Senior Community Employment;
- \$5,978,000 from the Long-term Care Ombudsman and Supportive Services

programs;

- \$2,526,000 for the Multipurpose Senior Services Program;
- \$416,000 for the Alzheimer's Day Care Resource Centers;
- \$250,000 for the Linkages program;
- \$60,000 for the Brown Bag program; and
- \$200,000 for the Senior Legal Hotline

While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 4200-001-0001—For support of Department of Alcohol and Drug Programs. I reduce this item from \$14,701,000 to \$6,019,000 by reducing:

- (1) 15-Alcohol and Other Drug Services Program from \$57,702,000 to \$48,275,000;
- (2) 30.01-Administration from \$11,999,000 to \$8,999,000;
- (3) 30.02-Distributed Administration from -\$11,999,000 to -\$8,999,000;
- (4) Reimbursements from -\$4,932,000 to -\$4,544,000;
- (10) Amount payable from the Substance Abuse Treatment Trust Fund (Item 4200-001-3019) from -\$3,565,000 to -\$3,208,000.

I am reducing this item by \$9,070,000 (\$8,682,000 General Fund and \$388,000 Reimbursements), as follows:

- \$8,000,000 for the California Methamphetamine Prevention Campaign;
- \$776,000 and 5.3 positions for the Drug Medi-Cal Program;
- \$154,000 for the Non-Drug Medi-Cal Program;
- \$110,000 and 0.5 positions for the Drug Court programs; and
- \$30,000 and 0.4 positions for the Offender Treatment Program.

While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also reducing \$357,000 and 3.0 positions in Item 4200-001-3019 to conform to the action I have taken in Item 4200-105-0001.

Item 4200-001-3019—For support of Department of Alcohol and Drug Programs. I reduce this item from \$3,565,000 to \$3,208,000.

I am reducing this item by \$357,000 to conform to the action I have taken in Item 4200-105-0001.

Item 4200-101-0001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$89,197,000 to \$83,665,000 by reducing:

- (1) 15-Alcohol and Other Drug Services Programs from \$438,351,000 to \$423,168,000;
- (4) Amount payable from the Substance Abuse Treatment Fund (Item 4200-101-3019) from -\$96,514,000 to -\$86,863,000.

I am reducing this item by \$5,532,000, as follows:

- \$2,983,000 for the Drug Court programs;
- \$1,970,000 for the Offender Treatment Program; and
- \$579,000 for the Non-Drug Medi-Cal Program.

While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also reducing \$9,651,000 in Item 4200-101-3019 to conform to the action I have taken in Item 4200-105-0001.

Item 4200-101-3019—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$96,514,000 to \$86,863,000.

I am reducing this item by \$9,651,000 to conform to the action I have taken in Item 4200-105-0001.

Item 4200-104-0001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$23,457,000 to \$21,111,000 by reducing:

(1) 15-Alcohol and Other Drug Services Program from \$40,511,000 to \$38,165,000.

I am reducing this item by \$2,346,000 for perinatal substance abuse treatment programs. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 4200-105-0001—For transfer by the Controller to the Substance Abuse Treatment Trust Fund. I reduce this item from \$100,079,000 to \$90,071,000.

I am reducing this item by \$10,008,000 for the Substance Abuse and Crime Prevention Act program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I have taken conforming action in Item 4200-001-3019 and Item 4200-101-3019.

Item 4260-001-0001—For support of Department of Health Care Services. I revise this item by reducing:

(1) 20-Health Care Services from \$383,834,000 to \$381,821,000, and by deleting:

(10) Amount payable from the California Discount Prescription Drug Program Fund (Item 4260-001-8040) (-\$2,013,000)

I am deleting \$2,013,000 intended to specifically fund costs for the California Discount Prescription Drug Program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed

to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also deleting Item 4260-001-8040 to conform to this action.

Item 4260-001-8040—For support of Department of Health Care Services. I delete this item and Provisions 1 and 2.

I am deleting this item to conform to the action I have taken in Item 4260-001-0001 regarding the California Discount Prescription Drug Program.

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

Item 4260-006-0001—For transfer by the Controller to the California Discount Prescription Drug Program Fund. I delete this item and Provision 1.

I am deleting the \$5,870,000 in this item to conform to the action I have taken in Items 4260-001-0001, 4260-001-8040, and 4260-119-8040 regarding the California Discount Prescription Drug Program.

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

Item 4260-113-0001—For local assistance, Department of Health Care Services. I reduce this item from \$208,380,000 to \$206,744,000 by:

(3) Benefits (Medical Care and Services) from \$567,046,000 to \$563,226,000, and

(4) Amount payable from the Federal Trust Fund (Item 4260-113-0890) from -\$363,428,000 to -\$361,244,000.

I am reducing this item by \$1,636,000 to make a technical correction to conform to the Legislature's action to utilize unanticipated Medi-Cal savings in fiscal year 2007-08 to reduce expenditures in 2008-09.

I am reducing Item 4260-113-0890 by \$2,184,000 to conform with this action.

Item 4260-113-0890—For local assistance, Department of Health Care Services. I reduce this item from \$363,428,000 to \$361,244,000 to make a technical correction to the Budget Bill.

I am reducing this item by \$2,184,000 to conform to my action in Item 4260-113-0001.

Item 4260-119-8040—For local assistance, Department of Health Care Services. I delete this item.

I am deleting the \$3,857,000 intended specifically to fund local assistance costs for the California Discount Prescription Drug Program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 4265-001-0001—For support of Department of Public Health. I reduce this item from \$86,147,000 to \$82,850,000 by reducing:

(2) 20-Public and Environmental Health from \$501,031,000 to \$497,734,000.

I am reducing this item by \$3,297,000, as follows:

- \$1,042,000 for the Childhood Lead Poisoning Prevention Branch;
- \$976,000 for the Medical Device and Drug Safety Program;
- \$841,000 for the Epidemiology and Prevention for Injury Control Branch;
- \$277,000 for the Prostate Cancer Treatment Program; and
- \$161,000 for the Cosmetic Safety Program.

While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 4265-111-0001—For local assistance, Department of Public Health. I reduce this item from \$257,472,000 to \$244,479,000 by reducing:

- (3) 20.20-Infectious Disease from \$365,085,000 to \$358,845,000;
- (4) 20.30-Family Health from \$1,504,545,000 to \$1,498,477,000;
- (6) 20.50-County Health Services from \$40,691,000 to \$39,791,000;
- (7) 20.60-Environmental Health from \$132,541,000 to \$131,557,000;
- (8) Reimbursements from -\$160,479,000 to -\$159,280,000;

and by deleting Provision 3.

I am reducing this item by \$5,030,000 (\$3,831,000 General Fund and \$1,199,000 Reimbursements) by eliminating funding to local entities for the following programs:

- \$1,824,000 for the TeenSMART Outreach Program;
- \$1,322,000 for the Male Involvement Program;
- \$984,000 for the Beach Safety Program; and
- \$900,000 for the State Public Health Subvention.

I am also reducing this item by \$3,670,000 by reducing funding to local entities for the following programs:

- \$2,269,000 for the Domestic Violence Program;
- \$748,000 for the Tuberculosis Control Housing Program;
- \$403,000 for the Teen Life Skills Information and Education Program; and
- \$250,000 for the Maternal, Child and Adolescent Health Program.

While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am deleting \$5,492,000 of the \$6,842,000 General Fund legislative augmentation to local health jurisdictions for AIDS/HIV Education and Prevention programs. With this reduction, \$31.8 million still remains to support the AIDS/HIV Education and Prevention programs.

I am also deleting Provision 3, that expresses a legislative wish to have the Department of Public Health not exclude any drugs from the AIDS Drug Assistance Program (ADAP)

formulary for the purpose of reducing ADAP expenditures and would require funding to be maintained using the ADAP Rebate Fund. The Office of AIDS within the Department is the appropriate entity to determine the proper alignment of program expenditures within the funding available, including the ADAP Rebate Fund. Provision 3 would restrict the Office of AIDS ability to manage ADAP expenditures. Consequently, I am vetoing this language.

Item 4440-103-0001—For local assistance, Department of Mental Health. I reduce this item from \$232,856,000 to \$225,136,000 by reducing:

(1) 10.25-Community Services—Other Treatment from \$232,856,000 to \$225,136,000.

I am reducing this item by \$7,720,000 for the Mental Health Managed Care program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 4700-001-0001—For support of Department of Community Services and Development. I delete this item.

I am deleting this item to conform to the action I have taken in 4700-101-0001.

Item 4700-101-0001—For local assistance, Department of Community Services and Development. I delete this item.

I am deleting the \$2,565,000 for the for the Naturalization Services program. I am also deleting the \$154,000 in state operations funding for this program (refer to Item 4700-001-0001). While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 5180-001-0001—For support of Department of Social Services. I reduce this item from \$107,134,000 to \$106,640,000 by reducing:

(2) 25-Social Services and Licensing from \$168,929,500 to \$168,829,500;

(3) 35-Disability Evaluation and Other Services from \$260,159,500 to \$259,381,500; and

(6) Reimbursements from \$-26,048,000 to -\$25,664,000.

I am reducing this item by \$778,000 (\$394,000 General Fund) for the Disability Determination program and \$100,000 General Fund for the Independent Adoptions program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reduction and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in

order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6110-123-0001—For local assistance, Department of Education. I reduce this item from \$120,209,000 to \$114,209,000 by deleting:

(2) 20-Corrective Actions \$6,000,000.

I am deleting the \$6,000,000 restored by the Legislature that allocates funds to non-Title I Immediate Intervention Underperforming Schools Program (II/USP) schools that are still subject to state sanctions and are working with school assistance and intervention teams (SAITs). Although the II/USP ended in 2004-05, schools continue to receive grants of \$150 per student to implement improvement plans prepared by SAITs. I do not believe that the state should continue to fund these activities. Earlier this year, the Legislature accepted my proposal to eliminate from the Budget federal Title I funds for these purposes. This veto would be consistent with that agreement.

I am deleting provision 2 to conform to this action.

Item 6110-125-0890—For local assistance, Department of Education. I delete Provision 4 of this item.

I am deleting the appropriation located in Section 4 of the provisional language related to a \$1.8 million intervention program for local education agencies not meeting federal Title III benchmarks that was administratively established in the 2007-08 fiscal year as little information has been provided on what the program would achieve.

I am deleting Provision 4 to conform to this action.

Item 6120-150-0001—For local assistance, California State Library, for the Civil Liberties Public Education Program. I reduce this item from \$475,000 to \$450,000.

I am reducing this item by \$25,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6120-160-0001—For local assistance, California State Library, for the California Newspaper Project Program. I reduce this item from \$228,000 to \$216,000.

I am reducing this item by \$12,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6120-211-0001—For local assistance, California State Library. I reduce this item from \$13,625,000 to \$12,908,000 by reducing:

(1) 20.30-Direct Loan and Interlibrary Loan Programs from \$10,899,000 to \$10,182,000.

I am reducing this item by \$717,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6120-213-0001—For local assistance, California State Library, for the English Acquisition and Literacy Program. I reduce this item from \$4,811,000 to \$4,558,000.

I am reducing this item by \$253,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6120-221-0001—For local assistance, California State Library, for the Public Library Foundation Program. I reduce this item from \$13,642,000 to \$12,924,000.

I am reducing this item by \$718,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6610-001-0001—For support of California State University. I revise this item by revising Provision 10.

While I am sustaining the Legislature's action to earmark funding for student academic preparation and student support services programs, I am vetoing the language requiring the university to report on these programs. This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Nevertheless, in recognition of the Legislature's desire to obtain this information, I am instructing the Chancellor of the California State University to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the university's ability to perform its essential functions.

I am revising Provision 10 to conform as follows:

“10. Of the amount appropriated in Schedule (1), \$52,000,000 is appropriated for student academic preparation and student support services programs. The California State University shall provide \$45,000,000 to support the Early Academic Assessment Program 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, 2009.”

Item 6870-001-0001—For support of Board of Governors of the California Community Colleges. I reduce this item from \$10,109,000 to \$9,778,000 by reducing:

(4.5) 97.20.001-Unallocated Reduction from -\$200,000 to -\$531,000.

I am reducing this item by \$331,000. However, I am sustaining the remaining \$500,000 legislative augmentation for the purpose of ensuring sufficient resources to fill key positions that are critical to maintaining accountability and fiscal oversight functions that will ensure the solvency of all districts. I anticipate that the Chancellor’s Office will be able to accommodate the remaining reduction. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state’s structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 7980-001-0784—For support of California Student Aid Commission. I reduce this item from \$1,000,000 to \$500,000.

I am reducing \$500,000 from the Federal Policy and Program Division (FPPD) to align funding with the FPPD’s responsibilities and to preserve resources. The current funding level exceeds what is necessary to support the staff of the FPPD. Furthermore, any savings that can be achieved in the Student Loan Operating Fund will result in the program being more valuable and thus result in additional General Fund revenue upon the sale, or other transaction, involving EdFund that is authorized by Chapter 182 of the Statutes of 2007.

Item 7100-001-0514—For support of Employment Development Department. I revise this item by deleting Provision 5.

I am deleting Provision 5 which requires the Employment Training Panel (Panel) to prioritize funding for green jobs training. This language is unnecessary because the Panel already identifies clean technology products, services, and processes as a priority in its strategic plan, providing more than \$6,900,000 to these industries.

Item 8140-001-0001—For support of State Public Defender. I reduce this item from \$11,551,000 to \$10,928,000 by reducing:

(1) 10-State Public Defender from \$11,551,000 to \$10,928,000.

I am reducing this item by \$623,000 for the Office of the State Public Defender, which provides post-conviction appellate representation in death penalty cases. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state’s structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 8570-001-0001—For support of Department of Food and Agriculture. I reduce this item from \$83,730,000 to \$80,341,000 by reducing:

(1) 11-Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services from \$128,861,000 to \$125,472,000, and by deleting Provision 5.

I am reducing this item by \$3,389,000 and 8.6 personnel years for the Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services Program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am deleting Provision 5 because the language is unnecessarily restrictive. These funds are part of the base budget for the Light Brown Apple Moth Eradication Project and should be available for the Department to allocate for use as necessary once the toxicology study that was recently completed has been reviewed and aerial spraying is determined to be a safe tool for the Department to utilize in its eradication efforts.

Item 8570-004-0001—For transfer by the Controller to the Pierce's Disease Management Account. I reduce this item from \$4,380,000 to \$4,150,000.

I am reducing this item by \$230,000 for the Pierce's Disease Control Program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order for further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 8640-001-0001—For support of Political Reform Act of 1974. I reduce this item from \$2,745,000 to \$2,470,000 by reducing:

- (1) 10-Secretary of State from \$790,000 to \$711,000;
- (2) 20-Franchise Tax Board from \$1,747,000 to \$1,572,000; and
- (3) 30-Department of Justice from \$216,000 to \$195,000.

I am reducing this item by \$275,000 for the Political Reform Act of 1974. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 8940-001-1014—For support of Military Department. I delete this item.

This item contains an appropriation from the Emergency Response Fund, which was not authorized in the final budget package. Therefore, I must delete this item on a technical basis.

Item 9100-101-0001—For local assistance, Tax Relief. I reduce this item from \$693,885,000 to \$503,005,000 by deleting:

- (1) 10-Senior Citizens Property Tax Assistance (\$40,562,000);
 - (3) 30-Senior Citizens Renters Tax Assistance (\$150,318,000);
- and by deleting Provisions 2, 4, and 6.

I am also revising Provision 5 to conform to this action as follows:

“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.”

I am reducing this item by \$190,880,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state’s structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 1781.

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 2008.”

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 2008–09 fiscal year beginning July 1, 2008, and ending June 30, 2009. All of these appropriations, unless otherwise provided herein, shall be paid out of the General Fund in the State Treasury.

(b) All capital outlay appropriations and reappropriations, unless otherwise provided herein, are available as follows:

(1) Studies, preliminary plans, working drawings, and minor capital outlay funds are available for expenditure until June 30, 2009.

(2) Construction funds are available for expenditure until June 30, 2011, if allocated through fund transfer or approval to proceed to bid by the Department of Finance by June 30, 2009. Any funds not allocated by June 30, 2009, shall revert on July 1, 2009, to the fund from which the appropriation was made.

(3) All other capital outlay funds are available until June 30, 2011.

(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.....	111,320,000
Schedule:	
(1) 101001-Salaries of Senators.....	6,208,000
(2) 317295-Mileage.....	11,000
(3) 317292-Expenses.....	1,680,000
(4) 500004-Operating Expenses.....	102,586,000
(5) 317296-Automotive Expenses.....	835,000
Provisions:	
1. The funds appropriated in Schedule (4) are for operating expenses of the Senate, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint expenses of the Legislature, to be transferred by the Controller to the Senate Operating Fund.	
2. The funds appropriated in Schedule (5) are for operating expenses of the Senate relating to the purchase, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the Controller to the Senate Operating Fund.	
3. The funds appropriated in Schedules (1), (2), (3), and (5) may be adjusted for transfers to or from the Senate Operating Fund.	
0120-011-0001—For support of Assembly.....	151,060,000
Schedule:	
(1) 101001-Salaries of Assembly Members.....	11,177,000
(2) 317295-Mileage.....	8,000
(3) 317292-Expenses.....	3,203,000
(4) 500004-Operating Expenses.....	135,905,000
(5) 317296-Automotive Expenses.....	767,000

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 in 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..... 7,538,000
- (2) Transferred from Item 0110-001-0001..... -3,769,000
- (3) Transferred from Item 0120-011-0001..... -3,769,000

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..... 70,121,000

Schedule:

- (1) Support..... 88,438,000
- (2) Reimbursements..... -131,000

(3) Amount payable from the Central Service Cost Recovery Fund (Item 0160-001-9740).....	-18,186,000
0160-001-9740—For support of Legislative Counsel Bureau, for payment to Item 0160-001-0001, payable from the Central Service Cost Recovery Fund.....	18,186,000

Judicial

0250-001-0001—For support of Judicial Branch..... 355,304,000

Schedule:

- (1) 10-Supreme Court..... 46,945,000
- (2) 20-Courts of Appeal..... 210,224,000
- (3) 30-Judicial Council..... 102,881,000
- (4) 35-Judicial Branch Facility Program..... 1,155,000
- (5) 50-California Habeas Corpus Resource Center..... 14,898,000
- (6) Reimbursements..... -7,692,000
- (7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044).... -191,000
- (8) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327)..... -163,000
- (9) Amount payable from the Federal Trust Fund (Item 0250-001-0890).... -5,964,000
- (10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060)..... -6,789,000

Provisions:

- 1. Notwithstanding Section 26.00, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by order of the Judicial Council.
- 2. Of the funds appropriated in this item, \$200,000 is available for reimbursement to the Attorney General, or for hiring outside counsel, for prelitigation and litigation fees and costs, including any judgment, stipulated judgment, offer of judgment, or settlement. This amount is for use in connection with (a) matters arising from the actions of appellate courts, appellate court bench officers, or appellate court employees, (b) matters arising from the actions of the Judicial Council, council members, or council employees or agents, (c) matters arising from the actions of

the Administrative Office of the Courts or its employees, or (d) employment litigation arising from the actions of trial courts, trial court bench officers, or trial court employees. Either the state or the Judicial Council must be named as a defendant or alleged to be the responsible party. Any funds not used for this purpose shall revert to the General Fund.

3. The funds appropriated in 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, 2008, and April 1, 2009, on expenditures, specifically detailing personal services expenditures, operating expenses, and equipment expenditures.
4. 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.

0250-001-0044—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.... 191,000

0250-001-0159—For support of Judicial Branch, payable from the Trial Court Improvement Fund..... 9,266,000

Provisions:

1. Notwithstanding any other provision of law, upon approval by the Administrative Director of the Courts, the Controller shall increase this item up to \$18,673,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
2. Notwithstanding any other provision of law, upon approval by the Administrative Director 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 \$2,801,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts. 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 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..... 163,000

0250-001-0890—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Federal Trust Fund..... 5,964,000

0250-001-0932—For support of Judicial Branch, payable from the Trial Court Trust Fund..... 6,919,000

Schedule:

(1) 30-Judicial Council..... 6,919,000
Provisions:

1. Upon approval of the Administrative Director 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 9 of Item 0250-101-0932.

0250-001-3037—For support of Judicial Branch, payable from the State Court Facilities Construction Fund.... 57,168,000
Schedule:

(1) 30-Judicial Council..... 7,808,000

(2) 35-Judicial Branch Facility Program..... 54,360,000

(3) Reimbursements..... -5,000,000
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 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 committee or his or her designee may determine.

- 2. The Director of Finance may augment this item up to \$1,155,000 to offset the like reduction taken in Item 0250-001-0001, after review of a request submitted by the Administrative Office of the Courts. 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 chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

0250-001-3060—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Appellate Court Trust Fund.....
Provisions:

6,789,000

- 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 Chair-

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person 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.....	17,504,000
Schedule:	
(1) 35-Judicial Branch Facility Program.....	19,028,000
(2) Reimbursements.....	-1,524,000
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.	
2. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.	
0250-001-3085—For support of Judicial Branch, payable from the Mental Health Services Fund.....	431,000
0250-003-0001—For support of Judicial Branch for rental payments on lease-revenue bonds.....	2,816,000
Schedule:	
(1) Base Rental and Fees.....	2,804,000
(2) 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.	
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 re-	

sources 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.

0250-012-0001—For transfer by the Controller to the Court Facilities Trust Fund.....	3,304,000
Provisions:	
1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.	
0250-101-0001—For local assistance, Judicial Branch....	18,996,000
Schedule:	
(1) 45.10-Support for Operation of Trial Courts.....	7,017,000
(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).....	47,927,000
(3) 45.55.020-California Collaborative and Drug Court Projects.....	5,791,000
(4) 45.55.030-Federal Child Access and Visitation Grant Program.....	1,600,000
(5) 45.55.050-Federal Court Improvement Grant Program.....	700,000
(6) 45.55.070-Grants—Other.....	745,000
(7) 45.55.080-Federal Grants—Other....	775,000
(8) 45.55.090-Equal Access Fund Program.....	10,776,000
(9) Reimbursements.....	-53,260,000
(10) Amount payable from Federal Trust Fund (Item 0250-101-0890).....	-3,075,000
Provisions:	
1. 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 pro per 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.

- 2. 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.
- 3. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.

0250-101-0890—For local assistance, Judicial Branch, for payment to Item 0250-101-0001, payable from the Federal Trust Fund.....	3,075,000
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0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund.....	3,045,408,000
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- Schedule:
- (1) 45.10-Support for Operation of the Trial Courts..... 2,621,571,000
 - (2) 45.25-Compensation of Superior Court Judges..... 296,112,000
 - (3) 45.35-Assigned Judges..... 26,047,000
 - (4) 45.45-Court Interpreters..... 91,585,000
 - (5) 45.55.060-Court Appointed Special Advocate (CASA) Program..... 2,278,000
 - (6) 45.55.065-Model Self-Help Program..... 991,000

(7) 45.55.090-Equal Access Fund Program.....	5,622,000
(8) 45.55.095-Family Law Information Centers.....	346,000
(9) 45.55.100-Civil Case Coordination.....	856,000

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 appro-

priated 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 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 Administrative Director of the Courts, the Controller shall transfer up to \$11,274,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
9. Upon approval by the Administrative Director 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 \$1,691,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts. 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 committee or his or her designee may determine.

10. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (8) 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 Administrative Director of the Courts, the Controller shall transfer up to 5 percent of the funding appropriated in Schedule (8) 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.
11. Funds available for expenditure in Schedule (7) may be augmented by order of the Director of Finance by the amount of any additional resources deposited for distribution to the Equal Access Fund Program in accordance with Sections 68085.3 and 68085.4 of the Government Code. Any augmentation under this provision shall be authorized not 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 committee, or his or her designee, may determine.

- 12. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.
- 13. The Judicial Council is authorized to convert up to 16.0 subordinate judicial officer positions to judgeships in the 2008–09 fiscal year in the manner and pursuant to the authority described in subparagraph (B) of paragraph (1) of subdivision (b) of Section 69615 of the Government Code.

0250-102-0556—For local assistance, Judicial Branch, payable from the Judicial Administration Efficiency and Modernization Fund..... 44,676,000

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 committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.
- 2. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted by a factor of 2.7 percent per the Consumer Price Index.

- 3. Notwithstanding any other provision of law, of the funds appropriated in this item, up to \$5,967,000 is available to fund positions and activities for the development and deployment of the Phoenix Project to implement a statewide financial and human resources system to support trial court operations.

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund..... 1,786,484,000
Provisions:

- 1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.

0250-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund..... 38,709,000
Provisions:

- 1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted per the Consumer Price Index factor of 2.7 percent.

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.

0250-301-3037—For capital outlay, Judicial Branch, payable from the State Court Facilities Construction Fund..... 118,977,000
Schedule:

- (0.5) 91.05.001-Calaveras County: New San Andreas Courthouse—Preliminary plans and working drawings..... 4,090,000

(1)	91.07.001-Contra Costa County: New Antioch Area Courthouse— Construction.....	51,628,000
(1.5)	91.18.001-Lassen County: New Susanville Courthouse—Prelimi- nary plans and working draw- ings.....	3,540,000
(2)	91.20.001-Madera County: New Madera Courthouse—Preliminary plans.....	3,657,000
(3)	91.26.001-Mono County: New Mammoth Lakes Courthouse— Construction.....	18,742,000
(4)	91.32.001-Plumas and Sierra Counties: New Portola/Loyalton Courthouse—Construction.....	5,444,000
(5)	91.33.001-Riverside County: New Riverside Mid-County Court- house—Preliminary plans.....	2,331,000
(5.5)	91.35.001-San Benito County: New Hollister Courthouse—Pre- liminary plans and working draw- ings.....	3,329,000
(6)	91.36.001-San Bernardino County: New San Bernardino Courthouse— Preliminary plans.....	13,035,000
(7)	91.39.001-San Joaquin County: New Stockton Courthouse—Prelim- inary plans.....	9,917,000
(8)	91.54.001-Tulare County: New Porterville Courthouse—Prelimi- nary plans.....	3,264,000

Provisions:

1. Notwithstanding any other provision of law, each county listed in this item shall transfer responsibility or responsibility and title to the state prior to the release of funds for all acquisition projects.

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.

0250-491—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:

3037—State Court Facilities Construction Fund

(1) Item 0250-301-3037, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(3) 91.26.001-Mono County: New Mammoth Lakes Courthouse—Working drawings

0280-001-0001—For support of the Commission on Judicial Performance, Program 10..... 4,073,000
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 this item 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..... 177,653,000
Provisions:

- 1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-0001 and this item.

Executive

0500-001-0001—For support of Governor and of Governor's office..... 15,150,000
Schedule:

- (1) Support..... 20,706,000
- (2) Governor's Residence (Support).... 35,000
- (3) Special Contingent Expenses..... 40,000
- (4) Unallocated Reduction..... -1,683,000
- (5) Amount payable from the Central Service Cost Recovery Fund (Item 0500-001-9740)..... -3,948,000

- Provisions:
- 1. The funds appropriated in Schedules (2) and (3) are exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.

0500-001-9740—For support of the Governor's office, for payment to Item 0500-001-0001, payable from the Central Service Cost Recovery Fund..... 3,948,000

0502-001-0001—For support of the office of the State Chief Information Officer..... 4,148,000
Schedule:

- (1) Office of the State Chief Information Officer..... 6,691,000

(2) Amount payable from the Central Service Cost Recovery Fund (Item 0502-001-9740).....	-2,543,000	
0502-001-9740—For support of the office of the State Chief Information Officer, for payment to Item 0502-001-0001, payable from the Central Service Cost Recovery Fund.....		2,543,000
0510-001-0001—For support of Secretary of State and Consumer Services.....		1,726,000
Schedule:		
(1) Support.....	3,511,000	
(2) Reimbursements.....	-638,000	
(3) Amount payable from the Central Service Cost Recovery Fund (Item 0510-001-9740).....	-1,147,000	
0510-001-9740—For support of Secretary of State and Consumer Services, for payment to Item 0510-001-0001, payable from the Central Service Cost Recovery Fund.....		1,147,000
0520-001-0001—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044.....		2,148,000
Provisions:		
1. Of the amount appropriated in this item, \$937,000 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 of Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund.....		1,615,000
Schedule:		
(1) 10-Administration of Business, Transportation and Housing Agency	4,588,000	
(2) 25-Infrastructure Finance and Economic Development Program.....	7,450,000	
(3) Reimbursements.....	-3,142,000	
(4) Amount payable from the General Fund (Item 0520-001-0001).....	-2,148,000	
(5) Amount payable from the California Infrastructure and Economic Development Bank Fund (Item 0520-001-0649).....	-4,090,000	
(6) Amount payable from the California Small Business Expansion Fund (Item 0520-001-0918).....	-630,000	

- (7) Amount payable from the Welcome Center Fund (Item 0520-001-3083)..... -78,000
- (8) Amount payable from the Film Promotion and Marketing Fund (Item 0520-001-3095)..... -11,000
- (9) Amount payable from the Chrome Plating Pollution Prevention Fund (Item 0520-001-9329)..... -324,000

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.... 4,090,000

0520-001-0918—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the California Small Business Expansion Fund..... 630,000

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..... 78,000

Provisions:

- 1. Consistent with Section 13995.151 of the Government Code, the Office of Tourism has the flexibility to limit the number of California Welcome Centers within a geographic area to prevent excessive density, but it also has the flexibility to locate them within 50 miles of each other regardless of whether they would be located in a rural or urban area.

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..... 11,000

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..... 324,000

0520-002-0001—For support of Secretary of Business, Transportation and Housing..... 60,000

Provisions:

1. The amount appropriated in this item is available for payment of costs resulting from the closure of the former Technology, Trade, and Commerce Agency. Notwithstanding any other provision of law, if the Department of Finance determines that the expenditures for these costs will exceed the expenditures authorized by this item, the Department of Finance shall report that fact to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations. Thirty days after providing the written notification, the Director of Finance may increase this appropriation pursuant to the provisions of Chapter 2 of the Statutes of 2003, First Extraordinary Session.

0520-011-0001—For transfer, upon order of the Director of Finance, to the Small Business Expansion Fund....	3,446,000
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0520-101-0001—For local assistance, Secretary of Business, Transportation and Housing.....	0
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- 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
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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 adjustment 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 2008–09 fiscal year.

0520-490—Reappropriation, Secretary of Business, Transportation and Housing. Notwithstanding any other provision of law, the following specified bal-

ance 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, 2009:

0001—General Fund

- (1) \$832,000, or the unexpended amount thereof, is reappropriated from Item 0520-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) for the purpose of transfer to the Small Business Expansion Fund.

0530-001-0001—For support of Secretary of California Health and Human Services..... 1,744,000
Schedule:

- (1) 10-Secretary of California Health and Human Services..... 4,316,000
- (2) Reimbursements..... -1,478,000
- (3) Amount payable from the Federal Trust Fund (Item 0530-001-0890).... -900,000
- (4) Amount payable from the Central Service Cost Recovery Fund (Item 0530-001-9740)..... -194,000

0530-001-0890—For support of Secretary of California Health and Human Services, for payment to Item 0530-001-0001, payable from the Federal Trust Fund..... 900,000

0530-001-9732—For support of Secretary of California Health and Human Services, payable from the Office of Systems Integration Fund..... 263,819,000
Schedule:

- (1) 30-Office of Systems Integration..... 263,819,000

0530-001-9740—For support of Secretary of California Health and Human Services, for payment to Item 0530-001-0001, payable from the Central Service Cost Recovery Fund..... 194,000

0530-017-0001—For support of Secretary of California Health and Human Services..... 2,555,000
Schedule:

- (1) 21-Office of HIPAA Implementation..... 3,422,000
- (2) Reimbursements..... -867,000

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

Item	Amount
Portability and Accountability Act (HIPAA) of 1996.	
0540-001-0001—For support of Secretary of the Resources Agency, payable to Item 0540-001-0140....	5,375,000
0540-001-0005—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	211,000
0540-001-0140—For support of Secretary of the Resources Agency, payable from the Environmental License Plate Fund.....	3,243,000
Schedule:	
(1) 10-Administration of Resources Agency.....	35,348,000
(2) 20-CALFED Bay-Delta Program....	42,564,000
(3) Reimbursements.....	-16,646,000
(4) Amount payable from the General Fund (Item 0540-001-0001).....	-5,375,000
(5) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 0540-001-0005).....	-211,000
(6) Amount payable from the Environmental Enhancement and Mitigation Program Fund (Item 0540-001-0183).....	-128,000
(7) Amount payable from the Federal Trust Fund (Item 0540-001-0890).....	-12,778,000
(8) Amount payable from the River Protection Subaccount (Item 0540-001-6015).....	-16,000
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 0540-001-6029).....	-1,902,000
(10) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 0540-001-6031).....	-21,037,000

<p>(11) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 0540-001-6051).....</p> <p>0540-001-0183—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the Environmental Enhancement and Mitigation Program Fund.....</p> <p>0540-001-0890—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the Federal Trust Fund.....</p> <p>0540-001-6015—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the River Protection Subaccount.....</p> <p>0540-001-6029—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....</p> <p>0540-001-6031—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item for purposes of CALFED Science Program grants shall be available for encumbrance or expenditure until June 30, 2011.</p> <p>0540-001-6051—For support of Secretary of the Resources Agency, for payment to Item 0540-001-0140, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall be available for encumbrance or expenditure until June 30, 2011, for purposes of support, local assistance, or capital outlay.</p> <p>2. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall continue only so long as the United States Bureau of Reclamation contin-</p>	<p>–16,576,000</p> <p>128,000</p> <p>12,778,000</p> <p>16,000</p> <p>1,902,000</p> <p>21,037,000</p> <p></p> <p>16,576,000</p>
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ues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in Natural Resources Defense Council v. Rodgers (2005) 381 F.Supp.2d 1212.	
0540-101-6015—For local assistance, Secretary of the Resources Agency, payable from the River Protection Subaccount.....	1,100,000
Provisions:	
1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2011, for the 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.	
0540-101-6051—For local assistance, Secretary of the Resources Agency, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	28,365,000
Provisions:	
1. The funds appropriated in this item for purposes of subdivision (d) of Section 75050 of the Public Resources Code shall be available for encumbrance until June 30, 2011, for purposes of support, local assistance, or capital outlay.	
2. The funds received by other state agencies from this item in accordance with subdivision (d) of Section 75050 of the Public Resources Code are exempt from the reporting requirements of Section 28.50.	
0540-490—Reappropriation, Secretary of the Resources Agency. 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, 2011:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Section 41 of Chapter 230 of the Statutes of 2004	
0540-495—Reversion, Secretary of the Resources Agency. As of June 30, 2008, the unencumbered balances of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriations were made:	

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) 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), and Item 0540-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(2) Item 3870-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 0540-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(3) Item 0540-001-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(4) Item 0540-001-6031, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)	
0552-001-0001—For support of Office of the Inspector General.....	23,042,000
Schedule:	
(1) 10-Office of the Inspector General.....	23,042,000
0555-001-0001—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044.....	1,049,000
0555-001-0014—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Hazardous Waste Control Account.....	326,000
0555-001-0028—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Unified Program Account....	1,482,000
0555-001-0044—For support of Secretary for Environmental Protection, payable from the Motor Vehicle Account, State Transportation Fund.....	1,953,000
Schedule:	
(1) 30-Support.....	14,928,000
(2) Reimbursements.....	-1,971,000
(3) Amount payable from the General Fund (Item 0555-001-0001).....	-1,049,000
(4) Amount payable from the Hazardous Waste Control Account (Item 0555-001-0014).....	-326,000
(5) Amount payable from the Unified Program Account (Item 0555-001-0028).....	-1,482,000

(6) Amount payable from the California Used Oil Recycling Fund (Item 0555-001-0100).....	-31,000
(7) Amount payable from the Department of Pesticide Regulation Fund (Item 0555-001-0106).....	-848,000
(8) Amount payable from the Air Pollution Control Fund (Item 0555-001-0115).....	-1,379,000
(9) Amount payable from the Waste Discharge Permit Fund (Item 0555-001-0193).....	-320,000
(10) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 0555-001-0235).....	-66,000
(11) Amount payable from the Recycling Market Development Revolving Loan Subaccount, Integrated Waste Management Fund (Item 0555-001-0281).....	-150,000
(12) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-0387).....	-766,000
(13) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0555-001-0439).....	-899,000
(14) Amount payable from the State Water Quality Control Fund (Item 0555-001-0679).....	-188,000
(15) Amount payable from the Rural CUPA Reimbursement Account (Item 0555-001-1006).....	-835,000
(16) Amount payable from the Water Rights Fund (Item 0555-001-3058).....	-40,000
(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).....	-559,000

Provisions:

1. Notwithstanding Section 48653 of the Public Resources Code, funds appropriated in this item

from the California Used Oil Recycling Fund shall be available for purposes of administration.

- 2. Funds appropriated in this item from the Environmental Education Account are available for appropriation only to the extent that funding is received in the Environmental Education Account established by Section 71305 of the Public Resources Code.

0555-001-0100—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the California Used Oil Recycling Fund.....	31,000
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.....	848,000
0555-001-0115—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Air Pollution Control Fund....	1,379,000
Provisions:	
1. Of the funds appropriated pursuant to this item, \$586,000 shall be expended solely for 4.0 full-time positions to perform functions associated with the Climate Action Team, including tracking of state agency actions to reduce greenhouse gas emissions.	
0555-001-0193—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Waste Discharge Permit Fund.....	320,000
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.....	66,000
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.....	150,000
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.....	766,000

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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..... 899,000

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..... 188,000

0555-001-1006—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Rural CUPA Reimbursement Account..... 835,000

0555-001-3058—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Water Rights Fund..... 40,000

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..... 559,000

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..... 835,000

0558-001-0001—For support of the Office of the Secretary for Education..... 968,000

- Schedule:
- | | |
|----------------------------------|-----------|
| (1) Secretary for Education..... | 1,075,000 |
| (2) Reimbursements..... | -107,000 |

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, 2009, to June 30, 2009, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2009. In the event that legislation creating the agency is not effective on or before January 1, 2009, or the funds are needed prior to January 1, 2009, the unexpended balance

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Amount

of the funds appropriated in 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, \$55,000 in support of Proposition 49 activities is available only until June 30, 2008.	
0559-001-0001—For support of the Labor and Workforce Development Agency.....	0
Schedule:	
(1) 10-Office of the Secretary of Labor and Workforce Development.....	2,914,000
(2) Reimbursements.....	-2,694,000
(3) Amount payable from the Labor and Workforce Development Fund (Item 0559-001-3078).....	-220,000
0559-001-3078—For support of the Labor and Workforce Development Agency, for payment to Item 0559-001-0001, payable from the Labor and Workforce Development Fund.....	220,000
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.....	2,512,000
Schedule:	
(1) 11-State Planning and Policy Development.....	4,486,000
(2) 21-California Volunteers.....	6,496,000
(3) Reimbursements.....	-3,518,000
(4) Amount payable from the Federal Trust Fund (Item 0650-001-0890)....	-2,942,000
(5) Amount payable from the Central Service Cost Recovery Fund (Item 0650-001-9740).....	-2,010,000
0650-001-0890—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Federal Trust Fund.....	2,942,000
0650-001-9740—For support of the Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Central Service Cost Recovery Fund.....	2,010,000
0650-011-0001—For support of Office of Planning and Research.....	968,000

Schedule:

- (1) Office of the Secretary for Education..... 1,080,000
- (2) Reimbursements..... -112,000

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, 2008, to December 31, 2008, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2009. After the effective date of that 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 in 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, \$55,000 in support of Proposition 49 activities is available only until June 30, 2008.

0650-101-0890—For local assistance, Office of Planning and Research, Program 21-California Volunteers, 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 Volunteers.

0690-001-0001—For support of Office of Emergency Services..... 35,098,000

Schedule:

- (1) 15-Mutual Aid Response..... 23,010,000
- (2) 35-Plans and Preparedness..... 31,059,000
- (3) 45-Disaster Assistance..... 27,830,000
- (4) 55.01-Administration and Executive..... 8,112,000
- (5) 55.02-Distributed Administration and Executive..... -8,112,000
- (6) Reimbursements..... -4,176,000
- (7) Amount payable from the Unified Program Account (Item 0690-001-0028)..... -816,000
- (8) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029)..... -1,175,000

- (9) Amount payable from the Federal Trust Fund (Item 0690-001-0890)..... -36,861,000
- (10) Amount payable from the Antiterrorism Fund (Item 0690-015-3034)..... -103,000
- (12) Amount payable from the Emergency Response Account (Item 0690-001-1014)..... -3,670,000

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.
- 4. Notwithstanding Section 8581.5 of the Government Code, the California Emergency Council shall not be required to publish a biennial report on the state of emergency preparedness for catastrophic disasters, as specified, during the 2008–09 fiscal year.

0690-001-0028—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Unified Program Account..... 816,000

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..... 1,175,000

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..... 36,861,000

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, 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.

0690-001-1014—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Emergency Response Account....	3,670,000
0690-001-3112—For support of Office of Emergency Services, payable from the Equality in Prevention and Services for Domestic Abuse Fund.....	104,000
0690-001-6061—For support of the Office of Emergency Services, payable from the Transit System Safety, Security, and Disaster Response Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	1,478,000
0690-001-6073—For support of Office of Emergency Services, payable from the Port and Maritime Security Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	1,121,000
0690-001-8039—For support of Office of Emergency Services, payable from the Disaster Resistant Communities Account.....	203,000

Provisions:

1. The Department of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of any donations from the private sector received by the Office of Emergency Services that are in excess of the amount appropriated in this item. Any augmentation shall be accompanied by a spending plan submitted by the Office of Emergency Services. The spending plan shall include, at a minimum, the source and level of donations received to date, a detailed description of activities already completed and those activities proposed, the source and amount of any additional donations expected to be received, and the

identification of any impact of the spending plan on other state funds. An approval of an augmentation of this item shall be effective not sooner than 30 days after the transmittal of the approval and spending plan 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.

0690-002-0001—For support of Office of Emergency Services..... 9,982,000
Schedule:

- (1) 50-Criminal Justice Projects..... 14,274,000
- (2) 51-State Terrorism Threat Assessment Center..... 6,369,000
- (3) Reimbursements..... -20,000
- (4) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 0690-002-0241)..... -80,000
- (5) Amount payable from the Victim-Witness Assistance Fund (Item 0690-002-0425)..... -1,282,000
- (6) Amount payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund (Item 0690-002-0597)..... -621,000
- (7) Amount payable from the Federal Trust Fund (Item 0690-002-0890).... -8,658,000

Provisions:

- 1. The funds appropriated in Schedule (2) shall be used to continue and expand funding for the State Terrorism Threat Assessment 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.

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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..... 80,000

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.... 1,282,000

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..... 621,000

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.
- 2. 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 High Technology Theft Apprehension and Prosecution Program 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, 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.

0690-002-0890—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the Federal Trust Fund..... 8,658,000

0690-003-0001—For support of Office of Emergency Services, for rental payments on lease-revenue bonds.....	6,398,000
Schedule:	
(1) Base Rental and Fees.....	6,373,000
(2) Insurance.....	25,000
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.....	118,000
0690-011-0214—For transfer by the Controller, upon order of the Director of Finance, from the Restitution Fund to the Emergency Response Account.....	(30,000,000)
Provisions:	
1. Upon order from the Department of Finance, the Restitution Fund shall loan \$30,000,000 to the Emergency Response Account. This loan shall be repaid, interest free, no later than June 30, 2012. This loan is exempt from the requirements of subdivision (a) of Section 16314 of the Government Code.	
0690-011-0425—For transfer by the Controller, upon order of the Director of Finance, from the Victim-Witness Assistance Fund to the General Fund.....	(2,000,000)
0690-011-0890—For support of Office of Emergency Services for the Office of Homeland Security, payable from the Federal Trust Fund.....	35,808,000
Schedule:	
(1) 10-Support of Office of Homeland Security.....	13,598,000
(2) 60-Support of Other State Agencies.....	22,328,000
(3) Amount payable from the Antiterrorism Fund (Item 0690-010-3034).....	-118,000

Item

Amount

0690-011-3034—For transfer by the Controller, upon order of the Director of Finance, from the Antiterrorism Fund to the General Fund..... (2,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Antiterrorism Fund are not adversely affected by the loan through reduction in services or through increased fees.

0690-013-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund..... 621,000

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.

0690-015-3034—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Antiterrorism Fund..... 103,000

0690-101-0029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account..... 2,538,000

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..... 554,473,000

Schedule:

- (1) 35-Plans and Preparedness..... 19,747,000
- (2) 45-Disaster Assistance..... 534,726,000

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.

0690-101-6061—For support of Office of Emergency Services, payable from the Transit System Safety, Security, and Disaster Response Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 100,000,000

Schedule:

- (1) 10-Support of Office of Homeland Security..... 100,000,000

Provisions:

- 1. Of the amount appropriated in this item, allocation of funding shall be done in a manner consistent with Chapter 181 of the Statutes of 2007.

0690-101-6073—For local assistance, Office of Emergency Services, payable from the Port and Maritime Security Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.... 57,000,000

Schedule:

- (1) 10-Support of Office of Homeland Security..... 57,000,000

Provisions:

- 1. Of the amount appropriated in this item, allocation of funding shall be done in a manner consistent with Chapter 181 of the Statutes of 2007.

0690-102-0001—For local assistance, Office of Emergency Services..... 38,794,000

Schedule:

- (1) 50.20-Victim Services..... 3,916,000
- (2) 50.30-Public Safety..... 34,878,000

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), \$800,000 shall be provided for grants to counties, consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003. The funds shall be distributed only to counties for planning, or for implementation of the program in those counties that have completed the planning process, consistent with Chapter 18 of the Statutes of 2003. In no case shall a grant exceed \$300,000.
 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.
 5. Of the funding appropriated in Schedule (2), \$9,500,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams (Cal-MMET) Programs. The Office of Emergency Services (OES) shall establish and administer a competitive grant program on a three-year cycle for eligible California counties that have established, participate in, or that propose to establish methamphetamine task forces for the purpose of implementing a comprehensive strategy to reduce the incidences of methamphetamine trafficking and manufacturing and, in particular, to target large-scale

methamphetamine trafficking and manufacturing operations. Up to 3 percent of the funds appropriated for this program may be transferred to Item 0690-002-0001 for expenditure as necessary for OES to administer the competitive grant program. Funding for the methamphetamine task force shall not supplant available federal funding. The distribution of funds by OES shall be based on a competitive process whereby those counties receiving funds demonstrate the greatest need and the most reasonable solutions for addressing the local methamphetamine problem. No grant shall be greater than \$2,500,000, and no grant shall be less than \$200,000.

0690-102-0214—For local assistance, Office of Emergency Services, payable from the Restitution Fund.... 10,000,000

Schedule:

- (1) Grants to cities with heavy gang concentrations..... 3,000,000
- (2) Competitive grants to cities..... 4,500,000
- (3) Competitive grants to community-based organizations..... 2,000,000
- (4) Internet Crimes Against Children Task Force funding..... 500,000

Provisions:

- 1. All grantees must provide a dollar-for-dollar match to state grant funds awarded from Schedules (1), (2), and (3).
- 2. The Office of Emergency Services shall submit a report and evaluation of the grants awarded pursuant to Schedules (1), (2), and (3) to the fiscal committees of the Legislature not later than April 1, 2011.
- 3. The Department of Finance may transfer up to 3 percent of the funds appropriated in Schedules (1), (2), and (3) to Item 0690-002-0001 for administration of the grant programs.
- 4. The amount appropriated in Schedule (1) shall be distributed as follows: \$1,000,000 each to Los Angeles, San Francisco Bay area cities, and central valley cities.
- 5. The amount appropriated in Schedule (2) shall be competitive grants to cities. No grant shall exceed \$500,000, and at least two grants shall be awarded to cities with populations of 200,000 or less. In awarding grants, the Office of Emergency Services shall give preference to appli-

cants that incorporate regional approaches to antigang activities.

- 6. Each city that receives a grant from Schedule (1) or (2) shall collaborate and coordinate with area jurisdictions and agencies, including the existing county juvenile justice coordination council, with the goal of reducing gang activity in the city and adjacent areas. Each grantee shall establish a coordinating and advisory council to prioritize the use of the funds. Membership shall include city officials, local law enforcement, including the county sheriff, chief probation officer, and district attorney, local educational agencies, including school districts and the county office of education, and community-based organizations.
- 7. The amount appropriated in Schedule (3) shall be for grants to community-based organizations. The grants shall be used to test different approaches designed to reduce gang activities in communities and neighborhoods. No grant shall exceed \$200,000.

0690-102-0241—For local assistance, Office of Emergency Services, payable from the Local Public Prosecutors and Public Defenders Training Fund... 792,000
Schedule:

(1) 50.30-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..... 15,519,000
Schedule:

(1) 50.20-Victim Services..... 15,519,000
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 organi-

zations, 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..... 11,970,000

Schedule:

(1) 50.30-Public Safety..... 11,970,000
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.
2. All grantees receiving funds appropriated in this item shall be required to provide matching funds equal to 25 percent of the amount of grant funding received by them from the High Technology Theft Apprehension and Prosecution Program Trust Fund.
3. 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 High Technology Theft Apprehension and Prosecution Program 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 committee or his or her designee may determine.

0690-102-0890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund..... 111,780,000

Schedule:

- (1) 50.20-Victim Services..... 67,087,000
- (2) 50.30-Public Safety..... 44,693,000

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.

0690-102-3112—For local assistance, Office of Emergency Services, payable from the Equality in Prevention and Services for Domestic Abuse Fund..... 400,000

Schedule:

- (1) 50.20-Victim Services..... 400,000

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..... 69,114,000

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..... 11,970,000

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.

1330
Item

STATUTES OF 2008

[Ch. 268]
Amount

0690-115-0001—For local assistance, Office of Emergency Services, for volunteer disaster service workers' compensation..... 1,012,000

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.

0690-495—Reversion, Office of Emergency Services. As of June 30, 2008, 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:

0597—High Technology Theft Apprehension and Prosecution Program Trust Fund

- (1) Item 0690-002-0597, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (2) Item 0690-102-0597, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

0750-001-0001—For support of Office of the Lieutenant Governor..... 2,763,000

0820-001-0001—For support of Department of Justice.... 332,325,000

Schedule:

- (1) 11.01-Directorate—Administration..... 94,900,000
- (2) 11.02-Distributed Directorate—Administration..... -94,900,000
- (3) 30-Civil Law..... 147,017,000

(4) 40-Criminal Law.....	123,711,000
(5) 45-Public Rights.....	92,352,000
(6) 50-Law Enforcement.....	250,266,000
(7) 60-California Justice Information Services.....	165,960,000
(7.5) Unallocated Reduction.....	346,000
(8) Reimbursements.....	-71,204,000
(9) Amount payable from the Attorney General Antitrust Account (Item 0820-001-0012).....	-1,329,000
(10) Amount payable from the Finger- print Fees Account (Item 0820- 001-0017).....	-69,123,000
(11) Amount payable from the Firearm Safety Account (Item 0820-001- 0032).....	-331,000
(12) Amount payable from the Motor Vehicle Account, State Transporta- tion Fund (Item 0820-001- 0044).....	-24,840,000
(13) Amount payable from the Depart- ment of Justice Sexual Habitual Offender Fund (Item 0820-001- 0142).....	-2,317,000
(14) Amount payable from the Travel Seller Fund (Item 0820-001- 0158).....	-1,344,000
(15) Amount payable from the Restitu- tion Fund (Item 0820-001-0214)....	-339,000
(16) Amount payable from the Sexual Predator Public Information Ac- count (Item 0820-001-0256).....	-199,000
(17) Amount payable from the Indian Gaming Special Distribution Fund (Item 0820-001-0367).....	-15,225,000
(18) Amount payable from the False Claims Act Fund (Item 0820-001- 0378).....	-10,533,000
(19) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460).....	-11,640,000
(20) Amount payable from the Depart- ment of Justice Child Abuse Fund (Item 0820-001-0566).....	-359,000
(21) Amount payable from the Gam- bling Control Fund (Item 0820- 001-0567).....	-8,093,000

- (22) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569).... -46,000
- (23) Amount payable from the Federal Trust Fund (Item 0820-001-0890)..... -42,242,000
- (24) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942)..... -1,508,000
- (25) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942)..... -578,000
- (26) Amount payable from the Firearms Safety and Enforcement Special Fund (Item 0820-001-1008)..... -3,164,000
- (27) Amount payable from the Missing Persons DNA Data Base Fund (Item 0820-001-3016)..... -4,638,000
- (28) Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820-001-3053)..... -5,997,000
- (29) Amount payable from the Ratepayer Relief Fund (Item 0820-001-3061)..... -7,198,000
- (30) Amount payable from the DNA Identification Fund (Item 0820-001-3086)..... -31,161,000
- (31) Amount payable from the Unfair Competition Law Fund (Item 0820-001-3087)..... -3,565,000
- (32) Amount payable from the Registry of Charitable Trusts Fund (Item 0820-001-3088)..... -2,898,000
- (33) Amount payable from the Legal Services Revolving Fund (Item 0820-001-9731)..... -124,000,000
- (34) Amount payable from the Central Service Cost Recovery Fund (Item 0820-001-9740)..... -3,456,000

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 (3), \$2,912,000 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, 2009, shall revert immediately to the General Fund.
4. Of the funds appropriated in this item, \$16,763,000 is available solely for the Correctional Law Section that handles only workload related to Department of Corrections and Rehabilitation cases.
5. Notwithstanding any other provision of law, of the funds appropriated in Schedule (6), \$1,258,000 is payable from the Dealers' Record of Sale Special Account and may be used to update the Automated Firearms Systems (AFS) database as part of the ongoing project to redesign the Criminal Justice Information System (CJIS). These funds may not be expended until the office of the State Chief Information Officer approves a special project report for the CJIS project following the completion of CJIS procurement. The Department of Justice shall notify the Joint Legislative Budget Committee that a special project report has been approved within 30 days of the report's approval by the office of the State Chief Information Officer, and shall include with the notification a copy of the approved special project report.
6. The Department of Justice may use funds appropriated in Schedule (6) to fund the Gang Suppression Enforcement Teams Program and the California Methamphetamine Strategy Program.
7. Existing law authorizes the Department of Justice to broadly charge fees to recover expenditures for laboratory work conducted on behalf of another state or local agency. This item has been reduced by \$32,000,000 to reflect an increase in such fees to cover these expenditures

in the budget year. The department shall develop a fee schedule that (a) mitigates unusually high costs for complex investigations, (b) is commensurate with the costs to provide the service, and (c) generates approximately \$32,000,000 in additional fee revenue. The department is authorized to request that the Controller transfer a portion of the sales tax revenue allocated to local governments to pay outstanding bills not paid by local government entities.

0820-001-0012—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Attorney General Antitrust Account.....	1,329,000
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.....	69,123,000
0820-001-0032—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearm Safety Account.....	331,000
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.....	24,840,000
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.....	2,317,000
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.....	1,344,000
0820-001-0214—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Restitution Fund.....	339,000
0820-001-0256—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Sexual Predator Public Information Account....	199,000
0820-001-0367—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Indian Gaming Special Distribution Fund.....	15,225,000

Item	Amount
0820-001-0378—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the False Claims Act Fund.....	10,533,000
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.....	11,640,000
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.	
0820-001-0566—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Department of Justice Child Abuse Fund.....	359,000
0820-001-0567—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Gambling Control Fund.....	8,093,000
0820-001-0569—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Gambling Control Fines and Penalties Account....	46,000
0820-001-0890—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Trust Fund.....	42,242,000
0820-001-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Asset Forfeiture Account, Special Deposit Fund.....	1,508,000
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....	3,164,000
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.....	4,638,000
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....	5,997,000
Provisions:	
1. Of the funds appropriated in this item, \$5,341,000 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 Ratepayer Relief Fund.....	7,198,000
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.....	31,161,000
0820-001-3087—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Unfair Competition Law Fund.....	3,565,000
0820-001-3088—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Registry of Charitable Trusts Fund.....	2,898,000
0820-001-9731—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Legal Services Revolving Fund.....	124,000,000

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.

0820-001-9740—For support of the Department of Justice, for payment to Item 0820-001-0001, payable from the Central Service Cost Recovery Fund.....	3,456,000
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0820-003-0001—For support of Department of Justice, for rental payments on lease-revenue bonds.....	4,147,000
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Schedule:

- | | |
|-------------------------------|-----------|
| (1) Base Rental and Fees..... | 4,121,000 |
| (2) Insurance..... | 26,000 |

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis

or as otherwise might be needed to ensure debt requirements are met.

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.

0820-011-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the State Asset Forfeiture Account, Special Deposit Fund..... 578,000

0820-011-3061—For transfer by the Controller from the Ratepayer Relief Fund to the General Fund..... (25,000,000)

Provisions:

1. Notwithstanding any other provision of law, the funds transferred from the Ratepayer Relief Fund to the General Fund pursuant to this item, including all accumulated interest, may be used for projects that are consistent with the terms of the settlement agreement entered into between the Attorney General and the Williams Energy Corporation.

2. In addition to the above transfer in this item, the Attorney General shall transfer \$43,700,000, plus all accumulated interest, from the Litigation Deposit Fund to the General Fund. These funds may be used for projects that are consistent with the terms of the settlement agreement entered into between the Attorney General and the Williams Energy Corporation.

0820-012-0142—For transfer by the Controller, upon order of the Director of Finance, from the Department of Justice Sexual Habitual Offender Fund, to the General Fund..... (1,000,000)

0820-101-0214—For local assistance, Department of Justice..... 4,855,000

Schedule:

(1) 50-Law Enforcement..... 4,855,000

Provisions:

1. The funds appropriated in this item shall be allocated to support the California Witness Protection Program. Any funds not expended for this specific purpose shall revert to the Restitution Fund.

0820-101-0460—For local assistance, Department of Justice, payable from the Dealers' Record of Sale Special Account..... 28,000

Schedule:

(2) 50-Law Enforcement.....	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—The amount loaned pursuant to Item 0820-012-0001, Budget Act of 2002 will not be required to be repaid.

0840-001-0001—For support of the Controller.....	57,576,000
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Schedule:

- (1) 100000-Personal Services..... 103,978,000
- (2) 300000-Operating Expenses and Equipment..... 70,106,000
- (3) Amount payable from various special and nongovernmental cost funds (Section 25.25)..... -13,500,000
- (4) Reimbursements..... -41,497,000
- (5) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)..... -4,095,000
- (6) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062).... -1,162,000
- (7) Amount payable from the Local Revenue Fund (Item 0840-001-0330)..... -591,000
- (8) Amount payable from the Federal Trust Fund (Item 0840-001-0890).... -1,410,000
- (9) Amount payable from the Public Employees' Health Care Fund (Item 0840-001-0822)..... -199,000
- (10) Amount payable from the State Penalty Fund (Item 0840-001-0903)..... -1,317,000
- (11) Amount payable from the Unclaimed Property Fund (Item 0840-001-0970)..... -26,103,000
- (12) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988)..... -242,000

(13) Amount payable from the 2006 State School Facilities Fund (Item 0840-001-6057).....	-968,000
(13.5) Amount payable from the Central Service Cost Recovery Fund (Item 0840-001-9740).....	-23,971,000
(14) Amount payable from other unallocated special funds (Item 0840-011-0494).....	-73,000
(15) Amount payable from unallocated bond funds (Item 0840-011-0797).....	-478,000
(16) Amount payable from various other unallocated nongovernmental cost funds (Item 0840-011-0988).....	-68,000
(17) Amount payable from the Public Transportation Account, State Transportation Fund (Section 25.50).....	-18,000
(18) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Section 25.50).....	-286,000
(19) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Section 25.50).....	-16,000
(20) Amount payable from the DMV Local Agency Collection Fund (Section 25.50).....	-2,000
(21) Amount payable from the Trial Court Trust Fund (Section 25.50)....	-164,000
(22) Amount payable from the Timber Tax Fund (Section 25.50).....	-1,000
(23) Amount payable from the Public Safety Account, Local Public Safety Fund (Section 25.50).....	-253,000
(24) Amount payable from the Local Revenue Fund (Section 25.50).....	-94,000

Provisions:

1. The funding provided in Item 0840-001-0970 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 Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2 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. 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.

4. (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 ex-

- istence 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 by the Code of Civil Procedure).
5. 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.
 6. 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.
 7. 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 2008–09 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and release of the report, audit, analysis, or evaluation.
8. 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.
 9. 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.
 10. 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.
 11. 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 June 30, 2009, and will cover the fourth quarter of the 2007–08 fiscal year and the first three quarters of the 2008–09 fiscal year.
 12. To the extent authorized by existing law, the Controller shall recoup the amount of any unallowable mandate claim costs resulting from desk or field audits of such claims.
 13. 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 Public Employees' Retirement System to estimate state pension obligations; and (b) alternative calculations of the state's liability for other 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.

14. The funds appropriated to the Controller in this item may not be expended on additional actuarial valuations, beyond the annual actuarial valuation, for other postemployment benefits, prior to obtaining concurrence in writing from the Department of Finance. The additional actuarial valuations shall only be performed to the extent resources exist, or if funds are provided by the requesting agency.
15. Notwithstanding any other provision of law, the Director of Finance may authorize increases or decreases in expenditures for this item to reflect the final lease costs for the Cannery Business Park location and lease costs associated with the federal injunction on the Unclaimed Property Program of the Controller. The Director of Finance may authorize expenditure adjustments per this provision 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 committee, or his or her designee, may in each instance determine.

16. The Controller shall provide the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature a report on the Human Resources Management System specifying the dollars expended on the program in the previous fiscal year and over the life of the program and any known savings that have occurred in the prior fiscal year, to be submitted annually but no later than August 30 of each year. The report should compare the known savings with the most recent estimate of projected savings and explain the methodology by which the savings were calculated.
17. The Controller shall deliver yearend financial data as specified by the Department of Finance, for the fiscal year just ended, in hard copy and electronic format, by October 15 of each year and periodically as requested by the Department of Finance. This information is necessary for the Department of Finance to determine the proper beginning balance of the current fiscal year for budgetary purposes. To ensure timely completion of the yearend financial data, the Controller should enforce provisions in Section 12461.2 of the Government Code and emphasize in its regulation the deadline the yearend financial statements are due from the operating departments to the Controller.
18. Notwithstanding any other provision of law, the Controller may not expend funds for system integration vendor costs related to the Human Resources Management System (HRMS), also known as the 21st Century Project, after July 31, 2008, beyond the Design Phase Payment Deliverables for the 21st Century Project as set forth in Amendment 1 to Agreement No. 22191025, until the office of the State Chief Information Officer certifies the Controller has entered into a contract or contract amendment with a system integration vendor that is consistent with the most recently approved Special Project Report for HRMS.
19. Funding for system integration vendor costs shall not exceed the estimates in the most recently approved Special Project Report for Human Resources Management System (HRMS), also

known as the 21st Century Project, unless in the course of contract negotiations the state and the vendor mutually agree that additional functionality is necessary for the successful implementation of the HRMS and these changes are approved by the office of the State Chief Information Officer. However, a contract or contract amendment shall not be executed until 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

20. Notwithstanding the provisions of Item 9840, the Department of Finance may adjust the amounts authorized under Item 0840-001-0001 and Section 25.25, consistent with the funding schedule included in the most recently approved Special Project Report for the Human Resources Management System, also known as the 21st Century Project. No adjustments shall be made pursuant to this provision prior to a 30-day notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

0840-001-0061—For support of the Controller, for payment to Item 0840-001-0001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund.....	4,095,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-0062—For support of the Controller, for payment to Item 0840-001-0001, payable from the Highway Users Tax Account, Transportation Tax Fund.....	1,162,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-0330—For support of the Controller, for payment to Item 0840-001-0001, payable from the Local Revenue Fund.....	591,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	

0840-001-0822—For support of the Controller, for payment to Item 0840-001-0001, payable from the Public Employees’ Health Care Fund.....	199,000
0840-001-0890—For support of the Controller, for payment to Item 0840-001-0001, payable from the Federal Trust Fund.....	1,410,000
0840-001-0903—For support of the Controller, for payment to Item 0840-001-0001, payable from the State Penalty Fund.....	1,317,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-0970—For support of the Controller, for payment to Item 0840-001-0001, payable from the Unclaimed Property Fund.....	26,103,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-0988—For support of the Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund).....	242,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-6057—For support of the Controller, for payment to Item 0840-001-0001, payable from the 2006 State School Facilities Fund.....	968,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-001-9740—For support of the Controller, for payment to Item 0840-001-0001, payable from the Central Service Cost Recovery Fund.....	23,971,000
Provisions:	
1. Provision 15 of Item 0840-001-0001 also applies to this item.	
0840-011-0494—For support of the Controller, for payment to Item 0840-001-0001, payable from other unallocated special funds.....	73,000
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 the Controller, for payment to Item 0840-001-0001, payable from unallocated bond funds..... 478,000
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 the Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds..... 68,000
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..... 175,507,000
Schedule:

- (1) 10-Regulation of Insurance Companies and Insurance Producers..... 72,896,000
 - (2) 12-Consumer Protection..... 54,549,000
 - (3) 20-Fraud Control..... 46,159,000
 - (3.5) 30-Tax Collection and Audit..... 2,153,000
 - (4) 50.01-Administration..... 32,226,000
 - (5) 50.02-Distributed Administration..... -32,226,000
 - (6) Reimbursements..... -250,000
- Provisions:

- 1. Of the funds appropriated in this item, the Controller shall transfer one-half of \$4,938,000 upon passage of the Budget Act and the remaining half on January 1, 2009, to the California 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 \$632,000 upon passage of the Budget Act and the remaining half on January 1, 2009, 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 2008–09 fiscal year, shall revert to the Insurance Fund.

0845-101-0217—For local assistance, Department of Insurance, payable from the Insurance Fund..... 51,148,000
Schedule:

- (1) 12-Consumer Protection..... 1,500,000
- (2) 20-Fraud Control..... 49,648,000

0850-001-0562—For support of the California State Lottery Commission, for payment of expenses of the lottery, including all costs incurred in the operation and administration of the lottery, payable from the State Lottery Fund..... (431,045,000)
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 2009–10 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, 2009, a copy of the proposed administrative budget for the California State Lottery Commission for the 2009–10 fiscal year that is included in the Governor’s Budget.
- (c) No later than June 1, 2009, a copy of the proposed administrative budget and expected sales revenue for the California State Lottery Commission for the 2009–10 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, 2009, the final 2009–10 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, 2009, 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..... 9,740,000

Schedule:

(1) 10-California Gambling Control Commission..... 9,740,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

0855-001-0567—For support of California Gambling Control Commission, payable from the Gambling Control Fund..... 3,422,000

Schedule:

(1) 10-California Gambling Control Commission..... 3,422,000

0855-011-0567—For transfer by the Controller, upon order of the Director of Finance, from the Gambling Control Fund to the General Fund..... (10,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Gambling Control Fund are not adversely affected by the loan through reduction in services or through increased fees.

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.

0855-111-0367—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..... (50,000,000)

Provisions:

1. The amount of any transfer ordered by the Director of Finance pursuant to this item shall be the minimum amount necessary to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code and meet its other expenditure requirements. Any remaining portion of the amount authorized to be transferred pursuant to this item shall remain in the Indian Gaming Special Distribution Fund.
2. The Legislature finds and declares that the amount authorized in this item is expected to be sufficient to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year. Accordingly, the California Gambling Control Commission, acting for this purpose as the State Gaming Agency under various tribal-state compacts, shall not direct any funds to the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.1(*l*) of the amended tribal-state compacts with the Morongo Band of Mission Indians, the Pechanga Band of Luiseño Indians, the San Manuel Band of Mission Indians, and the Sycuan Band of the Kumeyaay Nation and similar sections of any compacts or amended compacts ratified by the Legislature in the 2008–09 fiscal year.
3. The Chairperson of the California Gambling Control Commission shall immediately submit a report to the Director of Finance, the Chairper-

son of the Joint Legislative Budget Committee, and the Legislative Analyst if he or she determines that the Indian Gaming Revenue Sharing Trust Fund will not have sufficient funds to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year after consideration of the funds authorized for transfer by this item. No earlier than 15 days after submission of that report, the California Gambling Control Commission may direct funds to the Indian Gaming Revenue Sharing Trust Fund, notwithstanding the requirements of Provision 2.

0860-001-0001—For support of State Board of Equalization..... 239,256,000

Schedule:

- (1) 100000-Personal Services..... 323,938,000
- (2) 300000-Operating Expenses and Equipment..... 103,820,000
- (3) Reimbursements..... -128,905,000
- (4) Amount payable from the Breast Cancer Fund (Item 0860-001-0004)..... -589,000
- (5) Amount payable from the State Emergency Telephone Number Account (Item 0860-001-0022)..... -649,000
- (6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061)..... -22,211,000
- (7) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 0860-001-0070)..... -718,000
- (8) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-0080)..... -527,000
- (9) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-0230)..... -7,373,000
- (10) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-0320)..... -259,000
- (11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387)..... -462,000

(12) Amount payable from the Under-ground Storage Tank Cleanup Fund (Item 0860-001-0439).....	-3,245,000
(13) Amount payable from the Energy Resources Programs Account (Item 0860-001-0465).....	-253,000
(14) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623).....	-12,538,000
(15) Amount payable from the Federal Trust Fund (Item 0860-001-0890).....	-1,618,000
(16) Amount payable from the Timber Tax Fund (Item 0860-001-0965)....	-2,309,000
(17) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015).....	-411,000
(18) Amount payable from the Water Rights Fund (Item 0860-001-3058).....	-418,000
(19) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 0860-001-3065)....	-4,888,000
(20) Amount payable from the Cigarette and Tobacco Products Compliance Fund (Item 0860-001-3067).....	-1,129,000

Provisions:

1. It is the intent of the Legislature that all funds appropriated to the State 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 State 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 2008–09 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 funds appropriated for the State Board of Equalization Electronic Filing Infrastructure Project be used to improve the state’s efficiencies in tax administration. The State Board of Equalization shall report to the Department of Finance and the appropriate fiscal committees of the Legislature on March 1, 2009, on the status of electronic filing at the State Board of Equalization, including the following:
 - (a) The current level of electronic filing participation.
 - (b) Any revised estimates of future electronic filing participation, including progress in reaching 20 percent in the 2009–10 fiscal year.
 - (c) The board’s estimate of current and future annual savings associated with increased use of electronic services at the State Board of Equalization.
 - (d) Any identified implementation problems or barriers to additional participation.

0860-001-0004—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Breast Cancer Fund.....	589,000
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.....	649,000
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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.....	22,211,000
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Item	Amount
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.....	718,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0080—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Childhood Lead Poisoning Prevention Fund.....	527,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0230—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Cigarette and Tobacco Products Surtax Fund.....	7,373,000
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.....	259,000
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.....	462,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0439—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Underground Storage Tank Cleanup Fund.....	3,245,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in 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.....	253,000

Item

Amount

0860-001-0623—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the California Children and Families Trust Fund.....	12,538,000
0860-001-0890—For support of the State Board of Equalization, for payment to Item 0860-001-0001, payable from the Federal Trust Fund.....	1,618,000
0860-001-0965—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Timber Tax Fund.....	2,309,000
0860-001-3015—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Gas Consumption Surcharge Fund.....	411,000
0860-001-3058—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Water Rights Fund.....	418,000
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.....	4,888,000
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.....	1,129,000
0890-001-0001—For support of Secretary of State.....	31,380,000
Schedule:	
(1) 10-Filings and Registrations.....	49,025,000
(2) 20-Elections.....	61,483,000
(3) 30-Archives.....	10,499,000
(4) 50.01-Administration and Technology.....	23,590,000
(5) 50.02-Distributed Administration and Technology.....	-23,590,000
(6) Reimbursements.....	-7,339,000
(7) Amount payable from the Secretary of State's Business Fees Fund (Item 0890-001-0228).....	-38,936,000
(8) Amount payable from the Federal Trust Fund (Item 0890-001-0890).....	-41,674,000
(9) Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042).....	-1,678,000
Provisions:	
1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 which are collected in ex-	

cess of the cost of administering those special handling fees unless specifically authorized by the Legislature.

2. Of the amounts appropriated in this item, \$41,674,000 shall be used for operational costs associated with implementation of the Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.).

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..... 38,936,000

0890-001-0890—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Federal Trust Fund..... 41,674,000

Provisions:

1. Funds shall be expended for the purposes approved in the November 15, 2007, Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.) spending plan. The amounts spent on each activity shall not exceed the maximum specified in the spending plan.
2. Notwithstanding any other provision of law, any funds not needed for an activity authorized in the November 15, 2007, Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.) 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 Department of Finance, the budget, appropriations, and policy committees in each house of the Legislature that oversee elections, and the Legislative Analyst, 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 Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.) 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.
 7. Upon notification and approval of a spending plan pursuant to Provision 5, the Department of Finance may authorize the transfer of amounts from this item to Item 0890-101-0890 in order to realign the budget in a manner that is consistent with the approved plan.
 8. County contracts funded by Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.) federal funds will be available pursuant to Section 16304.1 of the Government Code.
- 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.... 1,678,000

0890-101-0890—For local assistance, Secretary of State,
payable from the Federal Trust Fund..... 914,000

Schedule:

(1) 20-Elections..... 914,000

Provisions:

1. 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.
2. Upon notification and approval of a spending plan pursuant to Provision 1, the Department of Finance may authorize the transfer of amounts from this item to Item 0890-001-0890 in order to realign the budget in a manner that is consistent with the approved plan.
3. County contracts funded by Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.) federal funds will be available pursuant to Section 16304.1 of the Government Code.

0890-108-0001—For local assistance, funding to counties..... 85,695,000

Provisions:

1. The funds authorized in this item may be apportioned to the counties by the Controller, consistent with the requirements of Provision 2, in amounts not to exceed the following:
 - (a) Alameda County..... 3,560,204
 - (b) Alpine County..... 22,549
 - (c) Amador County..... 106,062
 - (d) Butte County..... 942,273
 - (e) Calaveras County..... 104,299
 - (f) Colusa County..... 55,931
 - (g) Contra Costa County..... 3,434,514
 - (h) Del Norte County..... 69,496
 - (i) El Dorado County..... 422,768
 - (j) Fresno County..... 1,446,509
 - (k) Glenn County..... 44,587

(l) Humboldt County.....	295,849
(m) Imperial County.....	288,902
(n) Inyo County.....	53,814
(o) Kern County.....	1,310,832
(p) Kings County.....	271,130
(q) Lake County.....	170,279
(r) Lassen County.....	159,998
(s) Los Angeles County.....	22,532,448
(t) Madera County.....	193,913
(u) Marin County.....	819,759
(v) Mariposa County.....	97,912
(w) Mendocino County.....	201,464
(x) Merced County.....	335,957
(y) Modoc County.....	33,963
(z) Mono County.....	36,000
(aa) Monterey County.....	1,193,821
(bb) Napa County.....	138,575
(cc) Nevada County.....	444,447
(dd) Orange County.....	5,254,513
(ee) Placer County.....	1,322,724
(ff) Plumas County.....	86,344
(gg) Riverside County.....	2,392,822
(hh) Sacramento County.....	3,433,657
(ii) San Benito County.....	201,909
(jj) San Bernardino County.....	2,864,616
(kk) San Diego County.....	8,521,728
(ll) San Francisco County.....	3,181,333
(mm) San Joaquin County.....	2,240,105
(nn) San Luis Obispo County.....	561,934
(oo) San Mateo County.....	2,186,813
(pp) Santa Barbara County.....	1,592,828
(qq) Santa Clara County.....	5,785,354
(rr) Santa Cruz County.....	563,881
(ss) Shasta County.....	421,181
(tt) Sierra County.....	25,787
(uu) Siskiyou County.....	129,017
(vv) Solano County.....	961,560
(ww) Sonoma County.....	944,527
(xx) Stanislaus County.....	273,076
(yy) Sutter County.....	255,607
(zz) Tehama County.....	202,056
(ab) Trinity County.....	29,592
(ac) Tulare County.....	521,979
(ad) Tuolumne County.....	90,100
(ae) Ventura County.....	1,908,827
(af) Yolo County.....	789,016
(ag) Yuba County.....	163,224

- 2. Upon receipt of a report, signed and certified as true and accurate by the county clerk or county registrar of voters, that identifies the total costs for staff salaries, services and supplies, and postage, the Controller shall pay the reported costs of the counties for the February 5, 2008, presidential primary election.

0890-495—Reversion, Secretary of State. Notwithstanding any other provision of law, as of June 30, 2008, the unencumbered balance of the appropriation provided in the following citation shall revert to the General Fund:

0001—General Fund

- (1) Section 1 of Chapter 723 of the Statutes of 2006

0890-496—Reversion, Secretary of State. As of June 30, 2008, the unencumbered balance of the appropriation provided in the following citation shall revert to the Federal Trust Fund:

0890—Federal Trust Fund

- (1) Item 0890-001-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

0950-001-0001—For support of the Treasurer..... 4,667,000

Schedule:

- (1) 100000-Personal Services..... 20,878,000
- (2) 300000-Operating Expenses and Equipment..... 6,351,000
- (2.5) Unallocated Reduction..... -506,000
- (3) Reimbursements..... -19,967,000
- (5) Amount payable from the Central Service Cost Recovery Fund (Item 0950-001-9740)..... -2,089,000

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 (3) to the 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 shall 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.

- (e) At the end of the two-month term of the loan, the Treasurer’s office shall notify the Chairperson of the Joint Legislative Budget Committee whether the Treasurer’s office has repaid the loan pursuant to subdivision (b).

0950-001-9740—For support of Treasurer, for payment to Item 0950-001-0001, payable from the Central Service Cost Recovery Fund.....	2,089,000
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0954-001-0001—For support of the Scholarshare Investment Board, in accordance with Article 20.5 (commencing with Section 69999.6) of the Education Code.....	947,000
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Schedule:

- (1) 20-Governor’s Scholarship Programs..... 947,000

0954-001-0564—For support of the Scholarshare Investment Board, payable from the Scholarshare Administrative Fund.....	1,369,000
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Schedule:

- (1) 10-Golden State Scholarshare Trust Program..... 1,369,000

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.

0956-001-0171—For support of California Debt and Investment Advisory Commission, payable from the California Debt and Investment Advisory Commission Fund.....	2,418,000
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Schedule:

- (1) 10-California Debt and Investment
Advisory Commission..... 2,568,000
- (2) Reimbursements..... -150,000

Provisions:

- 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt and Investment Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0956-011-0171—For transfer by the Controller, upon order of the Director of Finance, from the California Debt and Investment Advisory Commission Fund to the General Fund..... (2,000,000)

Provisions:

- 1. The transfer made by this item is a loan to the General Fund that shall be fully repaid 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. The Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the California Debt and Investment Advisory Commission Fund the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment be made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the California Debt and Investment Advisory Commission. It is also the intent of the Legislature that repayment be made so as to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days of receipt of written notification documenting the need of the loan repayment from the California Debt and Investment Advisory Commission, provide written notice to the Controller notifying the Controller

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of the amount to be transferred from the General Fund to the California Debt and Investment Advisory Commission Fund.

0959-001-0169—For support of California Debt Limit Allocation Committee, payable from the California Debt Limit Allocation Committee Fund..... 1,238,000

Schedule:

(1) 10-California Debt Limit Allocation Committee..... 1,238,000

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.

0959-011-0169—For transfer by the Controller, upon order of the Director of Finance, from the California Debt Limit Allocation Committee Fund to the General Fund..... (2,000,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund that shall be fully repaid 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. The Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the California Debt Limit Allocation Committee Fund the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment be made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the California Debt Limit Allocation Committee. It is also the intent of the Legislature that repayment be made so as to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days

of receipt of written notification documenting the need of the loan repayment from the California Debt Limit Allocation Committee, provide written notice to the Controller notifying the Controller of the amount to be transferred from the General Fund to the California Debt Limit Allocation Committee Fund.

0965-001-0215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund..... 256,000

Schedule:

- (1) 10-Industrial Development Financing Advisory Commission..... 331,000
- (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..... 2,507,000

Schedule:

- (1) 10-California Tax Credit Allocation Committee..... 2,537,000
- (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 of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson

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of the joint 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..... 1,852,000

Schedule:

- (1) 10-California Tax Credit Allocation Committee..... 1,882,000
- (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..... 85,000

Schedule:

- (1) 20-Community Revitalization Program..... 85,000

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.

0968-011-0448—For transfer by the Controller, upon order of the Director of Finance, from the Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account to the General Fund..... (10,000,000)

Provisions:

- 1. The transfer made by this item is a loan to the General Fund that shall be fully repaid 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. The Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment be made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the California Tax Credit Allocation Committee. It is also the intent of the Legislature that repayment be made so as to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days of receipt of written notification documenting the need of the loan repayment from the California Tax Credit Allocation Committee, provide written notification to the Controller of the amount to be transferred from the General Fund to the Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account.

0968-011-0457—For transfer by the Controller, upon order of the Director of Finance, from the Tax Credit Allocation Fee Account to the General Fund..... (10,000,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund that shall be fully repaid 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. The Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the Tax Credit Allocation Fee Account the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment be made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the Califor-

nia Tax Credit Allocation Committee. It is also the intent of the Legislature that repayment be made so as to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days of receipt of written notification documenting the need of the loan repayment from the California Tax Credit Allocation Committee, provide written notification to the Controller notifying the Controller of the amount to be transferred from the General Fund to the Tax Credit Allocation Fee Account.

0971-001-0528—For support of California Alternative Energy and Advanced Transportation Financing Authority, payable from the California Alternative Energy Authority Fund..... 204,000

Schedule:

(1) 10-California Alternative Energy and Advanced Transportation Financing Authority..... 204,000

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..... 381,000

Schedule:

(1) 30-Children’s Hospital Program.... 381,000

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

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0985-001-9734—For support of California School Finance Authority, payable from the Charter School Facilities Account, 2004 State School Facilities Fund.....	594,000
Schedule:	
(1) 20-Charter School Facilities Program.....	594,000
0985-001-9735—For support of California School Finance Authority, payable from the Charter School Facilities Account, 2006 State School Facilities Fund.....	429,000
Schedule:	
(1) 20-Charter School Facilities Program.....	429,000
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.....	15,515,000
Schedule:	
(1) 10-Education.....	14,892,000
(2) 20-Exposition Park Management....	5,055,000
(3) 30-California African American Museum.....	2,566,000
(4) 40.01-Administration.....	954,000
(5) 40.02-Distributed Administration....	-954,000
(6) Reimbursements-Education.....	-1,213,000
(7) Reimbursements-Exposition Park Management.....	-508,000
(8) Reimbursements-California African American Museum.....	-75,000
(9) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-0267).....	-5,202,000

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1100-001-0267—For support of California Science Center, for payment to Item 1100-001-0001, payable from the Exposition Park Improvement Fund.....		5,202,000
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.		
1100-003-0001—For support of California Science Center, for rental payments on lease-revenue bonds.....		2,734,000
Schedule:		
(1) Base Rental and Fees.....	2,704,000	
(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.		
1100-301-0001—For capital outlay, California Science Center.....		200,000
Schedule:		
(1) 90.05-California African American Museum: Renovation and Expansion Project—Working drawings....	1,302,000	
(2) Reimbursements.....	-1,102,000	
1100-301-0267—For capital outlay, California Science Center, payable from the Exposition Park Improvement Fund.....		800,000
Schedule:		
(1) 90.05-California African American Museum: Renovation and Expansion Project—Working drawings....	800,000	
1110-001-0024—For support of State Board of Guide Dogs for the Blind, Program 54, payable from the Guide Dogs for the Blind Fund.....		168,000
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.	
1110-001-0093—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.....	2,511,000
Schedule:	
(1) 56-Acupuncture Board.....	2,534,000
(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.....	290,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0205—For support of Board for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund.....	1,366,000
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.....	26,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	

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1110-001-0264—For support of Osteopathic Medical Board of California, payable from the Osteopathic Medical Board of California Contingent Fund.....	1,357,000
Schedule:	
(1) 70-Osteopathic Medical Board of California.....	1,407,000
(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.	
1110-001-0280—For support of Physician Assistant Committee, payable from the Physician Assistant Fund.....	1,184,000
Schedule:	
(1) 59-Physician Assistant Committee.....	1,209,000
(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.....	1,307,000
Schedule:	
(1) 61-California Board of Podiatric Medicine.....	1,311,000
(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.....	3,405,000
Schedule:	
(1) 62-Board of Psychology.....	3,456,000
(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.....	2,882,000
Schedule:	
(1) 64-Respiratory Care Board of California.....	2,948,000
(2) Reimbursements.....	-66,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0326—For support of State Athletic Commission, payable from the Athletic Commission Fund....	1,877,000
Schedule:	
(1) 9-State Athletic Commission.....	2,099,000
(2) Amount payable from the Boxers' Pension Fund (Item 1110-002-9250).....	-102,000
(3) Amount payable from the State Athletic Commission Neurological Examination Account (Item 1110-001-0492).....	-120,000
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, Dental Board of California, payable from the State Dental Auxiliary Fund.....	2,281,000
Schedule:	
(1) 36.20-Committee on Dental Auxiliaries.....	2,303,000
(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.....	380,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of	

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finances and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0492—For support of State Athletic Commission, for payment to Item 1110-001-0326, payable from the State Athletic Commission Neurological Examination Account.....	120,000
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.....	12,410,000
Schedule:	
(1) 3-California Board of Accountancy	12,706,000
(2) Reimbursements.....	-296,000
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.....	3,222,000
Schedule:	
(1) 06.02.020-Distributed Cost-Architects/Landscape Architects.....	-33,000
(2) 06.10.010-California Architects Board.....	3,260,000
(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.....	59,624,000
Schedule:	
(1) 30-Contractors' State License Board.....	59,992,000
(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.

1110-001-0757—For support of California Architects Board, Landscape Architect Technical Committee, Program 06.20, payable from California Architects Board-Landscape Architects Fund..... 1,149,000

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..... 51,248,000

Schedule:

- (1) 55.10.010-Medical Board of California..... 52,309,000
- (2) 55.15-Registered Dispensing Opticians..... 290,000
- (3) 55.17-Outpatient Setting..... 26,000
- (4) 55.02.020-Distributed Medical Board of California..... -677,000
- (5) Reimbursements..... -384,000
- (6) Amount payable from the Dispensing Opticians Fund (Item 1110-001-0175)..... -290,000
- (7) Amount payable from the Outpatient Setting Fund of the Medical Board of California (Item 1110-001-0210)..... -26,000

Provisions:

- 1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

1110-001-0759—For support of Physical Therapy Board of California, payable from the Physical Therapy Fund..... 2,296,000

Schedule:

- (1) 58-Physical Therapy Board of California..... 2,395,000
- (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..... 23,102,000

Schedule:

- (1) 78-Board of Registered Nursing.... 24,116,000
- (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 Optometry Fund, Professions and Vocations Fund..... 1,492,000

Schedule:

- (1) 69-State Board of Optometry..... 1,498,000
- (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.... 9,699,000

Schedule:

- (1) 72-California State Board of Pharmacy..... 9,950,000
- (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 Engineer’s and Land Surveyor’s Fund.... 9,391,000

Schedule:

- (1) 75-Board for Professional Engineers and Land Surveyors..... 9,407,000
- (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..... 909,000

Schedule:

- (1) 81-Court Reporters Board of California..... 927,000
- (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 Sciences, payable from the Behavioral Science Examiners Fund, Professions and Vocations Fund..... 6,008,000

Schedule:

- (1) 18-Board of Behavioral Sciences.... 6,357,000
- (2) Reimbursements..... -50,000
- (3) Amount payable from the Mental Health Services Fund (Item 1110-001-3085)..... -299,000

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..... 4,176,000

Schedule:

- (1) 84-Structural Pest Control Board.... 4,558,000
- (2) Reimbursements..... -2,000
- (3) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1110-001-0399).... -380,000

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.

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1110-001-0777—For support of Veterinary Medical Board, payable from the Veterinary Medical Board Contingent Fund.....	2,464,000
Schedule:	
(1) 90-Veterinary Medical Board.....	2,490,000
(2) Reimbursements.....	-26,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-3017—For support of California Board of Occupational Therapy, payable from the Occupational Therapy Fund.....	1,060,000
Schedule:	
(1) 67-California Board of Occupational Therapy.....	1,082,000
(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.	
1110-001-3085—For support of Board of Behavioral Sciences, for payment to Item 1110-001-0773, payable from the Mental Health Services Fund.....	299,000
1110-002-9250—For support of State Athletic Commission, for payment to Item 1110-001-0326, payable from the Boxers' Pension Fund.....	102,000
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.	
1110-011-0310—For transfer by the Controller, upon order of the Director of Finance, from the Psychology Fund to the General Fund.....	(2,500,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Psychology Fund are not adversely affected by the loan through reduction in services or through increased fees.	

1110-011-0704—For transfer by the Controller, upon order of the Director of Finance, from the Accountancy Fund, Professions and Vocations Fund, to the General Fund..... (14,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Accountancy Fund, Professions and Vocations Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0735—For transfer by the Controller, upon order of the Director of Finance, from the Contractors' License Fund to the General Fund..... (10,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Contractors' License Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0758—For transfer by the Controller, upon order of the Director of Finance, from the Contingent Fund of the Medical Board of California to the General Fund..... (6,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Contingent Fund of the Medical Board of California are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0761—For transfer by the Controller, upon order of the Director of Finance, from the Board of Registered Nursing Fund, Professions and Vocations Fund, to the General Fund..... (2,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Board of Registered Nursing Fund, Professions and Vocations Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0767—For transfer by the Controller, upon order of the Director of Finance, from the Pharmacy Board Contingent Fund, Professions and Vocations Fund, to the General Fund..... (1,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Pharmacy Board Contingent Fund, Professions and Vocations Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0770—For transfer by the Controller, upon order of the Director of Finance, from the Professional Engineers’ and Land Surveyors’ Fund, to the General Fund..... (2,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Professional Engineers’ and Land Surveyors’ Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-011-0773—For transfer by the Controller, upon order of the Director of Finance, from the Behavioral Science Examiners Fund, Professions and Vocations Fund, to the General Fund..... (3,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Behavioral Science Examiners, Professions and Vocations Fund are not adversely affected by the loan through reduction in services or through increased fees.

1110-401—Notwithstanding any other provision of law, upon the request of the Department of Consumer Affairs, the Department of Finance may augment the amount available for expenditure to pay iLicensing project costs. The augmentation may be made no 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, or no 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 project cost increases approved by the office of the State Chief Information Officer based on its review and approval of the most recent iLicensing Special Project Report to be submitted at the conclusion of procurement activities. This provision shall apply to all Budget Act items for the Department of Consumer Affairs that have an appropriation for iLicensing.

1111-001-0069—For support of the State Board of Barbering and Cosmetology, payable from the Barbering and Cosmetology Contingent Fund..... 18,538,000

Schedule:

- (1) 22-State Board of Barbering and Cosmetology..... 18,595,000
- (2) Reimbursements..... -57,000

Provisions:

1. The amount appropriated in this item may include revenues derived from the assessment of

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finances and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0376—For support of the Speech-Language Pathology and Audiology Board, payable from the Speech-Language Pathology and Audiology Board Fund.....	786,000
Schedule:	
(1) 65-Speech-Language Pathology and Audiology Board.....	810,000
(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.	
1111-001-0741—For support of Dental Board of California, payable from the State Dentistry Fund.....	9,899,000
Schedule:	
(1) 36.10-Dental Board of California....	10,069,000
(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.	
1111-001-0779—For support of Board of Vocational Nursing and Psychiatric Technicians of the State of California, payable from the Vocational Nursing and Psychiatric Technicians Fund.....	6,996,000
Schedule:	
(1) 91.02.020-Distributed Vocational Nurses.....	-37,000
(2) 91.10.010-Vocational Nurses Program.....	7,385,000
(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.	
1111-001-0780—For support of Board of Vocational Nursing and Psychiatric Technicians of the State of California, payable from the Psychiatric Technician Examiners Account, Vocational Nursing and Psychiatric Technicians Fund.....	1,654,000

Schedule:

- (1) 91.20-Psychiatric Technician Program..... 1,676,000
- (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 Arbitration Certification Program, Department of Consumer Affairs, payable from the Consumer Affairs-Certification Account.... 1,126,000

Schedule:

- (1) 23-Arbitration Certification Program..... 1,126,000

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 Hearing Aid Dispensers Bureau, Department of Consumer Affairs, payable from the Hearing Aid Dispensers Fund..... 761,000

Schedule:

- (1) 24-Hearing Aid Dispensers Bureau..... 770,000
- (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 Bureau of Security and Investigative Services, Department of Consumer Affairs, payable from the Private Security Services Fund..... 10,197,000

Schedule:

- (1) 25.10.010-Bureau of Security and Investigative Services, Private Security Services Program..... 10,801,000
- (2) 25.02.020-Distributed Private Security Services..... -104,000
- (3) Reimbursements..... -500,000

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.

1111-002-0305—For support of Bureau for Private Postsecondary Education, Department of Consumer Affairs, payable from the Private Postsecondary Education and Vocational Administration Fund..... 4,793,000
Schedule:

- (1) 27.10.010-Bureau for Private Postsecondary Education..... 4,848,000
- (2) 27.02.020-Distributed Private Postsecondary Education..... -55,000

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. These funds shall only be available for expenditure if the proposed legislation to reform the Bureau for Private Postsecondary Education’s operations and establish the Private Postsecondary Education Act is enacted.

1111-002-0325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, payable from the Electronic and Appliance Repair Fund..... 2,403,000
Schedule:

- (1) 28-Bureau of Electronic and Appliance Repair..... 2,416,000
- (2) Reimbursements..... -13,000

Provisions:

- 1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

1111-002-0421—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund..... 112,536,000
Schedule:

- (1) 31.10.016-Automotive Repair and Smog Check Programs..... 112,725,000
- (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

finances and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-002-0459—For support of Telephone Medical Advice Services Bureau, Department of Consumer Affairs, payable from the Telephone Medical Advice Services Fund.....	150,000
Schedule:	
(1) 37-Telephone Medical Advice Services Bureau.....	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.	
1111-002-0582—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the High Polluter Repair or Removal Account.....	71,283,000
Schedule:	
(1) 31.20.016-Vehicle Repair Assistance.....	17,034,000
(2) 31.20.030-Vehicle Retirement.....	41,664,000
(3) 31.20.040-Program Administration.....	12,585,000
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.....	0
Schedule:	
(1) 35.10.010-Administrative and Information Services Division.....	46,117,000
(2) 35.10.015-Public Affairs.....	1,081,000
(3) 35.10.020-Consumer and Community Relations Division.....	11,369,000

(4)	35.10.025-Division of Investigation.....	8,711,000
(4.5)	35.10.030-DCA Workers' Compensation.....	3,350,000
(5)	35.02.010-Distributed Administrative and Information Services Division.....	-45,637,000
(6)	35.02.015-Distributed Public Affairs.....	-1,025,000
(7)	35.02.020-Distributed Consumer and Community Relations Division.....	-11,369,000
(8)	35.02.025-Distributed Division of Investigation.....	-8,711,000
(8.5)	35.02.030-Distributed DCA Workers' Compensation.....	-3,350,000
(9)	Reimbursements.....	-536,000

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, 2010, 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, 2007-08, or 2008-09 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 departmentwide budget reduction of \$500,000 (special funds) will be effectuated in the 2010-11 fiscal year and ongoing fiscal years. However, to the extent that additional resources are needed to protect Califor-

nia consumers, boards, bureaus, and divisions of the department may pursue budget augmentations through the annual budget process.

1111-002-0717—For support of Cemetery and Funeral Bureau, Department of Consumer Affairs, payable from the Cemetery Fund, Professions and Vocations Fund..... 2,382,000

Schedule:

(1) 38.10.005-Cemetery Program..... 2,616,000

(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 Cemetery and Funeral Bureau, Department of Consumer Affairs, payable from the State Funeral Directors and Embalmers Fund, Professions and Vocations Fund..... 1,671,000

Schedule:

(1) 38.20-Funeral Directors and Embalmers Program..... 1,683,000

(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 Bureau of Home Furnishings and Thermal Insulation, Department of Consumer Affairs, payable from the Bureau of Home Furnishings and Thermal Insulation Fund..... 4,788,000

Schedule:

(1) 34-Bureau of Home Furnishings and Thermal Insulation..... 4,793,000

(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 Bureau of Security and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund..... 1,081,000

Schedule:

- (1) 25.20-Private Investigators Program..... 1,097,000
- (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.

1111-002-0890—For support of Bureau for Private Postsecondary Education, Department of Consumer Affairs, payable from the Federal Trust Fund..... 1,514,000

Schedule:

- (1) 27.20-Federal Trust Program..... 1,514,000

Provisions:

- 1. Notwithstanding any other provision of law, the Federal Trust Fund Account of the Bureau for Private Postsecondary 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.
- 2. To the extent legislation is not enacted to reform the Bureau for Private Postsecondary Education's operations, this Title 38 program will be administered by the Department of Consumer Affairs in support of the federal contract.

1111-002-0960—For support of Bureau for Private Postsecondary Education, Department of Consumer Affairs, payable from the Student Tuition Recovery Fund..... 337,000

Schedule:

- (1) 27.30-Student Tuition Recovery Program..... 337,000

	Amount
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
2. These funds shall only be available for expenditure if the proposed legislation to reform the Bureau for Private Postsecondary Education's operations and establish the Private Postsecondary Education Act is enacted.	
1111-002-3069—For support of Bureau of Naturopathic Medicine, Department of Consumer Affairs, payable from the Naturopathic Doctor's Fund.....	125,000
Schedule:	
(1) 39-Bureau of Naturopathic Medicine.....	128,000
(2) Reimbursements.....	-3,000
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.	
1111-002-3108—For support of Professional Fiduciaries Bureau, Department of Consumer Affairs, payable from the Professional Fiduciary Fund.....	609,000
Schedule:	
(1) 89-Professional Fiduciaries Bureau.....	609,000
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.	
1111-011-0069—For transfer by the Controller, upon order of the Director of Finance, from the Barbering and Cosmetology Contingent Fund, to the General Fund.....	(10,000,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Barbering and Cosmetology Contingent Fund are not adversely affected by the loan through reduction in services or through increased fees.	

1111-011-0421—For transfer by the Controller, upon order of the Director of Finance, from the Vehicle Inspection and Repair Fund, to the General Fund.... (25,000,000)
Provisions:

- 1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Vehicle Inspection and Repair Fund are not adversely affected by the loan through reduction in services or through increased fees.

1111-011-0582—For transfer by the Controller, upon order of the Director of Finance, from the High Polluter Repair or Removal Account, to the General Fund..... (20,000,000)
Provisions:

- 1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the High Polluter Repair or Removal Account are not adversely affected by the loan through reduction in services or through increased fees.
- 3. No funds shall be redirected or loaned from the Enhanced Fleet Modernization Subaccount created pursuant to Chapter 705 of the Statutes of 2007.

1111-011-0779—For transfer by the Controller, upon order of the Director of Finance, from the Vocational Nursing and Psychiatric Technicians Fund, to the General Fund..... (1,000,000)
Provisions:

- 1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Vocational Nursing and Psychiatric Technicians Fund are not adversely affected by the loan through reduction in services or through increased fees.

1111-401—Notwithstanding any other provision of law, upon the request of the Department of Consumer Affairs, the Department of Finance may augment the amount available for expenditure to pay iLicensing project costs. The augmentation may be made no 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, or no 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 project cost increases approved by the office of the State Chief Information Officer based on its review and approval of the most recent iLicensing Special Project Report to be submitted at the conclusion of procurement activities. This provision shall apply to all Budget Act items for the Department of Consumer Affairs that have an appropriation for iLicensing.	
1690-001-0217—For support of Alfred E. Alquist Seismic Safety Commission, payable from the Insurance Fund.....	1,312,000
Schedule:	
(1) 10-Alfred E. Alquist Seismic Safety Commission.....	1,391,000
(2) Reimbursements.....	-79,000
1700-001-0001—For support of Department of Fair Employment and Housing.....	17,813,000
Schedule:	
(1) 50-Administration of Civil Rights Law.....	23,668,000
(2) Amount payable from the Federal Trust Fund (Item 1700-001-0890)....	-5,855,000
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.....	5,855,000
1705-001-0001—For support of Fair Employment and Housing Commission.....	1,053,000
Schedule:	
(1) 10-Fair Employment and Housing Commission.....	1,221,000
(2) Reimbursements.....	-168,000
1730-001-0001—For support of Franchise Tax Board....	509,868,000

Schedule:

(1) 10-Tax Programs.....	504,990,000
(2) 20-Homeowners and Renters Assistance.....	6,386,000
(3) 30-Political Reform Audit (1,572,000).....	0
(4) 45-Child Support Automation.....	12,342,000
(5) 50-DMV Collections.....	8,186,000
(6) 60-Court Collections.....	15,206,000
(7) 70-Contract Work.....	14,034,000
(8) 80.01-Administration.....	28,810,000
(9) 80.02-Distributed Administration.....	-28,810,000
(10) Reimbursements.....	-15,032,000
(11) Reimbursements-Child Support Automation.....	-12,341,000
(12) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-0044)....	-2,844,000
(13) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-0064).....	-5,342,000
(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 (Endangered and 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).....	-15,206,000
(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
(30) Amount payable from the California Sea Otter Fund (Item 1730-001-8047).....	-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 2008–09 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 2008–09 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 \$187, and the filing enforcement cost recovery fee for purposes of subparagraph (A) of paragraph (2) of that subdivision shall be \$119.
4. During the 2008–09 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 \$352, and the filing enforcement cost recovery fee for purposes of subparagraph (B) of paragraph (2) of that subdivision shall be \$203.
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 2008–09 and 2009–10 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 subdivision (b) of Section 19282 of the Revenue and Taxation Code, the combined costs to administer the Court-Ordered Debt Collection Program and to fund the Court-Ordered Debt Expansion Project may be funded from the Court Collection Account in an amount that may exceed 15 percent of annual collections.	
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.....	2,991,000
1730-001-0064	—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund.....	5,615,000
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 (Endangered and 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.....	15,206,000
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
1730-001-8047—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Sea Otter Fund.....	6,000
1730-002-0001—For support of Franchise Tax Board, for rental payments on lease-revenue bonds.....	2,824,000
Schedule:	
(1) Central Office—Buildings 1 and 2	3,084,000
(2) Insurance.....	29,000
(3) Reimbursements.....	-289,000

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..... 9,833,000

Provisions:

1. Of the amount appropriated in this item, \$6,583,000 is for State Capitol repairs.
2. Of the amount appropriated in this item, \$3,250,000 is to repay the federal funds collected by the Department of General Services, through prior-year rates, for disallowed general government costs plus interest. Any funds not expended for this specific purpose as of June 30, 2009, shall revert to the General Fund.

1760-001-0002—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Property Acquisition Law Money Account..... 3,247,000

Provisions:

1. Of the amount appropriated in this item, \$2,010,000 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, 2008–09 revenues from Third Party Cogeneration Projects previously shared between state agencies and the Energy Resources Fund shall be deposited in the 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.....	2,404,000
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.....	2,471,000
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.....	6,066,000
Provisions:	
1. Notwithstanding any other provision of law, Section 16379 of the Government Code shall govern the payment of claims for the purposes of this item.	
1760-001-0450—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Seismic Gas Valve Certification Fee Account.....	75,000
1760-001-0465—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Energy Resources Programs Account.....	1,659,000
1760-001-0602—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Architecture Revolving Fund.....	43,632,000
1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund.....	501,882,000
Schedule:	
(1) Program support.....	1,083,442,000
(2) Distributed services.....	-11,145,000
(3) Reimbursements—Lease revenue....	-43,000
(5) Amount payable from the General Fund (Item 1760-001-0001).....	-9,833,000
(6) Amount payable from the General Fund (Item 1760-002-0001).....	-346,000
(7) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002).....	-3,247,000

- (8) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003)..... -2,404,000
- (9) Amount payable from the State Emergency Telephone Number Account (Item 1760-001-0022)..... -2,471,000
- (10) Amount payable from the State Motor Vehicle Insurance Account (Item 1760-001-0026)..... -6,066,000
- (11) Amount payable from the Seismic Gas Valve Certification Fee Account (Item 1760-001-0450)..... -75,000
- (12) Amount payable from the Energy Resources Programs Account (Item 1760-001-0465)..... -1,659,000
- (13) Amount payable from the Architecture Revolving Fund (Item 1760-001-0602)..... -43,632,000
- (14) Amount payable from the State School Building Aid Fund (Item 1760-001-0739)..... -297,000
- (15) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961)..... -159,000
- (16) Amount payable from the 2006 State School Facilities Fund (Item 1760-001-6057)..... -14,253,000
- (17) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-002-0003).... -1,102,000
- (18) Amount payable from the Service Revolving Fund (Item 1760-002-0666)..... -156,455,000
- (19) Amount payable from the Service Revolving Fund (Item 1760-003-0666)..... -14,498,000
- (20) Amount payable from the Service Revolving Fund (Item 1760-004-0666)..... -313,875,000

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 carrying out 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 2008–09 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 1760-001-0003 and 1760-001-0026 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 provide competitive services to their customers (including local government entities or the fed-

eral 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 begin-

ning 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 Director of Finance is authorized to increase this item for purposes of funding tenant improvement projects to facilitate the backfill of vacant space within stand-alone Department of General Services (DGS) bond-funded office buildings. This provision shall only be used to augment expenditure authority for DGS stand-alone individual rate office buildings where a \$0.03 tenant improvement surcharge has been approved by the Department of Finance and is included in the monthly rental rate. Department of Finance approval is contingent upon justification for the proposed tenant improvement projects to be provided by the DGS including an analysis of cost impacts and how the tenant improvements will improve the state’s utilization of the facility. Any augmentation made in accordance with this provision shall not result in an increase in any rate charged to other departments for services without the prior written consent of the Department of Finance. Any augmentation made pursuant to this provision may be authorized 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.
10. Notwithstanding subdivision (c) of Section 34 of Chapter 127 of the Statutes of 2000, the Department of General Services is authorized to pay Hearn Construction Company of Vacaville, California, up to \$498,000 for claims arising from the renovation of the Lincoln Theater in Yountville, California.

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....	297,000
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.....	159,000

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Item

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[Ch. 268]
Amount

1760-001-6057—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the 2006 State School Facilities Fund.....	14,253,000
1760-002-0001—For support of Department of General Services, for payment to Item 1760-001-0666.....	346,000
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.....	1,102,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base Rental and Fees.....	1,090,000
(b) Insurance.....	12,000
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.....	156,455,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base Rental and Fees.....	155,630,000
(1) Capitol Area Development Authority, Sacramento.....	704,000
(2) State Office Building, Riverside.....	2,127,000
(3) Department of Justice Building, Sacramento.....	4,734,000
(4) San Francisco Civic Center Building.....	23,757,000
(5) Ronald Reagan Building, Los Angeles.....	18,042,000
(6) Elihu M. Harris Building, Oakland.....	9,633,000

(7) Los Angeles Junipero Serra II.....	4,763,000
(8) State Office Building, San Diego (Suburban).....	2,886,000
(9) Capitol East End Garage....	975,000
(10) Stephen P. Teale Data Center.....	3,500,000
(11) Capitol Area East End Complex.....	32,753,000
(12) Butterfield Warehouse Plant.....	2,498,000
(13) Food and Agriculture.....	1,340,000
(14) Butterfield Office Building.....	16,172,000
(15) Caltrans San Diego Office Building.....	5,799,000
(16) Board of Equalization Building Acquisition.....	5,961,000
(17) Office Building #10.....	1,879,000
(18) State Archives.....	12,312,000
(19) Office Building #8.....	5,795,000
(b) Insurance.....	868,000
(c) Reimbursements.....	-43,000

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..... 14,498,000

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

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Item

STATUTES OF 2008

[Ch. 268]
Amount

adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.

1760-004-0666—For support of Department of General Services, for payments for natural gas purchases, for payment to Item 1760-001-0666, payable from the Service Revolving Fund..... 313,875,000

Provisions:

1. Provisions 3, 4, and 6 of Item 1760-001-0666 also apply to this item.

1760-011-0328—For transfer by the Controller, upon order of the Director of Finance, from the Public School Planning, Design, and Construction Review Revolving Fund, to the General Fund..... (60,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Repayment shall be made so as to ensure that the programs supported by the Public School Planning, Design, and Construction Review Revolving Fund are not adversely affected by the loan through reduction in services or through increased fees.

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..... 0

Schedule:

(1) 50.10.250—Sacramento Public Safety Communications Decentralization, Resources—Preliminary plans..... 24,000

(2) Reimbursements..... -24,000

	Amount
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated in this item shall be reimbursed from the Department of Water Resources.	
1760-301-0042—For capital outlay, Department of General Services, payable from the State Highway Account, State Transportation Fund.....	140,000
Schedule:	
(1) 50.10.250—Sacramento Public Safety Communications Decentralization, Resources—Preliminary plans.....	140,000
1760-301-0044—For capital outlay, Department of General Services, payable from the Motor Vehicle Account, State Transportation Fund.....	356,000
Schedule:	
(1) 50.10.250—Sacramento Public Safety Communications Decentralization, Resources—Preliminary plans.....	356,000
1760-301-0200—For capital outlay, Department of General Services, payable from the Fish and Game Preservation Fund.....	32,000
Schedule:	
(1) 50.10.250—Sacramento Public Safety Communications Decentralization, Resources—Preliminary plans.....	32,000
1760-301-0660—For capital outlay, Department of General Services, payable from the Public Buildings Construction Fund.....	15,958,000
Schedule:	
(1) 50.10.151—Library and Courts Building Renovation—Construction.....	15,958,000
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 Department of General Services 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 provision does not exempt the Department of General Services from the requirements of the California Environmental Quality Act. This provision is intended to be declarative of existing law.

1760-301-0768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990..... 1,209,000

Schedule:

- (0.5) 50.10.250—Sacramento Public Safety Communications Decentralization, Resources—Preliminary plans..... 260,000
- (1) 50.99.050—State Department of Mental Health, Metro State Hospital, Norwalk: Library, Structural Retrofit—Preliminary plans..... 334,000
- (2) 50.99.407—State Department of Mental Health, Metro State Hospital, Norwalk: Vocational Building, Structural Retrofit—Preliminary plans..... 361,000
- (3) 50.99.417—Military Department Stockton Armory: Structural Retrofit—Working drawings..... 254,000

1760-401—Notwithstanding Provision 1 of Item 1760-011-0666 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), the \$1,772,000 loan authorized shall be fully repaid to the Service Revolving Fund as soon as there are sufficient moneys in the Motor Vehicle Parking Facilities Moneys Account, but no later than June 30, 2013.

1760-490—Reappropriation, Department of General Services. The balance of the appropriations provided for in the following citations is reappropriated for the purposes and subject to the limitations, unless

otherwise specified, provided in the appropriations and shall be available for encumbrance or expenditure until June 30, 2011:

0660—Public Buildings Construction Fund

(1) Item 1760-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1) 50.10.151-Library and Courts Renovation—Construction

1760-491—Reappropriation, Department of General Services. The balance of the appropriation provided for in the following citations is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided in the appropriations and shall be available for encumbrance or expenditure until June 30, 2009:

0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

(1) Item 1760-301-0768, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(8) 50.99.426-State Department of Mental Health, Patton State Hospital: Renovate H and J Buildings—Working drawings

1760-493—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the amounts specified in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for expenditure until June 30, 2009:

0002—Property Acquisition Law Account

(1) Up to \$500,000 for the Los Angeles Civic Center and \$300,000 for the Lanterman Development Center value enhancement projects provided in Item 1760-001-0002 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

1870-001-0001—For support of California Victim Compensation and Government Claims Board.....
Schedule:

0

- (1) 11-Citizens Indemnification..... 70,163,000
- (2) 12-Quality Assurance and Revenue Recovery Division..... 9,332,000
- (3) 31-Civil Claims Against the State.... 1,373,000
- (4) 41-Citizens Benefiting the Public.... 20,000
- (5) 51.01-Administration..... 9,688,000
- (6) 51.02-Distributed Administration Executive Office..... -10,223,000
- (7) 51.03-Executive Office Administration..... 535,000

- (8) Reimbursements..... -1,373,000
- (9) Amount payable from the Restitu-
tion Fund (Item 1870-001-0214).... -47,308,000
- (10) Amount payable from the Federal
Trust Fund (Item 1870-001-
0890)..... -32,187,000
- (11) Amount payable from the Restitu-
tion Fund (Item 1870-002-0214).... -20,000

Provisions:

- 1. The California Victim Compensation and Gov-
ernment Claims Board shall not routinely notify
all local agencies and school districts regarding
its proceedings. However, for each of its meet-
ings, the board shall notify all parties whose
claims or proposals are scheduled for considera-
tion and any party requesting notice of the pro-
ceedings.

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....	47,308,000
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.....	32,187,000
1870-002-0214—For support of California Victim Compensation and Government Claims Board, for support services pursuant to subdivision (c) of Sec- tion 13973 of the Government Code, for payment to Item 1870-001-0001, payable from the Restitution Fund.....	20,000
1870-011-0214—For transfer by the Controller from the Restitution Fund to the Equality in Prevention and Services for Domestic Abuse Fund.....	(400,000)
1870-012-0214—For transfer by the Controller, upon order of the Director of Finance, from the Restitu- tion Fund to the General Fund.....	(50,000,000)
1880-001-0001—For support of State Personnel Board....	1,936,000

Schedule:

- (1) 10-Merit System Administration.... 19,533,000
- (2) 40-Local Government Services..... 2,937,000
- (3) 50.01-Administration Services..... 4,042,298
- (4) 50.02-Distributed Administration
Services..... -1,959,298
- (5) Reimbursements..... -19,232,000

(6) Amount payable from the Central Service Cost Recovery Fund (Item 1880-001-9740)..... -3,385,000

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, 2009.
- (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.

1880-001-9740—For support of State Personnel Board, for payment to Item 1880-001-0001, payable from the Central Service Cost Recovery Fund..... 3,385,000

1900-001-0950—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Public Employees’ Contingency Reserve Fund..... 29,725,000

Provisions:

- 1. The appropriation made in this item is for support of the Board of Administration of the Public Employees’ Retirement System pursuant to Section 22910 of the Government Code.
- 2. In addition to the purpose specified in Provision 1, funds appropriated in this item shall be used by the Public Employees’ Retirement System (PERS) to process Medicare Part D eligibility files, reconciliation files, and subsidy requests. PERS may use funds of the Account for Retiree

Drug Subsidy Payments in the Public Employees' Contingency Reserve Fund to fund a portion of these eligible costs, provided that this account supports only the portion of eligible expenses attributable to Medicare Part D retiree drug subsidy work related to state government, public agency, and California State University members of PERS. PERS shall continue to apply directly for the maximum possible amount of Medicare Part D retiree drug subsidies in the 2008 and 2009 calendar years.

- 3. Notwithstanding the requirements of Provision 2, the Public Employees' Retirement System (PERS) may choose not to apply for subsidies related to plans for which it is not eligible to act as the sponsor and receive Medicare 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 PERS for the 2008 calendar year. If PERS chooses not to apply for subsidies pursuant to this provision, PERS shall 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 PERS shall explain the facts and circumstances underlying that choice.
- 4. Notwithstanding the requirements of Provisions 2 and 3, the Public Employees' Retirement System (PERS) may choose not to apply in the 2009 calendar year for subsidies related to one or more employee association health benefit plans upon PERS' certification to the Department of Finance that the estimated state share of Medicare Part D retiree drug subsidy funds for those plans for the 2007 calendar year did not exceed \$500,000 on a combined basis.

1900-003-0830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund..... (963,170,000)
Provisions:

- 1. The amount displayed in this item is based on the estimate by the Public Employees' Retirement System.

ment System of expenditures for external investment advisers and other investment-related expenses to be made during the 2008–09 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, 2009, 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 2009–10 fiscal year. The Board of Administration of the Public Employees’ Retirement System shall report on or before January 10, 2010, 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 2007–08 and 2008–09 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..... (1,134,000)

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 each house of the Legislature, all of the following:
 - (a) Not later than May 15, 2009, a copy of the proposed budget for PERS for the 2009–10 fiscal year as approved by the Board of Administration.
 - (b) The revisions to the proposed budget for PERS for the 2008–09 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, 2008, 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 each house 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..... (454,000)
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 each house of the Legislature all of the following:
 - (a) Not later than May 15, 2009, a copy of the proposed budget for the Public Employees' Retirement System for the 2009–10 fiscal

year as approved by the Board of Administration.

- (b) The revisions to the proposed budget for the Public Employees' Retirement System for the 2008–09 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, 2008, 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 each house 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.

1900-015-0822—For support of the Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Health Care Fund..... (17,601,000)

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, 2009, a copy of the proposed budget for PERS for the 2009–10 fiscal year as approved by the Board of Administration.
 - (b) The revisions to the proposed budget for PERS for the 2008–09 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, 2008, all expenditures 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 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.

2. The Legislature finds and declares that the Public Employees' Retirement System (PERS) is accountable to members, governmental entities, and taxpayers with respect to the annual health premium increases that its board of administration adopts. The Board of Administration is encouraged to use the means at its disposal under law, consistent with requirements to provide benefits to public employees and others, to achieve low annual premium increases. To facilitate legislative oversight, the Board of Administration shall submit an annual report within 100 days of its adoption of annual health premium increases or decreases that describes the methods it employed to moderate annual increases in premiums when taking that action. In years when the Board of Administration adopts health premium increases in excess of those assumed in the most recent state retiree health program actuarial valuation, the report shall include a discussion of actions that the Board of Administration plans to take, if any, to attempt to reduce the rate of annual premium growth to levels below those assumed in this valuation for the next three years. This reporting requirement applies to the Board of Administration's action in 2008 to adopt premium rates for 2009 and all Board of Administration actions to increase or decrease annual health premiums adopted thereafter. This reporting requirement does not obligate the Board of Administration to adopt any specific level of premium for any given year or to change any action it otherwise determines is necessary under state law. The Board of Administration may state in the report that it is unable to commit to specific actions to reduce the rate of health premium growth or does not know if future reductions in the rate of health premium growth can be achieved. PERS is requested to complete these reports with existing budgetary and staffing

resources. The report shall be submitted to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the committees and subcommittees in each house of the Legislature that consider PERS' budget and activities, the Controller, the Director of Finance, and the Legislative Analyst.

1900-015-0830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund..... (277,215,000)
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, 2009, a copy of the proposed budget for the Public Employees' Retirement System for the 2009–10 fiscal year as approved by the Board of Administration.
 - (b) The revisions to the proposed budget for the Public Employees' Retirement System for the 2008–09 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, 2008, 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, 2008, reports on information technology projects that are submitted to the Board of Administration of the Public Employees' Retirement System 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.

1900-015-0833—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Annuitants’ Health Care Coverage Fund..... (552,000)
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 each house of the Legislature, all of the following:
 - (a) No later than May 15, 2009, a copy of the proposed budget for PERS for the 2009–10 fiscal year as approved by the Board of Administration.
 - (b) The revisions to the proposed budget for PERS for the 2008–09 fiscal year, as recommended by the PERS Finance Committee, at least 30 days prior to consideration of those revisions by the Board of Administration.
 - (c) Commencing October 1, 2008, 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 each house of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the PERS expenditures.

1900-015-0884—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Judges’ Retirement System II Fund..... (685,000)

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 each house of the Legislature, all of the following:
 - (a) No later than May 15, 2009, a copy of the proposed budget for PERS for the 2009–10 fiscal year as approved by the Board of Administration.
 - (b) The revisions to the proposed budget for PERS for the 2008–09 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, 2008, 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 each house 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.

1900-017-0950—For support of Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund..... 247,000

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.

1900-490—Reappropriation, Public Employees’ Retirement System. Notwithstanding any other provision of law, \$3,140,000 of the balance of the appropriation provided in the following citation is reappropriated for purposes provided in that appropriation and shall be available for encumbrance or expenditure until June 30, 2009:		
0950—Public Employees’ Contingency Reserve Fund		
(1) Item 1900-001-0950 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)		
1920-001-0835—For support of State Teachers’ Retirement System, payable from the Teachers’ Retirement Fund.....		168,840,000
Schedule:		
(1) 10-Services to Members and Employers.....	169,242,000	
(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. 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 State Chief Information Officer on an informational basis. The information submitted to the State Chief Information Officer shall be in sufficient detail to be useful for the State Chief Information Officer informational project status reporting purposes.		
1920-002-0835—For support of State Teachers’ Retirement System (external investment advisers), payable from the Teachers’ Retirement Fund.....		(172,113,000)

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 2008–09 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, 2009, 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 2009–10 fiscal year. STRS shall report on or before January 10, 2010, 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 2007–08 and 2008–09 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 Teachers' Retirement Fund..... (1,133,077,000)
Schedule:

- (1) Supplemental Benefit Maintenance Account (SBMA)..... (597,474,000)

(2) Benefits Funding..... (535,603,000)
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). Up to \$4,024,000 of the balance as of June 30, 2008, 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, 2009. Any amount of this reappropriation that is not expended in the 2008–09 fiscal year shall be carried over to the 2009–10 fiscal year and is hereby reappropriated. In no event shall the total amounts reappropriated for the 2009–10 Budget exceed 3 percent of the STRS 2008–09 appropriation for Item 1920-001-0835.

0835—Teachers’ Retirement Fund

(1) Item 1920-001-0835, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

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 Teachers’ Retirement Board. The board shall report to the Legislature on a quarterly basis throughout the 2008–09 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..... 278,223,000
Schedule:

(1) 10-Administration of Technology Services..... 278,223,000
 (2) Reimbursements..... 0

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 joint 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 office of the State Chief Information Officer 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.
3. The Department of General Services, with the consent of the Department of Technology Services, may enter into a lease, lease-purchase agreement, or lease with an option to purchase for a build-to-suit facility to develop a data center in the central valley, subject to Department of Finance approval of the terms and conditions of the agreement. At least 30 days prior to entering into any agreement, the Department of General Services shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Joint Legislative Budget Committee of the terms and conditions of the agreement. This notification shall include an analysis of the associated rate impact to customer department invoices. If the Joint Legislative Budget Committee does not express any opposition, the Department of General Services may proceed with the agreement after 30 days from when the Department of General Services gave notice to the chairpersons.

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-0890—For support of Alcoholic Beverage Control, Program 10.20-Compliance, payable from the Federal Trust Fund, for the administration of Enforcing the Underage Drinking Law (EUDL) federal grants received from the United States Department of Justice.....	1,300,000
2100-001-3036—For support of Department of Alcoholic Beverage Control, payable from the Alcohol Beverage Control Fund.....	51,688,000
Schedule:	
(1) 10.10-Licensing.....	28,640,060
(2) 10.20-Compliance.....	24,094,940
(3) 10.30.010-Administration.....	4,147,120
(4) 10.30.020-Distributed Administration.....	-4,147,120
(5) Reimbursements.....	-1,047,000
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 provision 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 provision of law, at the discretion of the Director of Alcoholic Beverage Control, the Department of Alcoholic Beverage Control may advance grant funds to local law enforcement agencies.	
3. Notwithstanding any other provision 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, 2008, the amounts specified below of the appropriation provided in the following citations shall revert to the balance of the fund from which the appropriation was made:	
3036—Alcohol Beverage Control Fund	

Item

Amount

(1) Item 2100-001-3036, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)	
(1) 10.10-Licensing.....	611,000
(2) 10.20-Compliance.....	520,000
2120-001-0117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund.....	1,065,000
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.....	412,000
2150-001-0298—For support of Department of Financial Institutions, payable from the Financial Institutions Fund.....	25,257,000
Schedule:	
(1) 10-Licensing and Supervision of Banks and Trust Companies.....	21,457,000
(2) 20-Money Transmitters.....	3,258,000
(3) 40-Administration of Local Agency Security.....	412,000
(4) 50-Supervision of California Business and Industrial Development Corporations.....	32,000
(5) 60-Credit Unions.....	7,298,000
(6) 70-Savings and Loan.....	102,000
(7) 80-Industrial Banks.....	1,008,000
(8) 90.01-Administration.....	6,296,000
(9) 90.02-Distributed Administration....	-6,296,000
(10) Reimbursements.....	-600,000
(11) Amount payable from the Local Agency Deposit Security Fund (Item 2150-001-0240).....	-412,000
(12) Amount payable from the Credit Union Fund (Item 2150-001-0299).....	-7,298,000
2150-001-0299—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Credit Union Fund.....	7,298,000
2180-001-0067—For support of Department of Corporations, payable from the State Corporations Fund....	39,948,000
Schedule:	
(1) 10-Investment Program.....	21,096,000
(2) 20-Lender-Fiduciary Program.....	19,002,000
(3) 50.01-Administration.....	6,221,000
(4) 50.02-Distributed Administration....	-6,221,000
(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.

2240-001-0001—For support of Department of Housing and Community Development..... 4,784,000

Schedule:

- (1) 10-Codes and Standards Program.... 29,964,000
- (2) 20-Financial Assistance Program.... 21,884,000
- (3) 30-Housing Policy Development Program..... 2,939,000
- (4) 50.01-Administration..... 12,101,000
- (5) 50.02-Distributed Administration..... -12,181,000
- (6) 50.03-Distributed Administration of the Housing Policy Development Program..... -135,000
- (7) Reimbursements..... -1,132,000
- (8) Amount payable from the Mobile-home Park Revolving Fund (Item 2240-001-0245)..... -6,464,000
- (9) Amount payable from the Mobile-home Park Purchase Fund (Item 2240-001-0530)..... -562,000
- (10) Amount payable from the Mobile-home-Manufactured Home Revolving Fund (Item 2240-001-0648).... -21,457,000
- (11) Amount payable from the Self-Help Housing Fund (Item 2240-001-0813)..... -128,000
- (12) Amount payable from the Federal Trust Fund (Item 2240-001-0890)..... -10,067,000
- (13) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-0929)..... -2,683,000
- (14) Amount payable from the Rental Housing Construction Fund (Item 2240-001-0938)..... -798,000
- (15) Amount payable from the Predevelopment Loan Fund (Item 2240-001-0980)..... -300,000
- (16) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-0985)..... -489,000

(17) Amount payable from the Jobs-Housing Balance Improvement Account (Item 2240-001-3006)....	-599,000
(18) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-001-6038).....	-322,000
(19) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-002-6038).....	-873,000
(21) Amount payable from the Regional Planning, Housing and Infill Incentive Account, Housing and Emergency Shelter Trust Fund of 2006 (Item 2240-001-6069).....	-2,550,000
(23) Amount payable from the Transit-Oriented Development Implementation Fund (Item 2240-001-9736).....	-1,364,000

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.
2. It is the intent of the Legislature that \$85,000 of the funds appropriated in Schedule (7) shall be new revenues for the Employee Housing Program resulting from fee increases that take effect on or after July 1, 2008. In order to implement this provision, the Department of Housing and Community Development is authorized to adopt regulations, which shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivi-

sion (e) of Section 11346.1, any emergency regulations adopted pursuant to this provision shall be filed with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the department. The fee increase adopted by these emergency regulations shall not exceed the amount needed to generate \$85,000 in annual revenue, based on the department's most recent permits to operate issued in the Employee Housing Program.

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..... 6,464,000
Provisions:

1. Of the amount appropriated in this item, \$417,000 shall be available to the Department of Housing and Community Development upon receipt of written notice by a local enforcement agency pursuant to Sections 18300 and 18865 of the Health and Safety Code and paragraph (1) of subdivision (b) of Section 1005 of Title 25 of the California Code of Regulations that the department shall assume responsibility for enforcement of the Mobilehome Parks Act and the Special Occupancy Parks Act pursuant to Sections 18300 and 18865 of the Health and Safety Code.

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..... 562,000

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..... 21,457,000
Provisions:

1. Notwithstanding Section 18077 of the Health and Safety Code, or any other provision of law, the first \$2,388,000 in revenues collected by the Department of Housing and Community Development from manufactured home license fees shall be deposited in the Mobilehome-Manufactured Home Revolving Fund, and shall be available to the department for the support, collection, administration, and enforcement of manufactured home license fees.

2. Notwithstanding Section 18077.5 of the Health and Safety Code, or any other provision of law, the Department of Housing and Community Development is not required to comply with the reporting requirement of Section 18077.5 of the Health and Safety Code.	
3. Of the amount appropriated in this item, \$104,000 shall be available to the Department of Housing and Community Development upon receipt of written notice by a local enforcement agency pursuant to Sections 18300 and 18865 of the Health and Safety Code and paragraph (1) of subdivision (b) of Section 1005 of Title 25 of the California Code of Regulations that the department shall assume responsibility for enforcement of the Mobilehome Parks Act and the Special Occupancy Parks Act pursuant to Sections 18300 and 18865 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.....	128,000
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.....	10,067,000
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.....	2,683,000
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.....	798,000
2240-001-0980—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Predevelopment Loan Fund.....	300,000
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.....	489,000
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.....	599,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

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.....	322,000
2240-001-6069—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Regional Planning, Housing and Infill Incentive Account, Housing and Emergency Shelter Trust Fund of 2006.....	2,550,000
2240-001-9736—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Transit-Oriented Development Implementation Fund.....	1,364,000
2240-002-6038—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.....	873,000
2240-011-0245—For transfer by the Controller, upon order of the Director of Finance, from the Mobile-home Parks and Special Occupancy Parks Revolving Fund, to the General Fund.....	(1,500,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Mobilehome Parks and Special Occupancy Parks Revolving Fund are not adversely affected by the loan.	
2240-011-0927—For transfer by the Controller, upon order of the Director of Finance, from the Joe Serna, Jr. Farmworker Housing Grant Fund, to the General Fund.....	(1,500,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Joe Serna, Jr. Farmworker Housing Grant Fund are not adversely affected by the loan.	
2240-011-0929—For transfer by the Controller, upon order of the Director of Finance, from the Housing Rehabilitation Loan Fund, to the General Fund.....	(16,400,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June	

30, 2011. The repayment shall be made so as to ensure that the programs supported by the Housing Rehabilitation Loan Fund are not adversely affected by the loan.

2240-101-0001—For local assistance, Department of Housing and Community Development..... 6,316,000

Schedule:

(1) 20-Financial Assistance Pro-gram..... 173,116,000

(2) Amount payable from the Federal Trust Fund (Item 2240-101-0890)..... -166,800,000

Provisions:

1. Notwithstanding any other provision of law, upon receipt of federal funds for the rehabilitation of migrant farmworker housing, the Director of Finance may reduce funding in this item for the Office of Migrant Services by an amount not to exceed \$343,000 or the level of federal funding awarded, whichever is less, 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.

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..... 166,800,000

Provisions:

1. Notwithstanding any other provision of law, federal funds appropriated by this item but not encumbered or expended by June 30, 2009, may be expended in the subsequent fiscal year.

2. Of the amount appropriated in this item, \$1,800,000 shall be available upon receipt of a federal grant for support of the Office of Migrant Services program.

2240-101-3006—For local assistance, Department of Housing and Community Development, payable from the Jobs-Housing Balance Improvement Account..... 23,000,000

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2240-101-6069—For local assistance, Department of Housing and Community Development, payable from the Regional Planning, Housing and Infill Incentive Account, Housing and Emergency Shelter Trust Fund of 2006.....	200,000,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2013.	
2. It is the intent of the Legislature that funding for this item in future years be subject to legislative review and approval of a request submitted by the Department of Housing and Community Development.	
2240-101-9736—For local assistance, Department of Housing and Community Development, payable from the Transit-Oriented Development Implementation Fund.....	95,000,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2013.	
2. It is the intent of the Legislature that funding for this item in future years be subject to legislative review and approval of a request submitted by the Department of Housing and Community Development.	
2240-102-6038—For local assistance, Department of Housing and Community Development, payable from the Building Equity and Growth in Neighborhoods Fund.....	40,000,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2013.	
2. It is the intent of the Legislature that funding for this item in future years be subject to legislative review and approval of a request submitted by the Department of Housing and Community Development.	
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.

2240-490—Extension of Liquidation Period, Department of Housing and Community Development. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in the following citations shall be made available for liquidation of encumbrances until June 30, 2011:

- (1) Item 2240-101-6038, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) Item 2240-101-6038, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

2310-001-0400—For support of Office of Real Estate Appraisers, payable from the Real Estate Appraisers Regulation Fund..... 4,115,000

Schedule:

- (1) 10-Administration of Real Estate Appraisers Program..... 4,195,000
- (2) Reimbursements..... -80,000

2310-011-0400—For transfer by the Controller, upon order of the Director of Finance, from the Real Estate Appraisers Regulation Fund, to the General Fund..... (16,600,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Real Estate Appraisers Regulation Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned

in the Pooled Money Investment Account at the time of the transfer.

2320-001-0317—For support of Department of Real Estate, payable from the Real Estate Fund..... 44,306,000

Schedule:

- (1) 10-Licensing and Education..... 9,381,000
- (2) 20-Enforcement and Recovery..... 28,217,000
- (3) 30-Subdivisions..... 7,050,000
- (4) 40.10-Administration..... 7,594,000
- (5) 40.20-Distributed Administration.... -7,501,000
- (6) Reimbursements..... -435,000

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, 2009, 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 2006–07 and 2007–08 fiscal years compared to the workload projected by the department in February 2006, (b) service levels of the enforcement program for the 2006–07 and 2007–08 fiscal years compared to the service levels projected by the department in February 2006, measured by the average number of days taken to process a case through the complaint, audit, legal, and flag process, (c) projected workload and enforcement data for the 2008–09 and 2009–10 fiscal years, and (d) any staffing and funding changes requested based on (a) to (c), inclusive. Workload data shall include, at a minimum, the total number of licensees, 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..... 41,588,000

Schedule:

- (1) 30-Health Plan Program..... 41,797,000
- (2) 50.01-Administration..... 10,154,000

(3) 50.02-Distributed Administration.....	-10,154,000	
(4) Reimbursements.....	-209,000	
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.....		2,456,000
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.....		872,000
Provisions:		
1. Of the funds appropriated in this item, \$100,000 shall be used only to contract for consulting services to assist in the financial review of high-occupancy toll lane applications pursuant to the requirements of Chapter 32 of the Statutes of 2006.		
2600-001-0046—For support of California Transportation Commission, payable from the Public Transportation Account, State Transportation Fund.....		1,366,000
Schedule:		
(1) 10-Administration of California Transportation Commission.....	3,609,000	
(2) Reimbursements.....	-506,000	
(3) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-0042)....	-872,000	
(4) Amount payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6055).....	-208,000	
(5) Amount payable from the Trade Corridors Improvement Fund (Item 2600-001-6056).....	-203,000	
(6) Amount payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6058).....	-180,000	

- (7) Amount payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6059)..... -53,000
- (8) Amount payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6060)..... -93,000
- (9) Amount payable from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6062)..... -10,000
- (10) Amount payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6063)..... -34,000
- (11) Amount payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2600-001-6064)..... -84,000

Provisions:

- 1. Upon order of the Director of Finance, funds may be transferred between Items 2600-001-6055, 2600-001-6056, 2600-001-6058, 2600-001-6059, 2600-001-6060, 2600-001-6062, 2600-001-6063, and 2600-001-6064 in order to meet program oversight needs as programs proceed through the implementation process.

2600-001-6055—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....

208,000

Provisions:

- 1. Provision 1 of Item 2600-001-0046 also applies to this item.

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2600-001-6056—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Trade Corridors Improvement Fund.....	203,000
Provisions:	
1. Provision 1 of Item 2600-001-0046 also applies to this item.	
2600-001-6058—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	180,000
Provisions:	
1. Provision 1 of Item 2600-001-0046 also applies to this item.	
2600-001-6059—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	53,000
Provisions:	
1. Provision 1 of Item 2600-001-0046 also applies to this item.	
2600-001-6060—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	93,000
Provisions:	
1. Provision 1 of Item 2600-001-0046 also applies to this item.	
2600-001-6062—For support of California Transportation Commission, for payment to Item 2600-001-0046, from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	10,000
Provisions:	
1. Provision 1 of Item 2600-001-0046 also applies to this item.	
2600-001-6063—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	34,000

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Provisions:

1. Provision 1 of Item 2600-001-0046 also applies to this item.

2600-001-6064—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....

84,000

Provisions:

1. Provision 1 of Item 2600-001-0046 also applies to this item.

2600-402—Before allocating projects in the 2008–09 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, State Transit Assistance, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund.....

559,015,000

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$60,397 of the amount appropriated in this item shall be used to reimburse the Controller for expenditures of administration of State Transit Assistance funds.

2640-104-6059—For local assistance, State Transit Assistance, for allocation by the Controller pursuant to Sections 99313 and 99314 of the Public Utilities Code, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	350,000,000
Provisions:	
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$81,932 of the amount appropriated in this item shall reimburse the Controller for expenditures for administration of local transit assistance funds.	
2. Projects eligible for funding from this item shall be allocated by the Controller and shall be available for allocation until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.	
2660-001-0041—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Aeronautics Account, State Transportation Fund.....	3,596,000
2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund.....	2,545,975,000
Schedule:	
(1) 10-Aeronautics.....	3,636,000
(2) 20.10-Highway Transportation—Capital Outlay Support....	1,657,615,000
(3) 20.30-Highway Transportation—Local Assistance.....	43,964,000
(4) 20.40-Highway Transportation—Program Development.....	76,077,000
(5) 20.65-Highway Transportation—Legal.....	79,744,000
(6) 20.70-Highway Transportation—Operations.....	200,891,000
(7) 20.80-Highway Transportation—Maintenance.....	1,194,216,000
(8) 30-Mass Transportation.....	130,033,000
(9) 40-Transportation Planning.....	110,543,000
(10) 50.00-Administration.....	421,974,000
(11) 60.10-Equipment Service Program Costs.....	215,429,000
(11.5) 60.20-Distributed Equipment Service Program Costs.....	-215,429,000
(12) Reimbursements.....	-341,778,000

- (13) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041)..... -3,596,000
- (14) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045)..... -10,000
- (15) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046)..... -149,775,000
- (16) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365)..... -1,590,000
- (16.5) Amount payable from the Seismic Retrofit Bond Fund of 1996 (Section 8879.3 of the Government Code)..... -5,331,000
- (17) Amount payable from the Federal Trust Fund (Item 2660-001-0890)..... -524,280,000
- (18) Amount payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund (Item 2660-001-6801)..... -784,000
- (18.5) Amount payable from the Transportation Investment Fund (Item 2660-002-3008).... -236,007,000
- (19) Amount payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6072)..... -4,487,000
- (21) Amount payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6055)..... -23,190,000
- (22) Amount payable from the Trade Corridors Improvement Fund (Item 2660-004-6056)..... -3,511,000

- (23) Amount payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6058)..... -55,726,000
- (24) Amount payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6059)..... -1,303,000
- (24.5) Amount payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6060)..... -496,000
- (26) Amount payable from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6062)..... -91,000
- (27) Amount payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6063)..... -621,000
- (28) Amount payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6064).... -20,142,000

Provisions:

1. 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 of Transportation 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.
2. 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 of Transportation-owned office buildings. Any transfer will require the prior approval of the Department of Finance.
 3. 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.
 4. 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.
 5. 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 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 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 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 Chair-

- person of the Joint Legislative Budget Committee of this action.
6. 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.
 7. Of the funds appropriated in this item, \$214,000,000 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.
 8. Of the funds appropriated in Schedule (5), \$48,556,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unencumbered as of April 1, 2009, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.
 9. Of the funds appropriated in this item, transfers shall be available to Items 2660-004-6055, 2660-004-6056, 2660-004-6058, 2660-004-6059, 2660-004-6060, 2660-004-6062, 2660-004-6063, 2660-004-6064, and 2660-004-6072. The Department 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.
 10. Of the funds appropriated in Schedule (7), \$5,000,000 shall be used to implement a parolee employment program to pick up and remove litter along state highways. The Department of Transportation will evaluate the effectiveness of the parolee program and present its findings to the Joint Legislative Budget Committee by July 1, 2010. The report shall also include a summary and evaluation of the overall litter program, including information and enforcement activities, which the Department of Transportation shall compile in coordination with the Department of the California Highway Patrol.
 11. Of the funds appropriated in Schedule (7), \$2,301,000 shall be used to purchase three Balsi

Beam systems and three barrier guard systems to increase worker safety.

- 12. Of the funds appropriated in Schedule (7), \$809,000 shall be used for traffic control operations for the opening of the first segment of the managed lanes project on I-15 in San Diego County.

2660-001-0045—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Bicycle Transportation Account, State Transportation Fund..... 10,000

2660-001-0046—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Public Transportation Account, State Transportation Fund..... 149,775,000

Provisions:

- 1. For Program 30—Mass Transportation, \$86,338,027 appropriated in this item is available for intercity rail contracts.
- 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 of Transportation 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.

2660-001-0365—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Historic Property Maintenance Fund..... 1,590,000

2660-001-0890—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Federal Trust Fund..... 524,280,000

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 1 of that item or Public Transportation Account funds in Item 2660-001-0046, pursuant to Provision 2 of that item.	
2660-001-6801	—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund.....	784,000
2660-002-0041	—For support of Department of Transportation, to fund loan, debt service, or other financing related costs for the replacement of aircraft.....	1,560,000
	Provisions:	
1.	Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance or expenditure until expended.	
2660-002-0042	—For support of Department of Transportation, payable from the State Highway Account to fund ongoing administrative costs for Grant Anticipation Revenue Vehicles.....	600,000
2660-002-0890	—For support of Department of Transportation, for debt service requirements and other financing related costs for federal Grant Anticipation Revenue Vehicles (GARVEE) issued in the 2008–09 fiscal year, payable from the Federal Trust Fund....	181,200,000
	Provisions:	
1.	Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance or expenditure until expended.	
2.	Notwithstanding Section 28.00, upon approval of the Department of Finance, this item may be augmented if additional funds are necessary to meet debt service and other requirements related to the fiscal year 2008–09 Grant Anticipation Revenue Vehicles (GARVEE) issuance.	
3.	The appropriation in this item reflects, in part, the pledge made by the California Transportation	

Commission in accordance with Section 14553.7 of the Government Code in connection with the Grant Anticipation Revenue Vehicles (GARVEE) bonds issued in the 2008–09 fiscal year.

- 4. Funds appropriated in this item are in lieu of the amounts that have been appropriated pursuant to Section 14554.8 of the Government Code.

2660-002-3007—For support of Department of Transportation, payable from the Traffic Congestion Relief Fund..... 26,680,000

Schedule:

(1) 20.10-Highway Transportation—
Capital Outlay Support..... 26,393,000

(2) 30-Mass Transportation..... 287,000

Provisions:

- 1. Notwithstanding any other provision of law, if the California Transportation Commission allocates funds to Traffic Congestion Relief Program projects in the 2008–09 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 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.

2660-002-3008—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Transportation Investment Fund.... 236,007,000

2660-004-6055—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 23,190,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

2660-004-6056—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Trade Corridors Improvement Fund..... 3,511,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

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2660-004-6058—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 55,726,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

2660-004-6059—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,303,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

2660-004-6060—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 496,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.
- 2. The funds appropriated in this item shall be available for State-Local Partnership Program support contingent upon the enactment of legislation specifying the eligibility guidelines for the program.

2660-004-6062—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 91,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

2660-004-6063—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 621,000

Provisions:

- 1. Provision 9 of Item 2660-001-0042 also applies to this item.

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2660-004-6064—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....		20,142,000
Provisions:		
1. Provision 9 of Item 2660-001-0042 also applies to this item.		
2660-004-6072—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....		4,487,000
Provisions:		
1. Provision 9 of Item 2660-001-0042 also applies to this item.		
2660-005-0042—For support of Department of Transportation, for building insurance, debt service, and other financing-related costs for department-occupied office buildings, payable from the State Highway Account, State Transportation Fund.....		14,725,000
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-occupied 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.....		94,271,000
Schedule:		
(1) 20.10-Highway Transportation—		
Capital Outlay Support.....		44,921,000

- (2) 20.65-Highway Transportation—
Legal..... 685,000
- (3) 20.70-Highway Transportation—
Operations..... 1,456,000
- (4) 20.80-Highway Transportation—
Maintenance..... 47,191,000
- (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, (c) as required by court order, or (d) any other nonproject water or air quality related environmental activity that protects air quality or the quality of receiving waters.
- 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)

2660-011-0042—For transfer by the Controller, upon order of the Director of Finance, from the State Highway Account, State Transportation Fund, to the General Fund..... (200,000,000)

Provisions:

- 1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made as to ensure that the programs supported by the State Highway Account, State Transportation Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

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2660-011-0045—For transfer by the Controller, upon order of the Director of Finance, from the Bicycle Transportation Account, State Transportation Fund, to the General Fund..... (6,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Bicycle Transportation Account, State Transportation Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

2660-011-0052—For transfer by the Controller, upon order of the Director of Finance, from the Local Airport Loan Account, to the General Fund..... (7,500,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Local Airport Loan Account are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

2660-011-0061—For transfer by the Controller, upon order of the Director of Finance, from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the General Fund..... (8,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Motor Vehicle Fuel Account, Transportation Tax Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

2660-011-0183—For transfer by the Controller, upon order of the Director of Finance, from the Environmental Enhancement and Mitigation Program Fund, to the General Fund..... (4,400,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Environmental Enhancement and Mitigation Program Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

2660-011-0365—For transfer by the Controller, upon order of the Director of Finance, from the Historic Property Maintenance Fund, to the General Fund.... (3,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Historic Property Maintenance Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

2660-011-2500—For transfer by the Controller, upon order of the Director of Finance, from the Pedestrian Safety Account, State Transportation Fund, to the General Fund..... (1,800,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. The repayment shall be made so as to ensure that the programs supported by the Pedestrian Safety Account, State Transportation Fund are not adversely affected by the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

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.

2660-021-0042—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..... (23,701,000)

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..... 25,000,000

Schedule:

- (1) 20.30-Highway Transportation—
 - Local Assistance..... 25,000,000
 - (a) Regional Improvements..... (25,000,000)
 - (b) Interregional Improvements..... 0

Provisions:

- 1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 2660-102-0042, 2660-301-0042, 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 Ac-

count 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..... 7,200,000

2660-101-0046—For local assistance, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund..... 50,000,000

Provisions:

1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-301-0046. These transfers require the prior approval of the Department of Finance.

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..... 76,000,000

Schedule:

- (1) 20-Highway Transportation..... 76,000,000
 - (a) Regional Improvements..... (76,000,000)

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 2660-102-0890, 2660-301-0890, or 2660-302-0890. These transfers shall require the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010.

2660-102-0042—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund..... 140,314,000
Schedule:

- (1) 20-Highway Transportation..... 128,314,000
 - (a) Regional Surface Transportation Program Exchange..... (57,849,000)
 - (b) Local Assistance..... (70,465,000)
- (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, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 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..... 1,460,566,000
Schedule:

- (1) 20-Highway Transportation..... 1,366,566,000
- (2) 30-Mass Transportation..... 22,000,000
- (3) 40-Transportation Planning..... 72,000,000
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, 2010.

- 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.

2660-104-6055—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 20,000,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 20,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6055. These transfers shall require the prior approval of the Department of Finance.

2660-104-6056—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Trade Corridors Improvement Fund..... 413,209,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 413,209,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.

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2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6056. 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 increased by up to \$118,900,000 upon approval of the Department of Finance.

2660-104-6058—For local assistance, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.... 193,420,000
Schedule:

- (1) 20.30-Highway Transportation—
Local Assistance..... 193,420,000
Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6058. These transfers shall require the prior approval of the Department of Finance.

2660-104-6059—For local assistance, Department of Transportation, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.... 1,000
Schedule:

- (1) 30-Mass Transportation..... 1,000
Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6059. These transfers require the prior approval of the Department of Finance.
3. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new

rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of the state of California.

- (b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation of the Legislature, for intercity rail improvements “including the procurement of additional intercity railcars and locomotives.”
- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state’s intercity rail service.
- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.
- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

2660-104-6060—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 199,999,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 199,999,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.

- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6060. These transfers shall require the prior approval of the Department of Finance.
- 4. The funds appropriated in this item shall be available for the State-Local Partnership Program authorized by the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, contingent upon the enactment of legislation specifying the eligibility guidelines for the program.

2660-104-6062—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 21,000,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 21,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 4. Notwithstanding any other provision of law, funds appropriated in this item may be increased by up to \$2,625,000 upon approval of the Department of Finance.

2660-104-6063—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 62,999,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 62,999,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6063. These transfers

shall require the prior approval of the Department of Finance.

2660-104-6064—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway Safety, Rehabilitation and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 122,000,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 122,000,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6064. These transfers shall require the prior approval of the Department of Finance.

2660-104-6072—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,000

Schedule:

(1) 20.30-Highway Transportation—
Local Assistance..... 1,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6072. These transfers shall require the prior approval of the Department of Finance.

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..... 2,996,000

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2660-301-0042—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund..... 30,000,000

Schedule:

- (1) 20-Highway Transportation..... 30,000,000
 - (a) Regional Im-
provements..... (19,948,000)
 - (b) Interregional Im-
provements..... (10,052,000)

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 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.

2660-301-0046—For capital outlay, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund..... 1,000

Provisions:

- 1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-0046 with the prior approval of the Director of Finance.

2660-301-0890—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Federal Trust Fund..... 240,000,000

Schedule:

- (1) 20-Highway Transportation..... 240,000,000
 - (a) Regional Im-
provements..... (144,000,000)
 - (b) Interregional Im-
provements..... (96,000,000)

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, 2010.
- 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..... 847,800,000

Schedule:

- (1) 20-Highway Transportation..... 1,897,800,000
 - (a) State High-
way Opera-
tion and Pro-
tection Pro-
gram..... (1,897,800,000)
- (2) Reimbursements..... -1,050,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be trans-

ferred 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 laboratories, and traffic management centers.
- 5. The funds appropriated in this item include \$100,000,000 attributable to the tribal gaming revenue collected and deposited in the State Highway Account pursuant to Section 63048.65 of the Government Code. These funds shall only be available for pavement rehabilitation projects programmed in the State Highway Operation and Protection Program (SHOPP), and shall not supplant any other funding available for SHOPP. The first \$100,000,000 of the SHOPP projects allocated using the appropriation provided by this item shall be funded from tribal gaming revenue deposited into the State Highway Account. The Department of Transportation shall monitor the allocation and expenditure of these funds and shall, upon request of the Department of Finance, report on their status.

2660-302-0890—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund..... 1,426,200,000

Schedule:

(1) 20-Highway Transportation..... 1,426,200,000

- (a) State Highway Operation and Protection Program..... (1,426,200,000)

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, 2010.
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, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, 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..... 36,040,000

Schedule:

- (1) 20-Highway Transportation..... 46,840,000
- (2) Reimbursements..... -10,800,000

Provisions:

1. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, 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.

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2660-303-0890—For capital outlay, Department of Transportation, specialty building facilities, payable from the Federal Trust Fund..... 1,200,000

Schedule:

- (1) 20-Highway Transportation..... 1,200,000
 - (a) State Highway Operation and Protection Program.... (1,200,000)

Provisions:

- 1. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, 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.

2660-304-6055—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,512,000,000

Schedule:

- (1) 20-Highway Transportation..... 1,512,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6055. These transfers shall require the prior approval of the Department of Finance.
- 5. Notwithstanding any other provision of law, funds appropriated in this item may be increased by up to \$295,750,000 upon approval of the Department of Finance.

2660-304-6056—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Trade Corridors Improvement Fund..... 1,000

Schedule:

- (1) 20-Highway Transportation..... 1,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6056. These transfers shall require the prior approval of the Department of Finance.

2660-304-6058—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.... 746,540,000

Schedule:

(1) 20-Highway Transportation..... 746,540,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6058. These transfers shall require the prior approval of the Department of Finance.

2660-304-6059—For capital outlay, Department of Transportation, payable from the Public Transportation, Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.... 70,999,000

Schedule:

(1) 30-Mass Transportation..... 70,999,000

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6059 upon the prior approval of the Department of Finance.
4. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new rolling stock, are necessary to implement a

specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of California.

- (b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation of the Legislature, for intercity rail improvements “including the procurement of additional intercity railcars and locomotives.”
- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state’s intercity rail service.
- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.
- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

2660-304-6060—For local assistance, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....

1,000

Schedule:

(1) 20-Highway Transportation..... 1,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6060. These transfers

shall require the prior approval of the Department of Finance.

- 3. The funds appropriated in this item shall be available for the State-Local Partnership Program authorized by the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, contingent upon the enactment of legislation specifying the eligibility guidelines for the program.

2660-304-6063—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,000

Schedule:

(1) 20-Highway Transportation..... 1,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6063. These transfers shall require the prior approval of the Department of Finance.

2660-304-6064—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the Highway Safety, Rehabilitation and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 72,000,000

Schedule:

(1) 20-Highway Transportation..... 72,000,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6064. These transfers shall require the prior approval of the Department of Finance.
- 5. Notwithstanding any other provision of law, funds appropriated in this item may be increased

by up to \$10,500,000 upon approval of the Department of Finance.

2660-304-6072—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 98,999,000

Schedule:

(1) 20-Highway Transportation..... 98,999,000
Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation through June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6072. These transfers shall require the prior approval of the Department of Finance.
- 5. Notwithstanding any other provision of law, funds appropriated in this item may be increased by up to \$71,750,000 upon approval of the Department of Finance.

2660-306-0942—For capital outlay, Department of Transportation, Clean Renewable Energy Bonds (CREBs), for construction of photovoltaic projects at department-owned facilities, payable from the Special Deposit Fund..... 20,000,000

Schedule:

(1) 20-Highway Transportation..... 20,000,000

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, 2009..... 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 2008–09 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.

2660-490—Reappropriation, Department of Transportation. The amount of \$5,578,000 as specified in the following citation is reappropriated for the purpose provided for in the appropriation and is available for encumbrance or expenditure until June 30, 2009:

0046—Public Transportation Account, State Transportation Fund

(1) Item 2660-001-0046, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), Program 30-Mass Transportation, for intercity rail

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, 2009. The unencumbered balance shall not be available for encumbrance.

0042—State Highway Account

(1) Item 2660-301-0042, Budget Act of 1999 (Ch. 50, Stats. 1999)

(2) Item 2660-301-0042, Budget Act of 2000 (Ch. 52, Stats. 2000)

(3) Item 2660-301-0042, Budget Act of 2001 (Ch. 106, Stats. 2001)

(4) Item 2660-301-0042, Budget Act of 2002 (Ch. 379, Stats. 2002)

(5) Item 2660-302-0042, Budget Act of 2002 (Ch. 379, Stats. 2002)

0046—Public Transportation Account

(1) Item 2660-301-0046, Budget Act of 2001 (Ch. 106, Stats. 2001)

0890—Federal Trust Fund

(1) Item 2660-301-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)

(2) Item 2660-301-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)

(3) Item 2660-301-0890, Budget Act of 2001 (Ch. 106, Stats. 2001)

2660-492—Reappropriation, Department of Transportation. The amounts specified in the following citations are reappropriated for the purposes provided for in the appropriations and are available for encumbrance or expenditure until June 30, 2009:

0042—State Highway Account, State Transportation Fund

(1) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 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 (Chs. 38 and 39, Stats. 2005), Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Management System.

(2) Item 2660-001-0042, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$4,515,000 shall be available for the Project Resourcing and Schedule Management System.

(3) Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$186,999,000 shall be available.

(4) Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$1,000 shall be available.

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in Schedule (1) or (2) may

be increased by up to \$5,000,000 upon approval of the Director of Finance.

2. The funds available in Schedules (3) and (4) may be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2013. Provision 3 of Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), and Provision 3 of Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), shall not apply to the reappropriated funds.
3. Notwithstanding any other provision of law, funds appropriated in Schedule (3) may be transferred to Item 2660-104-6059 upon approval of the Department of Finance.
4. Notwithstanding any other provision of law, funds appropriated in Schedule (4) may be transferred to Item 2660-304-6059 upon approval of the Department of Finance.
5. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of the State of California.
(b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation of the Legislature, for intercity rail improvements "including the procurement of additional intercity railcars and locomotives."
(c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state's intercity rail service.
(d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock

equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.

- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

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, 2007. These appropriations are not available for encumbrance or liquidation and shall revert on June 30, 2009.

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 2660-301-890, Budget Act of 1992 (Ch. 587, Stats. 1992)
- (8) Item 2660-001-890, Budget Act of 1993 (Ch. 55, Stats. 1993)
- (9) Item 2660-001-890, Budget Act of 1994 (Ch. 139, Stats. 1994)
- (10) Item 2660-001-890, Budget Act of 1995 (Ch. 303, Stats. 1995)
- (11) Item 2660-001-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (12) Item 2660-301-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (13) Item 2660-001-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (14) Item 2660-301-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)

- (15) Item 2660-001-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (16) Item 2660-301-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (17) Item 2660-001-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (18) Item 2660-301-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (19) Item 2660-001-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (20) Item 2660-301-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (21) Item 2660-001-0890, Budget Act of 2001 (Ch. 106, Stats. 2001)
- (22) Item 2660-301-0890, Budget Act of 2001 (Ch. 106, Stats. 2001)
- (23) Item 2660-001-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)
- (24) Item 2660-001-0890, Budget Act of 2003 (Ch. 379, Stats. 2003)

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, 2009:

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), Item 2660-494, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), and Item 2660-494, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), 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, payable from the Public Transportation Account, State Transportation Fund.....

5,648,000

Schedule:

- (1) 10-High-Speed Rail Authority..... 9,148,000
 - (a) State Operations.... (5,248,000)
 - (b) Contracts..... (3,900,000)
- (2) Reimbursements..... -3,500,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

Provisions:

1. Notwithstanding any other provision of law, any balance of the \$3,900,000 appropriated in Schedule (1)(b) for contract work but not encumbered or expended by February 1, 2009, shall revert to the balance of the fund from which the appropriation was made.

2665-001-0703—For support of High-Speed Rail Authority, payable from the Clean Air and Transportation Improvement Fund.....	8,200,000
2665-004-6043—For support of High-Speed Rail Authority, payable in accordance with and from the proceeds of the Safe, Reliable High-Speed Train Bond Act for the 21st Century, payable from the High-Speed Passenger Train Bond Fund.....	29,100,000
2700-001-0044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund.....	435,000
Schedule:	
(1) 10-California Traffic Safety.....	59,273,000
(2) Amount payable from the Federal Trust Fund (Item 2700-001-0890).....	-58,838,000
2700-001-0890—For support of Office of Traffic Safety, for payment to Item 2700-001-0044, payable from the Federal Trust Fund.....	58,838,000
Provisions:	
1. Notwithstanding any other provision of law, federal funds appropriated in this item but not encumbered or expended by June 30, 2009, may be expended in the 2009–10 fiscal year.	
2700-101-0890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund.....	36,993,000
Provisions:	
1. Notwithstanding any other provision of law, federal funds appropriated in this item but not encumbered or expended by June 30, 2009, may be expended in the 2009–10 fiscal year.	
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.....	60,254,000
2720-001-0044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund....	1,704,230,000
Schedule:	
(1) 10-Traffic Management.....	1,658,067,000

(2) 20-Regulation and Inspection.....	198,261,000
(3) 30-Vehicle Ownership Security.....	44,597,000
(4) 40.01-Administration.....	327,907,000
(5) 40.02-Distributed Administra- tion.....	-327,286,000
(6) Reimbursements.....	-113,259,000
(7) Amount payable from the State Highway Account (Item 2720-001- 0042).....	-60,254,000
(8) Amount payable from the Motor Carriers Safety Improvement Fund (Item 2720-001-0293).....	-2,489,000
(9) Amount payable from the Califor- nia Motorcyclist Safety Fund (Item 2720-001-0840).....	-1,454,000
(10) Amount payable from the Federal Trust Fund (Item 2720-001- 0890).....	-17,546,000
(11) Amount payable from the Haz- ardous Substance Account, Special Deposit Fund (Item 2720-001- 0942).....	-212,000
(12) Amount payable from the Asset Forfeiture Account, Special De- posit Fund (Item 2720-011-0942)....	-2,102,000

Provisions:

1. On March 1, 2009, and each March 1 thereafter until the project is fully implemented, the Department of the California Highway Patrol shall report the status of the California Highway Patrol Enhanced Radio System 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.

- 2. Of the funds appropriated in this item, \$7,000,000 may be directed to increase the Department of the California Highway Patrol's support for police and sheriffs in antigang activities.
- 3. The Department of General Services, with the consent of the Department of the California Highway Patrol, may enter into a lease, lease-purchase agreement, or lease with a purchase option for a build-to-suit facility to replace the Tracy Area Command Office and the Bakersfield Area Command Office, subject to Department of Finance approval of the terms and conditions of the agreement. Thirty days prior to entering into any agreement, the Department of General Services shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Joint Legislative Budget Committee of the terms and conditions of the agreement. If the Joint Legislative Budget Committee does not express any opposition or concerns regarding the agreement, the Department of General Services may proceed with the agreement 30 days after giving notice.

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.....	2,489,000
2720-001-0840—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the California Motorcyclist Safety Fund.....	1,454,000
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.....	17,546,000
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.....	212,000
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.....	934,000
Schedule:	
(1) Base Rental and Fees.....	949,000
(2) Reimbursements.....	-15,000

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.

2720-011-0044—For Department of the California Highway Patrol, for augmentation to fund tactical alerts for declared emergencies and immediate threats to public safety as determined by the Commissioner of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund..... (10,000,000)

Provisions:

1. For the purpose of this item, a tactical alert occurs when officers are placed on 12-hour shifts to enhance emergency preparedness and emergency response.
2. Not later than December 31 of each year, the Department of the California Highway Patrol shall submit a report to the Joint Legislative Budget Committee and to the appropriate fiscal and policy committees of each house of the Legislature on the activities and the expenditures for the previous year for tactical alerts.

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..... 2,102,000

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 2008–09 fiscal year, for delivery beginning in the 2009–10 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund..... (5,000,000)

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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.....		6,721,000
Schedule:		
(1) 50.18.108-Quincy: Replacement Facility—Acquisition and preliminary plans.....		692,000
(1.5) 50.40.400-Oakhurst: Replacement Facility—Preliminary plans and working drawings.....		1,441,000
(2) 50.57.507-Santa Fe Springs: Replacement Facility—Working drawings.....		1,178,000
(2.5) 50.63.603-Oceanside: Replacement Facility—Preliminary plans.....		1,023,000
(3) 50.80.800-Bishop: Office Alterations—Preliminary plans, working drawings, and construction.....		2,162,000
(4) 50.90.901-Statewide: Studies, pre-planning, and budget packages.....		225,000
2720-495—Reversion, Department of the California Highway Patrol. As of June 30, 2008, the balance specified below of the appropriation provided for in the following citation shall revert to the fund from which the appropriation was made:		
0044—Motor Vehicle Account, State Transportation Fund		
(1) Item 2720-001-0044, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), \$10,327,000 appropriated in Schedule (1) 10-Traffic Management		
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.....		51,459,000
2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.....		519,463,000
Schedule:		
(1) 11-Vehicle/Vessel Identification and Compliance.....		538,624,000
(2) 22-Driver Licensing and Personal Identification.....		245,979,000
(3) 25-Driver Safety.....		117,241,000

(4) 32-Occupational Licensing and Investigative Services.....	48,549,000
(5) 35-New Motor Vehicle Board.....	2,104,000
(6) 41.01-Administration.....	106,673,000
(7) 41.02-Distributed Administration.....	-106,673,000
(8) Reimbursements.....	-15,366,000
(9) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042).....	-51,459,000
(10) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054).....	-2,104,000
(11) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064).....	-359,765,000
(12) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516).....	-2,761,000
(13) Amount payable from the Federal Trust Fund (Item 2740-001-0890).....	-1,579,000

Provisions:

1. No later than December 31 of each year up to and including 2014, the Department of Motor Vehicles shall report to the Joint Legislative Budget Committee and the policy committees on transportation of both houses of the Legislature on all of the following concerning the Information Technology Modernization project: (a) planned milestone completion dates versus actual milestone completion dates, (b) planned expenditures by phase versus actual expenditures by phase, and (c) description of adherence to scope and reasons for any changes.
2. The Department of General Services, with the consent of the Department of Motor Vehicles, may lease or exchange property located at 8629 Hellman Avenue, Rancho Cucamonga for the purpose of development of a replacement field office for use and occupancy by the Department of Motor Vehicles through a lease, lease purchase, purchase of the facility, or other terms determined by the Director of General Services to be in the best interest of the state. Thirty days

prior to entering into any agreement, the Department of General Services 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 of the terms and conditions of the agreement. If the Joint Legislative Budget Committee does not express any opposition or concerns, the Department of General Services may proceed with the agreement 30 days after giving notice.

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.....	2,104,000
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.....	359,765,000
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.....	2,761,000
Provisions:	
1. The funds appropriated in this item are for undocumented vessel registration and fee collection.	
2740-001-0890—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the Federal Trust Fund.....	1,579,000
2740-002-0044—For support of the Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.....	7,926,000
Provisions:	
1. The funding provided in this item is for the purpose of settlement of William Dare, et al. v. Department of Motor Vehicles (United States District Court, Central District, Case No. CV96-5569 JSL (ANX)).	
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.....	80,000
2740-301-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.....	809,000

Schedule:

(1) 71.43.020-Stockton Field Office Reconfiguration Project—Working drawings.....	310,000	
(2) 71.37.011-Oakland Field Office Second Floor Reconfiguration Project—Preliminary plans.....	145,000	
(3) 71.61.010-Fresno Field Office Replacement—Preliminary plans.....	912,000	
(4) 71.22.010-Statewide: Studies, pre-planning and budget packages.....	100,000	
(5) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042)....	-80,000	
(6) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064).....	-578,000	
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.....		578,000
2740-490—Reappropriation, Department of Motor Vehicles. The amount of up to \$704,000 as specified in the following citations is reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2009:		
0042—State Highway Account, State Transportation Fund		
(1) \$36,000 of Item 2740-301-0042, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)		
0044—Motor Vehicle Account, State Transportation Fund		
(1) \$395,000 of Item 2740-301-0044, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)		
(2) 71.63.010-Victorville Field Office Reconfiguration Project—Working drawings.....	308,000	
(3) 71.20.020-San Bernardino Field Office Reconfiguration Project—Working drawings.....	198,000	
(4) 71.06.020-Redding Field Office Reconfiguration Project—Working drawings.....	198,000	

(6) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042).....	-36,000
(7) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064).....	-273,000
0064—Motor Vehicle License Fee Account, Transportation Tax Fund	
(1) \$273,000 of Item 2740-301-0064, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)	
2740-495—Reversion, Department of Motor Vehicles. As of June 30, 2008, the balance specified below of the appropriation provided for in the following citation shall revert to the fund from which the appropriation was made:	
0044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2740-001-0044, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).....	2,804,000
(1) 11-Vehicle/Vessel Identification and Compliance.....	2,698,000
(2) 22-Driver Licensing and Personal Identification.....	1,462,000
(3) 25-Driver Safety.....	596,000
(4) 32-Occupational Licensing and Investigative Services.....	250,000
(6) 41.01-Administration.....	501,000
(7) 41.02-Distributed Administration.....	-501,000
(9) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042).....	-263,000

(11) Amount payable
from the Motor
Vehicle License
Fee Account,
Transportation Tax
Fund (Item 2740-
001-0064)..... -1,939,000

RESOURCES

3110-001-0140—For support of Special Resources Program, Program 30—Sea Grant Program, payable from the California Environmental License Plate Fund, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College Program Act, as amended.....	200,000
3110-101-0071—For local assistance, Special Resources Program, Program 20—Yosemite Foundation, payable from the Yosemite Foundation Account, California Environmental License Plate Fund.....	840,000
Provisions:	
1. There is hereby appropriated to the Special Resources Program for allocation by the Controller to the Yosemite Foundation all moneys deposited in the account for activities authorized pursuant to Section 5064 of the Vehicle Code.	
3110-101-0140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund.....	3,921,000
3110-101-0516—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the Harbors and Watercraft Revolving Fund.....	124,000
Provisions:	
1. Notwithstanding any other provision of law, funds in this item shall be expended to implement motorized watercraft regulations adopted by the Tahoe Regional Planning Agency.	
3125-001-0001—For support of California Tahoe Conservancy.....	200,000
Schedule:	
(1) 10-Tahoe Conservancy.....	6,848,000
(2) Reimbursements.....	-60,000
(2.5) Less funding provided by capital outlay.....	-876,000

(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3125-001-0005).....	-179,000	
(4) Amount payable from the California Environmental License Plate Fund (Item 3125-001-0140).....	-3,350,000	
(5) Amount payable from the Habitat Conservation Fund (Item 3125-001-0262).....	-117,000	
(6) Amount payable from the Lake Tahoe Conservancy Account (Item 3125-001-0286).....	-876,000	
(7) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-0568).....	-221,000	
(7.5) Amount payable from the Federal Trust Fund (Item 3125-001-0890).....	-281,000	
(8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3125-001-6029).....	-39,000	
(9) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3125-001-6031).....	-150,000	
(10) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3125-001-6051).....	-499,000	
3125-001-0005—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....		179,000
3125-001-0140—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Environmental License Plate Fund.....		3,350,000
3125-001-0262—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Habitat Conservation Fund.....		117,000

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3125-001-0286—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Lake Tahoe Conservancy Account.....	876,000
3125-001-0568—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Tahoe Conservancy Fund.....	221,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the California Tahoe Conservancy shall pay \$51,383 to the County of Placer and \$3,867 to the County of El Dorado.	
2. Fifty percent of the amounts pursuant to Provision 1 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.	
3125-001-0890—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Federal Trust Fund.....	281,000
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.....	39,000
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....	150,000
3125-001-6051—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	499,000
3125-301-0005—For capital outlay, California Tahoe Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	1,351,000
Schedule:	
(1) 50.30.009-Land acquisition and site improvements for implementation of the Environmental Improvement Program for Lake Tahoe Basin, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....	1,351,000

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 \$550,000 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 until June 30, 2011. 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.

3125-301-0262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservation Fund..... 383,000

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..... 383,000

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 \$550,000 or less, and therefore is not subject to approval by the State Public Works Board.
- 2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance until June 30, 2011. 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 State Public Works Board review.

3125-301-0286—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Conservancy Account..... 708,000

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..... 354,000
- (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..... 794,000
- (3) 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 less than \$550,000 and, therefore, is not subject to State 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, 2011. 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 State Public Works Board review.

3125-301-0890—For capital outlay, California Tahoe Conservancy, payable from the Federal Trust Fund.... 8,652,000

Schedule:

- (1) 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..... 8,652,000

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 less than \$550,000 and, therefore, is not subject to State 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, 2011. 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 State Public Works Board review.

3125-301-6051—For capital outlay, California Tahoe Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 4,851,000
Schedule:

- (1) 50.30.009-Land acquisition and site improvements for implementation of the Environmental Improvement Program for Lake Tahoe Basin, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code..... 4,851,000

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 \$550,000 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 until June 30, 2011. 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.

3125-490—Reappropriation, California Tahoe Conservancy. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2010:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3125-101-0005, Budget Act of 2003 (Ch. 157, Stats. 2003)
 - (1) 10-Tahoe Conservancy
 - (2) Reimbursements

0286—Lake Tahoe Conservancy Account

- (1) Item 3125-101-0286, Budget Act of 2003 (Ch. 157, Stats. 2003)
 - (1) 10-Tahoe Conservancy

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3125-101-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 10-Tahoe Conservancy	
3125-491—Reappropriation, California Tahoe Conservancy. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2009:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) Item 3125-301-0005, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 50.30.002-Land acquisition and site improvements	
(2) 50.30.003-Acquisition, restoration, and enhancement of habitat	
(3) 50.30.004-Land acquisition and site improvements	
(4) 50.30.005-Land acquisition	
3340-001-0001—For support of California Conservation Corps.....	35,874,000
Schedule:	
(1) 10-Training and Work Program.....	65,032,000
(2) 20.01-Administration.....	7,662,000
(3) 20.02-Distributed Administration....	-7,662,000
(4) Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140).....	-313,000
(5) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-0235).....	-307,000
(6) Amount payable from the Collins-Dugan California Conservation Corps Reimbursement Account (Item 3340-001-0318).....	-25,246,000
(7) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3340-001-6051).....	-3,292,000
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, includ-	

ing 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.

3340-001-0140—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Environmental License Plate Fund.....	313,000
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.....	307,000
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.....	25,246,000

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 Conser-

vation Corps from each client agency, not to exceed an aggregate total of \$5,963,000 to meet cashflow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All moneys so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan. On and after a date 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 Account, 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.

3340-001-6051—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 3,292,000

3340-101-6051—For local assistance, California Conservation Corps, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 23,000,000

3340-301-0660—For capital outlay, California Conservation Corps, payable from the Public Buildings Construction Fund..... 6,478,000

Schedule:

- (1) 20.10.150-Delta Service District Center Site—Construction..... 6,478,000

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 California Conservation Corps 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 project.
3. The funds appropriated in this item shall be available for expenditure until June 30, 2010, except appropriations for construction and equipment which shall be available for expenditure until June 30, 2012. In addition, the balance of the 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, 2010, shall revert as of that date to the fund from which the appropriation was made.
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 Government Code). This provision does not exempt the California Conservation Corps from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

3340-491—Reappropriation, California Conservation Corps. The balance of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations:

0660—Public Buildings Construction Fund

- (1) Item 3340-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3340-490, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
 - (1) 20.10.150—Delta Service District Center—Construction

(2) Item 3340-301-0660, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(1) 20.10.170—Tahoe Base Center Relocation—Acquisition, preliminary plans, working drawings, and construction	
3360-001-0044—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Motor Vehicle Account, State Transportation Fund....	139,000
3360-001-0381—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Public Interest Research, Development, and Demonstration Fund.....	73,816,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2008–09 and 2009–10 fiscal years.	
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2014.	
3. Notwithstanding any other provision of law other than the provisions of this item, funds appropriated in this item may be used by the State 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.	
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.....	7,647,000
3360-001-0465—For support of Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account.....	62,265,000
Schedule:	
(1) 10-Regulatory and Planning.....	27,559,000
(2) 20-Energy Resources Conservation.....	26,381,000
(3) 30-Development.....	218,373,000
(4) 40.01-Policy, Management, and Administration.....	20,707,000

- (5) 40.02-Distributed Policy, Management, and Administration..... -21,017,000
- (6) Reimbursements..... -5,820,000
- (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)..... -73,816,000
- (9) Amount payable from the Renewable Resource Trust Fund (Item 3360-001-0382)..... -7,647,000
- (10) Amount payable from the Energy Technologies Research Development and Demonstration Account (Item 3360-001-0479)..... -250,000
- (11) Amount payable from the Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account (Item 3360-001-0497)..... -306,000
- (12) Amount payable from the Federal Trust Fund (Item 3360-001-0890)..... -22,366,000
- (13) Amount payable from the Energy Facility License and Compliance Fund (Item 3360-001-3062)..... -2,503,000
- (14) Amount payable from Natural Gas Subaccount, Public Interest Research, Development and Demonstration Fund (Item 3360-001-3109)..... -21,000,000
- (15) Amount payable from Alternative and Renewable Fuel and Vehicle Technology Fund (Item 3360-001-3117)..... -75,891,000

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, 2012.

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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 and technical assistance pursuant to Section 25650 of the Public Resources Code..... 250,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2008–09 and 2009–10 fiscal years.
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2012.
3. Pursuant to Section 25650 of the Public Resources Code, up to 20 percent of the annual appropriation shall be available for technical assistance.

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, Geothermal Resources Development Account..... 306,000

3360-001-0890—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Federal Trust Fund..... 22,366,000

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..... 2,503,000

3360-001-3109—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund..... 21,000,000

Provisions:

1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2008–09 and 2009–10 fiscal years.
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall

be available for liquidation of encumbrances until June 30, 2014.

- 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.
- 4. The Department of Finance may adjust the amounts transferred by this item pursuant to statewide budget adjustments made pursuant to authorities contained in this act.

3360-001-3117—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Alternative and Renewable Fuel and Vehicle Technology Fund..... 75,891,000

Provisions:

- .5 The additional sum of \$75,000,000 is hereby appropriated from the Alternative and Renewable Fuel and Vehicle Technology Fund for the award of grants and other financial incentives by the commission pursuant to Chapter 750 of the Statutes of 2007. These additional funds shall be appropriated not sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee on the completion of specified guidelines required by Chapter 750 to be developed by the State Air Resources Board, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.
- 1. Notwithstanding subdivision (a) of Section 1.80, funds appropriated in this item shall be available for expenditure during the 2008–09 and 2009–10 fiscal years.
- 2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2014.

3360-011-0382—For transfer by the Controller from the Renewable Resource Trust Fund to the General Fund.....	(10,900,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the Renewable Resources Trust Fund are not adversely affected by the loan, but no later than June 30, 2013.	
3360-011-3015—For transfer by the Controller from the Gas Consumption Surcharge Fund to the Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund.....	(21,000,000)
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, Geothermal Resources Development Account.....	2,000,000
Schedule:	
(1) 30-Development.....	2,000,000
Provisions:	
1. Funds appropriated in this item shall be available for expenditure until June 30, 2010.	
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation until June 30, 2012.	
3360-490—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2009:	
0465—Energy Resources Programs Account	
(1) Item 3360-001-0465, Budget Act of 2002 (Ch. 379, Stats. 2002)	
3360-491—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, funds appropriated in the following citation are reappropriated for liquidation until June 30, 2010:	
0381—Public Interest Research, Development, and Demonstration Fund	
(1) Item 3360-001-0381, Budget Act of 2003 (Ch. 157, Stats. 2003)	
3360-492—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding	

ing any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2010:

0479—Energy Technologies Research, Development and Demonstration Account

(1) Item 3360-001-0479, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

3360-493—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, funds appropriated in the following citation are reappropriated for liquidation until June 30, 2011:

0497—Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account

(1) Item 3360-001-0497, Budget Act of 2006 (Ch. 47, Stats. 2006)

3460-001-0001—For support of Colorado River Board of California.....

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Schedule:

(1) 10-Protection of California’s Colorado River Rights and Interests.... 1,614,000

(2) Reimbursements..... -1,614,000

3480-001-0001—For support of Department of Conservation.....

4,605,000

Schedule:

(1) 10-Geologic Hazards and Mineral Resources Conservation..... 24,836,000

(2) 20-Oil, Gas, and Geothermal Resources..... 22,177,000

(3) 30-Land Resource Protection..... 6,221,000

(4) 40.01-Administration..... 13,748,000

(5) 40.02-Distributed Administration..... -13,748,000

(6) 50-Beverage Container Recycling and Litter Reduction Program..... 48,692,000

(7) 60-Office of Mine Reclamation..... 6,597,000

(8) Reimbursements..... -9,269,000

(10) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035)..... -2,192,000

(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)..... -48,592,000

(13) Amount payable from the Soil Conservation Fund (Item 3480-001-0141).....	-3,849,000
(14) Amount payable from the Hazardous and Idle-Deserted Well Abatement Fund (Section 3206 of the Public Resources Code).....	-100,000
(15) Amount payable from the Mine Reclamation Account (Item 3480-001-0336).....	-3,842,000
(16) Amount payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund (Item 3480-001-0338).....	-9,920,000
(17) Amount payable from the Federal Trust Fund (Item 3480-001-0890).....	-1,324,000
(18) Amount payable from the Bosco Keene Renewable Resources Investment Fund (Item 3480-001-0940).....	-1,135,000
(18.5) Amount payable from the Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3102).....	-980,000
(19) Amount payable from the Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account (Item 3480-001-3025).....	-427,000
(20) Amount payable from the Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3046)....	-20,004,000
(21) Amount payable from the Agriculture and Open Space Mapping Subaccount (Item 3480-001-6004).....	-436,000
(22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund of 2002 (Item 3480-001-6029).....	-550,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3480-001-6031).....	-1,021,000

(24) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3480-001-6051)..... -265,000

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 moneys 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..... 2,192,000

3480-001-0042—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the State Highway Account, State Transportation Fund..... 12,000

Provisions:

1. The funds appropriated in this item are for the state’s share of costs of the California Institute of Technology seismograph network.

3480-001-0133—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Beverage Container Recycling Fund..... 48,592,000

3480-001-0141—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Soil Conservation Fund..... 3,849,000

Provisions:

1. Of the funds appropriated in this item, \$910,000 is available for the Department of Conservation to provide technical assistance to local jurisdictions that have a history of noncompliance with Williamson Act policy development, assist compliance with state law and contract terms as

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they relate to state law, and provide procedural guidance programs, in order to maintain consistent Williamson Act implementation statewide.	
3480-001-0336—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Mine Reclamation Account.....	3,842,000
3480-001-0338—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund.....	9,920,000
3480-001-0890—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Federal Trust Fund.....	1,324,000
3480-001-0940—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Bosco Keene Renewable Resources Investment Fund.....	1,135,000
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.....	427,000
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.....	20,004,000
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.....	980,000
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.....	436,000
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.....	550,000
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.....	1,021,000
3480-001-6051—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	265,000

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Item

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3480-101-6031—For local assistance, Department of Conservation, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	3,000,000
Provisions:	
1. The funds appropriated in this item shall be available for expenditure until June 30, 2011.	
3480-101-6051—For local assistance, Department of Conservation, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	7,000,000
Provisions:	
1. The funds appropriated in this item shall be available for expenditure until June 30, 2011.	
3480-401—The amount loaned pursuant to Items 3480-011-0269 and 3480-011-0278 of the Budget Act of 2003 (Chapter 157 of the Statutes of 2003) shall not be required to be repaid until June 30, 2012.	
3540-001-0001—For support of Department of Forestry and Fire Protection.....	511,295,000
Schedule:	
(1) 10-Office of the State Fire Marshal.....	20,788,000
(2) 11-Fire Protection.....	910,409,000
(3) 12-Resource Management.....	62,597,000
(3.5) Board of Forestry.....	449,000
(4) 20.01-Administration.....	67,229,000
(5) 20.02-Distributed Administration.....	-66,567,000
(6) Reimbursements.....	-259,797,000
(7) Less funding provided by capital outlay.....	-14,209,000
(8) Amount payable from the General Fund (Item 3540-006-0001).....	-69,090,000
(9) Amount payable from the State Emergency Telephone Number Account (Item 3540-001-0022).....	-2,393,000
(10) Amount payable from the Unified Program Account (Item 3540-001-0028).....	-353,000
(11) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 3540-001-0102)....	-2,715,000
(12) Amount payable from the California Environmental License Plate Fund (Item 3540-001-0140).....	-504,000

(13) Amount payable from the California Fire and Arson Training Fund (Item 3540-001-0198).....	-2,449,000
(14) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 3540-001-0209).....	-3,059,000
(16) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235).....	-419,000
(17) Amount payable from the Professional Forester Registration Fund (Item 3540-001-0300).....	-220,000
(18) Amount payable from the Federal Trust Fund (Item 3540-001-0890).....	-31,410,000
(19) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928).....	-7,504,000
(20) Amount payable from the Timber Tax Fund (Item 3540-001-0965)....	-34,000
(20.5) Amount payable from the Emergency Response Account (Item 3540-001-1014).....	-78,882,000
(22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3540-001-6029).....	-8,750,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3540-001-6031).....	-368,000
(24) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3540-001-6051).....	-1,454,000

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 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 Department of Forestry and Fire Protection, 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 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 that the chairperson of the joint committee, or his or her designee, may determine.

3540-001-0022—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the State Emergency Telephone Number Account.....	2,393,000
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....	353,000
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.....	2,715,000
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.....	504,000
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.....	2,449,000

Item	Amount
3540-001-0209—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Hazardous Liquid Pipeline Safety Fund.....	3,059,000
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.....	419,000
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.....	220,000
3540-001-0890—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Federal Trust Fund.....	31,410,000
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.....	7,504,000
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.....	34,000
3540-001-1014—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Emergency Response Account.....	78,882,000
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.....	8,750,000
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.....	368,000
3540-001-6051—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	1,454,000
3540-003-0001—For support of Department of Forestry and Fire Protection for rental payments on lease-revenue bonds.....	6,257,000
Schedule:	
(1) Base Rental and Fees.....	6,222,000
(2) Insurance.....	35,000

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Item

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Amount

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.
2. This item may contain adjustments pursuant to 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..... 69,090,000

Provisions:

1. The funds appropriated in this item shall be available for emergency fire suppression and detection costs and related emergency revegetation costs and may be used for these purposes to reimburse the main support appropriation (Item 3540-001-0001) only upon approval by the Department of Finance.
2. The Director of Forestry and Fire Protection shall furnish quarterly reports on expenditures for emergency fire suppression activities to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the fiscal and appropriate policy committees of each house. The Director of Finance may authorize expenditures in excess of the amount appropriated in this item by an amount necessary to fund emergency fire suppression costs. This authorization shall occur not less than 30 days after the receipt by the Legislature of the quarterly expenditure report from the Department of Forestry and Fire Protection, 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.

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..... 1,794,000

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.	
3540-101-6051—For local assistance, Department of Forestry and Fire Protection, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	5,395,000
3540-301-0001—For capital outlay, Department of Forestry and Fire Protection.....	1,851,000
Schedule:	
(1) 30.80-Minor capital outlay.....	1,851,000
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 not 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.....	157,957,000
Schedule:	
(1) 30.10.170-Santa Clara Unit Headquarters: Replace Facility—Preliminary plans, working drawings, and construction.....	20,856,000
(2) 30.10.210-San Mateo/Santa Cruz Unit Headquarters: Relocate Automotive Shop—Preliminary plans, working drawings, and construction.....	11,172,000
(2.5) 30.10.265-North Region Fire Station Facilities—Construction.....	2,406,000
(3) 30.20.007-Vina Helitack Base: Replace Facility—Preliminary plans, working drawings, and construction.....	13,062,000
(4) 30.20.015-Garden Valley Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction.....	7,701,000

(4.5)	30.20.135-Intermountain Conservation Camp: Replace Facility—Preliminary plans, working drawings, and construction.....	5,437,000
(5)	30.20.205-Higgins Corner Forest Fire Station: Replace Facility—Acquisition, preliminary plans, working drawings, and construction.....	9,278,000
(6)	30.20.240-Siskiyou Unit Headquarters: Replace Facility—Preliminary plans, working drawings, and construction.....	31,731,000
(7)	30.30.075-Warner Springs Forest Fire Station: Replace Facility—Construction.....	591,000
(8)	30.30.160-South Operations Area Headquarters: Relocate Facility—Acquisition, working drawings, and construction.....	7,691,000
(9)	30.30.195-Miramonte Conservation Camp: Replace Facility—Construction.....	10,974,000
(10)	30.40.185-Madera-Mariposa-Merced Unit Headquarters: Replace Facility—Preliminary plans, working drawings, and construction.....	28,506,000
(11)	30.40.225-Altaville Forest Fire Station: Replace Automotive Shop—Preliminary plans, working drawings, and construction.....	8,552,000

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 in this item shall be available for expenditure during the 2008–09 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2011, appropriations for working drawings which shall be available for expenditure until June 30, 2010, and appropriations for construction which shall be available for expenditure

until June 30, 2013. 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, 2011, 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 Government 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 in Schedules (4) and (5) 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 forest fire station facilities, that may be performed by the Department of Forestry and Fire Protection. Not less than 20 days after providing notice to the Joint Legislative Budget Committee, the Department of Finance may modify which projects may be managed by the Department of Forestry and Fire Protection, provided that those projects are limited to the design and construction of forest fire station facilities or facilities with substantially similar components, which can be managed by existing capital outlay staff. 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.

3540-491—Reappropriation, Department of Forestry and Fire Protection. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for by the appropriations:

0001—General Fund

(1) Item 3540-301-0001, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3540-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(4) 30.10.255-Mt. St. Helena: Communication Facility: Renovation—Construction

(2) Item 3540-301-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3540-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(6) 30.60.050-Statewide: Construct Communications Facilities—Construction

0660—Public Buildings Construction Fund

(1) Item 3540-301-0660, Budget Act of 2004 (Ch. 208, Stats. 2004)

(0.5) 30.10.015-Ukiah Forest Fire Station: Replace Facility—Construction

(2) Item 3540-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3540-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(0.5) 30.10.005-Alma Helitack Base: Replace Facility—Working drawings and construction

(1.4) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction

(1.6) 30.10.110-Elk Camp Forest Fire Station: Relocate Facility—Construction

(1.8) 30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Working drawings and construction

(3.1) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction

(3.15) 30.40.105-Vallecito Conservation Camp: Replace Apparatus Buildings and Utilities—Construction

- (3.25) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Construction
- (3.35) 30.30.065-San Marcos Forest Fire Station: Relocate Facility—Construction
- (3.4) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Construction
- (3.45) 30.30.115-Ventura Youth Conservation Camp: Construct Apparatus Buildings, Shop, and Warehouse—Working drawings and construction
- (3.55) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Construction
- (3.85) 30.40.135-Raymond Forest Fire Station: Relocate Facility—Construction
- (4) 30.60.045-Statewide: Construct Forest Fire Stations—Working drawings and construction
- (3) Item 3540-301-0660, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
 - (1) 30.10.005-Alma Helitack Base: Replace Facility—Working drawings and construction
 - (3) 30.10.090-Pacheco Fire Station: Replace Facility—Construction
 - (1) 30.10.265-North Region Forest Fire Station Facilities—Preliminary plans, working drawings, and construction
 - (2) 30.20.135-Intermountain Conservation Camp: Replace Facility—Working drawings and construction
 - (4) 30.30.195-Miramonte Conservation Camp: Replace Facility—Working drawings and construction
 - (5) 30.40.030-Academy: Construct Dormitory Building and Expand Mess Hall—Working drawings and construction
 - (6) 30.40.170-Badger Forest Fire Station: Replace Facility—Working drawings and construction
- (4) Item 3540-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 30.10.195-Las Posadas Fire Station: Replace Facility—Preliminary plans, working drawings, and construction
 - (2) 30.20.001-Fawn Lodge Forest Fire Station: Replace Facility and Install New

- Well—Preliminary plans, working drawings, and construction
- (4) 30.20.008-Westwood Fire Station: Replace Facility—Preliminary plans, working drawings, and construction
 - (5) 30.30.200-Paso Robles Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction
- 3540-492—Reappropriation, Department of Forestry and Fire Protection. Notwithstanding any other provision of law, the periods to liquidate encumbrances of the following citations are extended to June 20, 2009:
- 0660—Public Buildings Construction Fund
- (1) Item 3540-301-0660, Budget Act of 2004 (Ch. 208, Stats. 2004)
 - (4) 30.30.165-Cuyamaca Forest Fire Station: Replace Facility—Working drawings
 - (4.5) 30.40.015-Sonora Forest Fire Station: Relocate Facility—Construction
 - (2) Item 3540-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
 - (3) 30.10.130-Santa Clara Ranger Unit Headquarters: Construct Facility—Working drawings and construction
- 3540-496—Reversion, Department of Forestry and Fire Protection. As of June 30, 2008, the unencumbered balances of the appropriations provided for in the following citations shall revert to the balance of the fund from which the appropriations were made:
- 0001—General Fund
- (1) Item 3540-301-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3540-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (3) 30.40.110-Hollister Air Attack Base: Relocate Facility—Acquisition and working drawings
- 0660—Public Buildings Construction Fund
- (1) Item 3540-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)
 - (2) 30.20.065-Lassen Lodge Forest Fire Station: Relocate Facilities—Preliminary plans, working drawings, and construction
 - (2) Item 3540-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(3.9) 30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Preliminary plans, working drawings, and construction	
3560-001-0001—For support of State Lands Commission.....	9,155,000
Schedule:	
(1) 10-Mineral Resources Management.....	9,493,000
(2) 20-Land Management.....	8,518,000
(3) 30.01-Executive and Administration.....	3,365,000
(4) 30.02-Distributed Administration....	-3,365,000
(5) 40-Marine Facilities Management.....	10,691,000
(6) Reimbursements.....	-4,176,000
(7) Amount payable from the Marine Invasive Species Control Fund (Item 3560-001-0212).....	-3,341,000
(8) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-0320).....	-11,115,000
(8.5) Amount payable from the School Land Bank Fund (Item 3560-001- 0347).....	-475,000
(9) Amount payable from the Land Bank Fund (Item 3560-001-0943)....	-440,000
Provisions:	
1. Notwithstanding subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, First Ex- traordinary Session, all commission costs for administering the Long Beach Tidelands, exclu- sive of any Attorney General charges, shall be funded from revenues deposited into the General Fund pursuant to paragraph (1) of subdivision (a) of Section 6217 of the Public Resources Code.	
2. All costs incurred to manage state school lands shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Section 24412 of the Education Code.	
3560-001-0212—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Marine Invasive Species Control Fund.....	3,341,000

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.....	11,115,000
3560-001-0347—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the School Land Bank Fund.....	475,000
3560-001-0943—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Land Bank Fund.....	440,000
3600-001-0001—For support of Department of Fish and Game.....	77,301,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	150,694,000
(2) 25-Hunting, Fishing, and Public Use.....	71,276,000
(3) 30-Management of Department Lands and Facilities.....	48,009,000
(4) 40-Enforcement.....	61,764,000
(4.5) 45-Communication, Education, and Outreach.....	4,716,000
(5) 50-Spill Prevention and Response....	31,418,000
(5.5) 61-Fish and Game Commission....	1,345,000
(6) 70.01-Administration.....	44,359,000
(7) 70.02-Distributed Administration.....	-44,359,000
(8) Reimbursements.....	-38,080,000
(9) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001-0005).....	-1,026,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140).....	-17,435,000
(11) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200).....	-87,690,000
(12) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207).....	-2,681,000
(13) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211)....	-239,000

- (14) Amount payable from the Marine Invasive Species Control Fund (Item 3600-001-0212)..... -1,312,000
- (15) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235)..... -2,758,000
- (16) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320)..... -25,019,000
- (17) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322)..... -352,000
- (18) Amount payable from the Central Valley Project Improvement Subaccount (Item 3600-001-0404)..... -57,000
- (18.5) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3600-001-0004)..... -2,144,000
- (19) Amount payable from the Federal Trust Fund (Item 3600-001-0890)..... -51,289,000
- (20) Amount payable from the Special Deposit Fund (Item 3600-001-0942)..... -1,585,000
- (21) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103)..... -17,297,000
- (22) Amount payable from the Coastal Wetlands Account (Item 3600-001-3104)..... -140,000
- (24) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3600-001-6027)..... -2,160,000
- (25) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031)..... -7,227,000
- (26) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3600-001-6051)..... -19,698,000

- (27) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018)..... -13,605,000
- (28) Amount payable from the California Sea Otter Fund (Item 3600-001-8047)..... -127,000

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 (19). 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 (19) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.

- 2. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code shall continue only so long as the United States Bureau of Reclamation continues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in *Natural Resources Defense Council v. Rodgers* (2005) 381 F.Supp.2d 1212.

3600-001-0005—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	1,026,000
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.....	17,435,000
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.....	87,690,000

Provisions:

- 1. Of the funds appropriated in this item, \$203,000 is for reimbursement to the State Department of Public Health for shellfish monitoring activities.

Item	Amount
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.....	2,681,000
3600-001-0211—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund.....	239,000
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.....	1,312,000
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.....	2,758,000
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.....	25,019,000
3600-001-0322—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Environmental Enhancement Fund.....	352,000
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.....	57,000
3600-001-0516—For support of the Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Harbors and Watercraft Revolving Fund.....	2,144,000
3600-001-0890—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Federal Trust Fund.....	51,289,000
3600-001-0942—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Special Deposit Fund.....	1,585,000
3600-001-3103—For support of Department of Fish and Game, payable from the Hatchery and Inland Fisheries Fund.....	17,297,000
3600-001-3104—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Coastal Wetlands Account.....	140,000
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.....	2,160,000

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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.....		7,227,000
3600-001-6051—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		19,698,000
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.....		13,605,000
Provisions:		
1. The amount appropriated in this item shall be available for expenditure until June 30, 2011.		
3600-001-8047—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the California Sea Otter Fund.....		127,000
3600-002-6051—For transfer by the Controller upon notification by the Department of Fish and Game from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 to the Salton Sea Restoration Fund....		10,750,000
Provisions:		
1. The amount appropriated in this item shall be available for transfer until June 30, 2011.		
3600-011-0001—For support of Department of Fish and Game, for transfer to the Fish and Game Preservation Fund.....		18,000
3600-011-0643—For transfer by the Controller from the Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund to the General Fund....		(800,000)
3600-011-3104—For transfer by the Controller, upon order of the Department of Finance, from the Coastal Wetlands Fund to the General Fund.....		(4,700,000)
Provisions:		
1. Upon approval of the Department of Finance, the amount of this transfer shall be adjusted to the full amount remaining in the Coastal Wetlands Fund.		
3600-101-0001—For local assistance, Department of Fish and Game.....		576,000
Schedule:		
(1) 20-Biodiversity Conservation Program.....		576,000

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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..... 2,152,000

3600-301-0200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund..... 60,000

Schedule:

- (1) 90.99.020-Project Planning..... 160,000
- (2) 90.99.100-Minor Projects..... 370,000
- (3) Reimbursements-Minor Projects.... -370,000
- (4) Reimbursements-Project Plan-ning..... -100,000

Provisions:

- 1. Funds appropriated in Schedule (1) are available for expenditure by the Department of Fish and Game 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 2009–10 or 2010–11 fiscal year.

3600-311-0235—For transfer by the Controller from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund to the Habitat Conservation Fund..... (370,000)

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.

3600-490—Reappropriation, Department of Fish and Game. The balances of the appropriations provided in the following citations for the CALFED Bay-Delta Ecosystem Restoration Program shall be available for encumbrance or expenditure until June 30, 2009. The balances of the appropriations provided in the following citations for the Salton Sea Restoration Program shall be available for transfer, encumbrance, or expenditure until June 30, 2011:

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

(1) Item 3600-001-6051, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(2) Item 3600-002-6051, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

8018—Salton Sea Restoration Fund

(1) Item 3600-001-8018, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

3640-001-0005—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund..... 211,000

3640-001-0140—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the California Environmental License Plate Fund.... 288,000

3640-001-0262—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the Habitat Conservation Fund..... 332,000

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..... 1,426,000

Schedule:

(1) 10-Wildlife Conservation Board.... 4,346,000

(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3640-001-0005)..... -211,000

- (4) Amount payable from the California Environmental License Plate Fund (Item 3640-001-0140)..... -288,000
- (4.5) Amount payable from the Habitat Conservation Fund (Item 3640-001-0262)..... -332,000
- (5) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3640-001-6029)..... -681,000
- (6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3640-001-6031)..... -618,000
- (7) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3640-001-6051)..... -790,000

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.....	681,000
3640-001-6031—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	618,000
3640-001-6051—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	790,000
3640-301-0262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund.....	20,668,000

Schedule:

(1) 80.10-Wildlife Conservation Board
Projects (unscheduled)..... 20,668,000

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 State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2011.

3640-301-0447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund..... 1,000,000

Schedule:

(1) 80.10.010-Minor Projects..... 1,000,000

Provisions:

1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.

3640-301-6051—For capital outlay, Wildlife Conservation Board, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 25,000,000

Schedule:

(1) 80.10-Wildlife Conservation Board
Projects..... 25,000,000

Provisions:

1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2011.
3. The funds appropriated in this item shall be used for purposes consistent with natural community conservation plans (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code).

3640-302-6051—For capital outlay, Wildlife Conservation Board, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 10,000,000

Schedule:

- (1) 80.10.103-San Joaquin River Conservancy—Acquisitions and projects..... 11,000,000
- (2) Reimbursements..... -1,000,000

Provisions:

- 1. The funds in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, are not subject to review by the State Public Works Board.
- 2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2011.
- 3. The funds appropriated in this item are provided to achieve the mission of the San Joaquin River Conservancy. Any acquisitions or improvements undertaken or grants provided from this item shall be at the direction of and require approval by the conservancy.

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..... 1,000,000

Provisions:

- 1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund and the requirements of Section 79572 of the Water Code.
- 2. Upon approval by the Department of Finance, the amount transferred by this item may be adjusted to reflect the requirements of subdivision (a) of Section 2796 of the Fish and Game Code.

3640-311-6052—For transfer by the Controller from the Disaster Preparedness and Flood Prevention Bond Fund of 2006 to the Habitat Conservation Fund..... 19,630,000

Provisions:

- 1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.
- 2. Upon approval by the Department of Finance, the amount transferred by this item may be adjusted to reflect the requirements of subdivision (a) of Section 2796 of the Fish and Game 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, 2011:		
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002		
(1) Item 3640-301-6031, Budget Act of 2004 (Ch. 208, Stats. 2004)		
(1) 80.10.440-Colorado River Acquisition, Protection and Restoration Program		
Provisions:		
1. The funds in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to State Public Works Board review.		
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2011.		
3680-001-0516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....		17,399,000
Schedule:		
(1) 10-Boating Facilities.....	16,093,000	
(2) 20-Boating Operations.....	9,058,000	
(3) 30-Beach Erosion Control.....	321,000	
(4) 40.01-Administration.....	2,491,000	
(5) 40.02-Distributed Administration....	-2,491,000	
(6) Reimbursements.....	-15,000	
(7) Amount payable from the Federal Trust Fund (Item 3680-001-0890)....	-7,993,000	
(8) Less funding provided by capital outlay.....	-65,000	
Provisions:		
1. Notwithstanding Section 85.2 of the Harbors and Navigation Code, \$321,000 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.....		7,993,000
3680-101-0516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....		41,600,000
Schedule:		
(1) 10-Boating Facilities.....	33,943,000	

- (a) Launching Facility
 - Grants..... (4,734,000)
 - (1) Black Point BLF..... (279,000)
 - (2) Brite Valley BLF..... (100,000)
 - (3) Coyote Point BLF..... (150,000)
 - (4) El Dorado Beach BLF..... (100,000)
 - (5) Floating Restrooms..... (500,000)
 - (6) Miller Park BLF..... (575,000)
 - (7) Non-Motorized Boat Launching Facilities..... (500,000)
 - (8) Ramp Repair & Modification.... (500,000)
 - (9) Signs..... (50,000)
 - (10) Sunbeam Lake BLF..... (130,000)
 - (11) Tahoe Vista BLF..... (300,000)
 - (12) Ventura Harbor BLF..... (450,000)
 - (13) Vessel Pump-out..... (100,000)
 - (14) Reimbursement Grants..... (1,000,000)
- (b) Public Small Craft Harbor Loans..... (22,266,000)
 - (1) Alamo Bay—Basins 2 & 3..... (9,000,000)
 - (2) Coyote Point Marina..... (218,000)
 - (3) Dana Point Harbor Marina (B)..... (9,000,000)
 - (4) Emergency Loans..... (500,000)
 - (5) Martinez Marina..... (338,000)

(6) Santa Barbara Harbor.....	(720,000)
(7) Santa Cruz Harbor.....	(1,365,000)
(8) San Francisco Marina—East Harbor.....	(1,125,000)
(c) Private Loans.....	(5,000,000)
(d) Clean Vessel Act Grant Program.....	(843,000)
(e) Boating Trails.....	(1,000,000)
(f) Boating Infrastructure Grant Program.....	(100,000)
(2) 20-Boating Operations.....	13,600,000
(3) 30-Beach Erosion Control.....	7,150,000
(4) Reimbursements.....	-1,650,000
(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)....	-4,443,000
(7) Amount payable from the Public Beach Restoration Fund (Item 3680-101-3001).....	-6,500,000

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.... 4,443,000

Provisions:

1. Of the amount appropriated in this item, \$2,500,000 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 3680-101-0516, payable from the Public Beach Restoration Fund..... 6,500,000

Provisions:

- 1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2011.

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..... (6,500,000)

3680-301-0516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund..... 5,420,000

Schedule:

- (1) 50.99.010-Project Planning..... 90,000
- (2) 50.99.020-Minor Projects..... 5,330,000

Provisions:

- 1. Funds appropriated in Schedule (1) 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 an-

anticipated to be included in the Governor’s Budget for the 2009–10 or 2010–11 fiscal year.

3720-001-0001—For support of California Coastal Commission.....	11,809,000
Schedule:	
(1) 10-Coastal Management Program....	16,630,000
(2) 20-Coastal Energy Program.....	1,112,000
(3) 30.01-Administration.....	1,914,000
(4) 30.02-Distributed Administration....	-1,814,000
(5) Reimbursements.....	-2,369,000
(6) Amount payable from California Beach and Coastal Enhancement Account (Item 3720-001-0371).....	-596,000
(8) Amount payable from the Federal Trust Fund (Item 3720-001-0890)....	-2,544,000
(9) Amount payable from the Coast Act Services Fund (Item 3720-001-3123).....	-524,000
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.....	596,000
3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund.....	2,544,000
3720-001-3123—For support of the California Coastal Commission, for payment to Item 3720-001-0001, payable from the Coast Act Services Fund.....	524,000
3720-101-0371—For local assistance, California Coastal Commission, payable from California Beach and Coastal Enhancement Account, California Environmental License Plate Fund.....	743,000
Schedule:	
(1) 10-Coastal Management Program....	743,000
3760-001-0005—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	1,532,000
3760-001-0140—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the California Environmental License Plate Fund.....	1,392,000
3760-001-0565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund.....	4,126,000

Schedule:

(1) 15-Coastal Resource Development.....	5,203,000
(2) 25-Coastal Resource Enhancement.....	5,880,000
(3) 90.01-Administration and Support.....	3,590,000
(4) 90.02-Distributed Administration....	-3,590,000
(5) Reimbursements.....	-420,000
(6) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3760-001-0005).....	-1,532,000
(7) Amount payable from the California Environmental License Plate Fund (Item 3760-001-0140).....	-1,392,000
(8) Amount payable from the Federal Trust Fund (Item 3760-001-0890)....	-136,000
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3760-001-6029).....	-2,045,000
(10) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3760-001-6031).....	-727,000
(11) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3760-001-6051).....	-346,000
(12) Amount payable from California Ocean Protection Trust Fund (Item 3760-001-6076).....	-134,000
(13) Amount payable from the California Sea Otter Fund (Item 3760-001-8047).....	-225,000

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.....	136,000
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.....	2,045,000
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.....	727,000
3760-001-6051—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	346,000
3760-001-6076—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the California Ocean Protection Trust Fund....	134,000
3760-001-8047—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the California Sea Otter Fund.....	225,000
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.....	4,000,000

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 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.
4. Funds appropriated in this item are in lieu of the amount that otherwise would have been appropriated for the department, pursuant to Section 2787(b) of the Fish and Game Code.

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3760-301-0371—For capital outlay, State Coastal Conservancy, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund..... 400,000

Schedule:

(1) 80.00.020-Public Access..... 400,000

Provisions:

1. (a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a 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, 2011.

3760-301-0593—For capital outlay, State Coastal Conservancy, payable from the Coastal Access Account, State Coastal Conservancy Fund..... 300,000

Schedule:

(1) 80.00.020-Public Access..... 300,000

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, 2011.
- 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, 2011.

3760-301-6051—For capital outlay, State Coastal Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006..... 89,098,000

Schedule:

- (1) 80.97.030-Conservancy Pro-grams..... 92,674,000
- (2) Reimbursements..... -3,576,000

Provisions:

- 1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2011.
- 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 expenditure of funds for grants to nonstate public agencies and nonprofit organizations is exempt from State Public Works Board review.
 - (d) Of the amount appropriated in this item, \$3,000,000 shall be allocated for projects authorized by the San Diego River Conservancy.

3760-301-6076—For capital outlay, State Coastal Conservancy, payable from the California Ocean Protection Trust Fund..... 26,420,000

Schedule:

- (1) 80.07.070-Ocean Protection Council..... 29,300,000
- (2) Reimbursements..... -2,880,000

Provisions:

1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2011.
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 expenditure of funds for grants to nonstate public agencies and nonprofit organizations is exempt from State Public Works Board review.

3760-311-6052—For transfer by the Controller from the Disaster Preparedness and Flood Prevention Bond Fund of 2006 to the Habitat Conservation Fund..... 1,127,000

Provisions:

1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.
2. Upon approval by the Department of Finance, the amount 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 provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2011:
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3760-301-0005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)	
(1) 80.00.023-San Francisco Bay Area Conservancy Program	
(2) 80.97.030-Conservancy Programs	
(3) Reimbursements	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3760-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)	
(1) 80.00.023-San Francisco Bay Area Conservancy Program	
(2) Reimbursements	
3780-001-0001—For support of Native American Heritage Commission.....	786,000
Schedule:	
(1) 10-Native American Heritage Commission.....	792,000
(2) Reimbursements.....	-6,000
3790-001-0001—For support of Department of Parks and Recreation.....	149,124,000
Schedule:	
(1) For support of the Department of Parks and Recreation.....	432,009,000
(2) Reimbursements.....	-33,441,000
(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).....	-5,057,000
(4.5) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3790-001-0044)....	-910,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140).....	-3,023,000
(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235).....	-10,098,000
(7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263).....	-64,243,000

- (8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)..... -123,804,000
- (9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)..... -353,000
- (10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)..... -2,168,000
- (11) Amount payable from the Federal Trust Fund (Item 3790-001-0890)..... -6,335,000
- (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)..... -4,555,000
- (14) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031)..... -435,000
- (15) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3790-001-6051)..... -12,020,000
- (16) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3790-002-6051)..... -12,268,000

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 allocation, except to the extent otherwise restricted by law, to allow the department to administer its grants. Those funds shall be available for encumbrance or expenditure until June 30, 2014.

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. 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 Department of Parks and Recreation, 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, 2009.
 - (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.
4. The Department of Parks and Recreation is authorized to enter into a contract for fee collection and other services required by the department with a cooperative association that has and will continue to fund state employees on an ongoing basis.
5. Of the amount appropriated in this item, \$4,001,000 General Fund and \$1,000,000 Proposition 84 funds shall be used for continued remediation and treatment activities at Empire Mine State Historic Park. Upon approval and order of the Director of Finance, the Controller

shall adjust the amount included in this item for remediation activities at Empire Mine based on the status or result of the mediation between the Department of Parks and Recreation and the Newmont Mining Company. Any adjustment for this purpose may be authorized no sooner than 30 days after written notification to the Chairperson of the Joint Legislative Budget Committee.

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.....	5,057,000
3790-001-0044—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.....	910,000
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.....	3,023,000
3790-001-0235—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	10,098,000
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....	64,243,000
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....	123,804,000
3790-001-0449—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Winter Recreation Fund.....	353,000
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.....	2,168,000
3790-001-0890—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Federal Trust Fund.....	6,335,000
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

1540 Item	STATUTES OF 2008	[Ch. 268] Amount
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.....		4,555,000
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.....		435,000
3790-001-6051—For support of Department of Parks and Recreation, payable to Item 3790-001-0001, from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		12,020,000
Provisions:		
1. Provision 5 of Item 3790-001-0001 also applies to this item.		
3790-002-6051—For support of Department of Parks and Recreation, payable to Item 3790-001-0001, from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		12,268,000
Provisions:		
1. The funds appropriated in this item shall be available for encumbrance until June 30, 2012.		
2. 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 \$12,268,000.		
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 until June 30, 2011..... 3,655,000

Schedule:

- (1) 80.25-Recreational Grants..... 2,155,000
- (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. Funds appropriated in this item are in lieu of the amount that otherwise would have been appropriated for the Department of Parks and Recreation, pursuant to paragraphs (1) and (3) of subdivision (a) of Section 2787 of the Fish and Game Code, and shall be available only for projects submitted to the department 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 until June 30, 2011..... 26,000,000

Schedule:

- (1) 80.12-OHV Grants..... 26,000,000

3790-101-0858—For local assistance, Department of Parks and Recreation, payable from the Recreational Trails Fund, to be available for expenditure until June 30, 2011..... 9,726,000

Schedule:

- (1) 80.12-OHV Grants..... 2,918,000

(2) 80.25-Recreational Grants..... 6,808,000
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 of Parks and Recreation 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 until June 30, 2011..... 5,079,000

Schedule:

(1) 80.25-Recreational Grants..... 4,000,000
 (2) 80.30-Historic Preservation Grants..... 1,079,000

Provisions:

1. The funds appropriated in Schedules (1) and (2) shall be available for expenditure for local assistance or capital outlay.

3790-102-0263—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 and pursuant to paragraph (2) of subdivision (b) of Section 8352.8 of the Revenue and Taxation Code, to be available for expenditure until June 30, 2011..... 1,100,000

Schedule:

(1) 80.12-OHV Grants..... 1,100,000

Provisions:

1. The funds appropriated in Schedule (1) shall be available to increase the amount of funds for restoration grants in the program pursuant to

paragraph (2) of subdivision (b) of Section 5090.50 of the Public Resources Code.

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.....	1,342,000
Schedule:	
(1) 90.RS.205-Statewide: State Park System—Minor Projects.....	506,000
(2) 90.EX.101-Malibu Creek State Park: Restore Sepulveda Adobe—Construction.....	836,000
3790-301-0263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund.....	4,293,000
Schedule:	
(1) 90.A7.105-Prairie City SVRA: 4x4 Improvements—Preliminary plans and working drawings.....	150,000
(2) 90.7C.102-Oceano Dunes SVRA: Visitor Center/Storage—Preliminary plans.....	143,000
(3) 90.RS.405-Statewide: OHV Opportunity Purchase/Pre-Budget Schematics—Study and Acquisition.....	1,000,000
(4) 90.RS.206-Statewide: OHV Minor Projects.....	3,000,000
Provisions:	
1. The funds appropriated in Schedule (3) shall be used to develop design 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 2009–10 or 2010–11 fiscal year.	
3790-301-0742—For capital outlay, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund.....	2,000,000
Schedule:	
(1) 90.RS.412-Statewide: State Park System Opportunity and Inholding Acquisitions.....	2,000,000
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated by this item shall be available for expenditure until June 30, 2012.	

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.

3790-301-6051—For capital outlay, Department of Parks and Recreation, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 7,635,000

Schedule:

- (1) 90.8G.104-Marshall Gold Discovery SHP: Park Improvements—Preliminary plans..... 340,000
- (2) 90.F2.103-Gaviota SP: Coastal Trail Development—Preliminary plans, working drawings, and construction..... 3,017,000
- (3) 90.RS.260-Statewide: Recreational Trails—Minor Projects..... 500,000
- (4) 90.RS.205-Statewide: State Park Systems—Minor Projects..... 1,648,000
- (5) 90.RS.235-Statewide: Volunteer Enhancement Program—Minor Projects..... 649,000
- (6) 90.RS.601-Statewide: Budget Development—Studies..... 300,000
- (7) 90.H6.102-Cuyamaca Rancho State Park: Equestrian Facilities—Preliminary plans..... 183,000
- (7.5) 90.H6.102-Cuyamaca Rancho State Park: Equestrian Facilities—Preliminary plans and working drawings..... 227,000

(8) 90.64.101-Eastshore State Park:
Brickyard Cove—Preliminary
plans..... 771,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2012, except appropriations for preliminary plans and working drawings, which shall be available for expenditure until June 30, 2010, and minor capital outlay and studies, which shall be available for expenditure until June 30, 2009. In addition, the balance of each 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, 2009, shall revert as of that date to the fund from which the appropriation was made.

3790-401—For the 2008–09 fiscal year, the balance as of July 1, 2008, deposits in, and accruals to, the Conservation and Enforcement Services Account in the Off-Highway Vehicle Trust Fund shall be transferred by the 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.

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citations is extended to June 30, 2009:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants,
- (5) Murray-Hayden Grants
- (c) City of Richmond: Richmond Natatorium, to enable seismic retrofit of the Natatorium

- (p) City of Los Angeles, Juntos Park: outdoor development at a recently acquired parcel to serve as a new park
 - (x) City of Anaheim: Maxwell Park Expansion Project from 15 to 21 acres
 - (ix) Santa Monica Mountains Conservancy: Arroyo Seco/Confluence Park
 - (vx) YMCA of San Diego County: Border View Expansion
 - (ey) Concerned Citizens of South Central Los Angeles: Acquisition and construction of Antes Columbus Youth Center, soccer field and pocket park, as amended by SB 1681, Section 12 of Chapter 672 of the Statutes of 2000
- (2) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (6c) Soccer and baseball fields
- (r) City of Los Angeles, Boyle Heights Sports Center for development of sports fields for both soccer and baseball as amended by SB 1681, Section 12 of Chapter 672, Statutes of 2000
- (3) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants,
- (1) Competitive grants (nonproject specific)
 - (c) Nonmotorized Trail Grants. This appropriation is limited to a \$200,000 grant to the San Dieguito River Park Joint Powers Authority.
- 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:
- 0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund
- (.5) Item 3790-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by 3790-490, Budget Act of 2003 (Ch. 157, Stats. 2003), and 3790-491, Budget Acts of 2005 (Chs. 38 and 39, Stats. 2005) and 2006 (Chs. 47 and 48, Stats. 2006)
- (5.5) 90.86.100-Rancho San Andreas: Castro Adobe—Preliminary plans, working drawings, and construction

- (20) 90.H9.101-Cardiff SB: Rebuild South Cardiff Facilities—Construction
- (1) 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)
 - (1) 90.GI.101-Crystal Cove State Park: El Morro Mobilehome Park Conversion—Construction
 - (2) Item 3790-301-0005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as partially reappropriated by Item 3790-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
 - (3) 90.16.101-San Elijo SB: Replace Main Lifeguard Tower—Preliminary plans and working drawings
 - (9) 90.86.100-Rancho San Andreas: Castro Adobe—Construction
 - (3) Item 3790-301-0005, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3790-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (3) 90.16.101-San Elijo SB: Replace Main Lifeguard Tower—Construction and equipment
 - (6) 90.8J.101-Columbia SHP: Drainage Improvements—Working drawings and construction
- (4) Item 3790-301-0005, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (2) 90.RS.205-Statewide: State Park System—Minor projects
- 0262—Habitat Conservation Fund
 - (1) Item 3790-301-0262, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
 - (1) 90.RS.406-Habitat Conservation: Proposed Additions—Acquisition
- 0263—Off-Highway Vehicle Trust Fund
 - (1) Item 3790-301-0263, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
 - (1) 90.RS.405-Statewide: OHV Opportunity Purchase/Budget Package/Schematic Planning—Acquisition and study
- 0890—Federal Trust Fund
 - (1) Item 3790-301-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (.5) 90.16.101-San Elijo State Beach: Replace Main Lifeguard Tower—Construction

- (1) 90.RS.801-Federal Trust Fund Program—
Acquisition, preliminary plans, working
drawings, and construction
- 6029—California Clean Water, Clean Air, Safe
Neighborhood Parks, and Coastal Protection Fund
- (1) Chapter 1126, Statutes of 2002, as reappropriated
by Item 3790-491, Budget Act of 2005
(Chs. 38 and 39, Stats. 2005), as reappropriated
by Item 3790-491, Budget Acts of 2006 (Chs.
47 and 48, Stats. 2006) and 2007 (Chs. 171 and
172, Stats. 2007)
- (2) 90.8L.101-California Indian Museum: Pre-
liminary plans, working drawings, and con-
struction
- (1.5) Item 3790-301-6029, Budget Act of 2002 (Ch.
379, Stats. 2002), as reappropriated by Item
3790-491, Budget Act of 2005 (Chs. 38 and
39, Stats. 2005)
- (1) 90.FJ.103-Will Rogers SHP: Restoration
Historic Landscape—Construction
- (6) 90.RS.224-Statewide: Acquisition-Proposition
40—Acquisition
- (1.8) Item 3790-301-6029, Budget Act of 2003 (Ch.
157, Stats. 2003), as reappropriated by Item
3790-491, Budget Act of 2005 (Chs. 38 and
39, Stats. 2005), Item 3790-493, Budget Act
of 2006 (Chs. 47 and 48, Stats. 2006), and Item
3790-491, Budget Act of 2007 (Chs. 171 and
172, Stats. 2007)
- (1) 90.AC.101-Railroad Technology Museum:
Rehabilitation and Facilities Plan—Study
and preliminary plans
- (2) 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), Budget Act of 2006 (Chs.
47 and 48, Stats. 2006), and Budget Act of 2007
(Chs. 171 and 172, Stats. 2007)
- (0.5) 90.AC.101-Railroad Technology Museum:
Rehabilitation and Facilities Plan—Work-
ing drawings and construction
- (2.2) 90.E4.104-Chino Hills SP: Entrance Road
and Facilities—Working drawings
- (5.1) 90.8D.102-Donner Memorial SP: New
Visitor Center—Working drawings, con-
struction, and equipment

- (5.4) 90.42.101-MacKerricher State Park: Rehabilitate Historic Pudding Creek Trestle—Construction
 - (5.5) Reimbursement-Railroad Technology Museum: Rehabilitation and Facilities Plan
 - (5.7) Reimbursement-Donner Memorial SP: Visitor Center
 - (3) Item 3790-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
 - (3) 90.E4.104-Chino Hills State Park: Entrance Road and Facilities—Construction and equipment
 - (5) 90.RS.412-Statewide: State Park System Opportunity and Inholding Acquisitions—Acquisition
 - (4) Item 3790-301-6029, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3790-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (3.5) 90.8D.102-Donner Memorial SP: New Visitor Center—Working drawings and construction
 - (3.8) Reimbursement—Donner Memorial SP: New Visitor Center
 - (5) Item 3790-301-6029, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 90.RS.810-Capital Outlay Projects—Acquisition, preliminary plans, working drawings, capital outlay, and minor projects
 - (3) Reimbursements: Capital Outlay Projects
 - (6) Item 3790-301-6029, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by 3790-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (3) 90.2U.102-Jedediah Smith Redwoods State Park: Aubell Maintenance Facility—Construction
- 6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006
- (1) Item 3790-301-6051, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (3.5) 90.KZ.104-Los Angeles SHP: Planning and Phase I Build-Out—preliminary plans
 - (5) 90.8I.101-Calaveras Big Trees State Park: New Visitor Center—Working drawings, construction, and equipment

- (6) Reimbursements: Calaveras Big Trees State Park: New Visitor Center
- 3790-492—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citation is extended to June 30, 2010:
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund
- (1) 3790-101-0005, Budget Act of 2001 (Ch. 106, Stats. 2001), (1) 80.25-Recreational Grants, (c) Murray-Hayden Urban Parks and Youth Services Program. This reappropriation is limited to a \$700,000 grant to the City of Los Angeles Department of Parks and Recreation for the Seoul International Park.
- 3790-493—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the periods to liquidate encumbrances of the following citations are extended until June 30, 2009:
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund
- (1) Item 3790-301-0005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) 90.RS.250-Statewide: Interpretive Exhibits—Minor projects
- 3790-495—Reversion, Department of Parks and Recreation. As of June 30, 2008, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund from which the appropriations were made:
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), as reappropriated by Item 3790-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (16) 90.KV.100-Los Angeles River Parkway Project: Acquisition and Development—Acquisition
- (2) Item 3790-301-0005, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3790-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (14) 90.5N.101-Mount Diablo State Park: Road System Improvements—Construction
- 0263—Off-Highway Vehicle Fund

(1) Item 3790-301-0263, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3790-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(1) 90.A7.102-Prairie City SVRA: Improvement Project—Working Drawings and construction	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3790-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3790-491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)	
(5.3) 90.8X.101-Plumas-Eureka State Park: Stamp Mill Preservation—Study and partial construction	
3810-001-0140—For support of Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund.....	279,000
Schedule:	
(1) 10-Santa Monica Mountains Conservancy.....	1,250,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3810-001-6029).....	-251,000
(3) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3810-001-6031).....	-241,000
(4) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3810-001-6051).....	-479,000
Provisions:	
1. Notwithstanding Article 4 (commencing with Section 11040) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, the Attorney General shall continue to provide legal services to the Santa Monica Mountains Conservancy consistent with the manner in which the Attorney General provides legal services to state agencies that are funded by appropriations made from the General Fund.	

- 2. (a) The Santa Monica Mountains Conservancy shall not encumber state-appropriated funds for the purchase or acquisition of real property directly or through any public agency intermediary, including the State Public Works Board, that requires the payment of interest costs, or late fees or penalties, unless the conservancy certifies all of the following: (1) that the purchase is necessary to implement an acquisition identified in the high-priority category of the work program submitted annually to the Legislature pursuant to Section 33208 of the Public Resources Code, or amendments made thereto, (2) that the purchase agreement does not involve interest payments or terms in excess of those that the State Public Works Board may enter into pursuant to Section 15854.1 of the Government Code, and (3) that the purchase agreement does not commit the state to future appropriations.
- (b) The Santa Monica Mountains Conservancy shall report periodically to the Legislature, but no less frequently than twice yearly, concerning the status of any purchases certified as required in (a) and the amount of state funds thus far encumbered for interest, penalties, or other principal surcharges.
- 3. The Santa Monica Mountains Conservancy shall execute a memorandum of understanding with the Office of the Attorney General providing for the reimbursement of the Attorney General's costs for reviewing the Santa Monica Mountains Conservancy's grant awards and attending the Santa Monica Mountains Conservancy's meetings.

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.....	251,000
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....	241,000

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<p>3810-001-6051—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-001-0140, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....</p> <p>3810-301-0941—For capital outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund.....</p> <p>Schedule:</p> <p>(1) 50.20-Capital Outlay and Local Assistance.....</p> <p>Provisions:</p> <p>1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants until June 30, 2011.</p> <p>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.</p> <p>3810-301-6051—For capital outlay, Santa Monica Mountains Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....</p> <p>Schedule:</p> <p>(1) 50.20-Capital Outlay and Local Assistance.....</p> <p>Provisions:</p> <p>1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants until June 30, 2011. The conservancy shall not encumber funds for any grant not previously approved by the office of the Attorney General.</p> <p>2. The Santa Monica Mountains Conservancy shall issue grants from this appropriation only in accordance with the General Obligation Bond Law and the specific provisions of the bond funds from which appropriations have been made, and according to advice it has received from the office of the Attorney General, and, if appropriate, from the office of the State Treasurer, respecting the permissible use of bond funds available to the conservancy.</p> <p>3. Any time that the office of the Attorney General concludes that any use of bond funds has not been consistent with the advice provided by the</p>	<p>479,000</p> <p>367,000</p> <p>367,000</p> <p>20,000,000</p>
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Attorney General, the Santa Monica Mountains Conservancy shall follow the instructions of the Attorney General with respect to recovery, refund, or other settlement.

3810-490—Reappropriation, Santa Monica Mountains Conservancy. The balances of the appropriation provided for in the following citation are reappropriated for the purposes, and subject to the limitations, unless otherwise specified, provided for in the appropriation and shall be available for encumbrance or expenditure until June 30, 2011:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3810-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)

3810-491—Reappropriation, Santa Monica Mountains Conservancy. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citations is extended to June 30, 2009:

0941—Santa Monica Mountains Conservancy Fund

(1) Reimbursements to Item 3810-301-0941, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3810-490, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

3820-001-0001—For support of San Francisco Bay Conservation and Development Commission..... 4,112,000

Schedule:

(1) 10-Bay Conservation and Development..... 5,645,000

(2) Reimbursements..... -1,317,000

(3) Amount payable from the Bay Fill Clean-up and Abatement Fund (Item 3820-001-0914)..... -216,000

3820-001-0914—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-0001, payable from the Bay Fill Clean-up and Abatement Fund..... 216,000

3825-001-0140—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Environmental License Plate Fund..... 348,000

Schedule:

(1) 10-San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy..... 1,220,000

(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3825-001-6029).....	-178,000	
(3) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3825-001-6031).....	-154,000	
(4) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3825-001-6051).....	-540,000	
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.....		178,000
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.....		154,000
3825-001-6051—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, for payment to Item 3825-001-0140, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		540,000
3825-301-6051—For capital outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		8,000,000
Provisions:		
1. The funds appropriated in this item are available for expenditure for capital outlay or grants until June 30, 2011.		
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.....		70,000
3830-001-0140—For support of San Joaquin River Conservancy, payable from the California Environmental License Plate Fund.....		302,000

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Schedule:

(1) 10-San Joaquin River Conservancy.....	498,000	
(2) Amount payable from the San Joaquin River Conservancy Fund (Item 3830-001-0104).....	-70,000	
(3) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3830-001-6051).....	-126,000	
3830-001-6051—For support of San Joaquin River Conservancy, for payment to Item 3830-001-0140, payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		126,000
3830-301-0104—For capital outlay, San Joaquin River Conservancy, payable from the San Joaquin River Conservancy Fund.....		0

Schedule:

- (1) 20-Capital Outlay Acquisitions and Improvement Projects..... 1,000,000
 - (2) Reimbursements..... -1,000,000
- Provisions:

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2011.
- 2. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, loans may be made from the General 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. The loan shall be repaid no later than June 30 of the following fiscal year.

3835-001-0140—For support of Baldwin Hills Conservancy, payable from the California Environmental License Plate Fund.....		345,000
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Schedule:

- (1) 10-Baldwin Hills Conservancy..... 576,000

(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3835-001-6029).....	-115,000	
(3) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3835-001-6051).....	-116,000	
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....		115,000
3835-001-6051—For support of Baldwin Hills Conservancy, for payment to Item 3835-001-0140, payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		116,000
3835-301-3014—For capital outlay, Baldwin Hills Conservancy, payable from the Baldwin Hills Conservancy Fund.....		0
Schedule:		
(1) 20-Capital Outlay Acquisition and Improvement Program.....	1,000,000	
(2) Reimbursements.....	-1,000,000	
Provisions:		
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2011.		
2. Notwithstanding any other provision of law, upon approval of the Department of Finance, loans may be made from the General 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 Baldwin Hills Conservancy has a valid contract or certification that demonstrates that sufficient funds will be available to repay the loan. The loan shall be repaid no later than June 30 of the following fiscal year.		
3835-301-6051—For capital outlay, Baldwin Hills Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		3,050,000

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Schedule:

(1) 20-Capital Outlay Acquisition and Improvement Program..... 3,050,000

Provisions:

1. Funds appropriated in this item are available for expenditures for capital outlay or local assistance through June 30, 2011.

3835-490—Reappropriation, Baldwin Hills Conservancy. 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, 2011:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3835-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)

(1) 20-Capital Outlay Acquisition and Improvement Program

(2) Item 3835-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(1) 20-Capital Outlay Acquisition and Improvement Program

(2) Reimbursements

3840-001-0140—For support of Delta Protection Commission, payable from the California Environmental License Plate Fund..... 165,000

3840-001-0516—For support of Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund..... 233,000

Schedule:

(1) 10-Delta Protection..... 371,000

(2) Reimbursements..... -138,000

3845-001-0140—For support of San Diego River Conservancy, payable from the California Environmental License Plate Fund..... 333,000

Schedule:

(1) 10-San Diego River Conservancy.... 333,000

3845-301-0140—For capital outlay, San Diego River Conservancy, payable from the California Environmental License Plate Fund..... 0

Schedule:

(1) 20-Capital Outlay Acquisition and Enhancement Projects..... 1,000,000

(2) Reimbursements..... -1,000,000

Provisions:

1. The funds appropriated in this item are available for expenditure or encumbrance for capital outlay or local assistance until June 30, 2011.

3850-001-0140—For support of Coachella Valley Mountains Conservancy, payable from the California Environmental License Plate Fund..... 269,000

Schedule:

- (1) 10-Coachella Valley Mountains Conservancy..... 441,000
- (2) Reimbursements..... -109,000
- (3) Amount payable from the Coachella Valley Mountains Conservancy Fund (Item 3850-001-0296)..... -33,000
- (4) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3850-001-6051)..... -30,000

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..... 33,000

3850-001-6051—For support of Coachella Valley Mountains Conservancy, for payment to Item 3850-001-0140, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 30,000

3850-301-0005—For capital outlay, Coachella Valley Mountains Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund..... 3,000

Schedule:

- (1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs..... 3,000

Provisions:

1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2011.

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..... 1,000

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Schedule:

- (1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs..... 1,000

Provisions:

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2011.

3850-301-6051—For capital outlay, Coachella Valley Mountains Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 11,554,000

Schedule:

- (1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs..... 11,554,000

Provisions:

- 1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2011.

3855-001-0140—For support of Sierra Nevada Conservancy, payable from the California Environmental License Plate Fund..... 4,023,000

Schedule:

- (1) 10-Sierra Nevada Conservancy..... 4,736,000
- (2) Reimbursements..... -200,000
- (3) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3855-001-6051)..... -513,000

3855-001-6051—For support of Sierra Nevada Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 513,000

3855-101-6051—For local assistance, Sierra Nevada Conservancy, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 17,000,000

Provisions:

- 1. The funds appropriated in this item shall be available for expenditure until June 30, 2011.

3860-001-0001—For support of Department of Water Resources..... 65,630,000

Schedule:

(1) 10-Continuing Formulation of the California Water Plan.....	93,885,000
(2) 20-Implementation of the State Water Resources Development System.....	5,489,000
(3) 30-Public Safety and Prevention of Damage.....	107,366,000
(4) 35-Central Valley Flood Protection Board.....	7,708,000
(5) 40-Services.....	9,405,000
(6) 45-California Energy Resources Scheduling (CERS).....	26,279,000
(7) 50.01-Management and Administration.....	65,319,000
(8) 50.02-Distributed Management and Administration.....	-65,470,000
(9) Reimbursements.....	-46,116,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-330,000
(11) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404).....	-1,578,000
(12) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445).....	-118,000
(13) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446).....	-125,000
(14) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465).....	-2,364,000
(15) Amount payable from the Local Projects Subaccount (Item 3860-001-0543).....	-101,000
(16) Amount payable from the Sacramento Valley Water Management and Habitat Protection Subaccount (Item 3860-001-0544).....	-27,000
(17) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744).....	-195,000

(18) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-13,514,000
(19) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-10,382,000
(20) Amount payable from the Department of Water Resources Electric Power Fund (Item 3860-001-3100).....	-26,229,000
(21) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001).....	-1,029,000
(21.5) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005).....	-162,000
(22) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-849,000
(23) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025).....	-1,503,000
(24) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-10,646,000
(25) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).....	-2,796,000
(26) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-13,870,000
(27) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3860-001-6051).....	-21,650,000
(28) Amount payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006 (Item 3860-001-6052).....	-30,767,000

Provisions:

1. The amounts appropriated in Items 3860-001-0001 to 3860-001-6052, 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. The funds appropriated in this item for purposes of subdivision (n) of Section 75050 of the Public Resources Code may be expended only so long as the United States Bureau of Reclamation continues to provide federal funds and continues to carry out federal actions to implement the settlement agreement in *Natural Resources Defense Council v. Rodgers* (2005) 381 F.Supp.2d 1212.

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.....	330,000
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.....	1,578,000
3860-001-0445—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Feasibility Projects Subaccount....	118,000
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.....	2,364,000
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.....	27,000
3860-001-0744—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the 1986 Water Conservation and Water Quality Bond Fund.....	195,000

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3860-001-0890—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Federal Trust Fund.....		13,514,000
3860-001-3057—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Dam Safety Fund.....		10,382,000
3860-001-3100—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Department of Water Resources Electric Power Fund.....		26,229,000
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.....		1,029,000
3860-001-6005—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Flood Protection Corridor Subaccount.....		162,000
3860-001-6023—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Conservation Account.....		849,000
3860-001-6025—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Conjunctive Use Subaccount.....		1,503,000
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.....		10,646,000
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.....		2,796,000
3860-001-6031—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002....		13,870,000
3860-001-6051—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		21,650,000
3860-001-6052—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006.....		30,767,000

Provisions:

1. Of the amount appropriated in this item, \$800,000 shall be used for studying erosion and sediment deposition in Sycamore Creek. These funds shall be available for encumbrance or expenditure until June 30, 2010.

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)..... 61,884,000

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, 2009.

3860-013-0144—For transfer by the Controller from the California Water Fund to the General Fund..... (1,100,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund. The repayment shall be made no later than June 30, 2013.

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3860-013-0244—For transfer by the Controller from the Environmental Water Fund to the General Fund.....		(2,400,000)
Provisions:		
1. The amount transferred in this item is a loan to the General Fund. The repayment shall be made no later than June 30, 2013.		
3860-101-0544—For local assistance, Department of Water Resources, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount.....		8,000,000
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
3860-101-6015—For local assistance, Department of Water Resources, payable from the River Protection Subaccount.....		2,273,000
3860-101-6023—For local assistance, Department of Water Resources, payable from the Water Conservation Account.....		12,000,000
Provisions:		
1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2011.		
3860-101-6031—For local assistance, Department of Water Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....		22,500,000
3860-101-6051—For local assistance, Department of Water Resources, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....		155,743,000
3860-101-6052—For local assistance, Department of Water Resources, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006.....		201,000,000
3860-301-6052—For capital outlay, Department of Water Resources, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006.....		31,068,000
Schedule:		
(.5) 30.95.115-American River Flood Control Project: Common Elements.....		8,734,000
(1) 30.95.155-Mid-Valley Levee Reconstruction Project.....		2,782,000

(1.1) 30.95.250-Yuba River Basin Project.....	734,000
(1.2) 30.95.251-Marysville Ring Levee Reconstruction Project.....	17,622,000
(2) 30.95.260-South Sacramento County Streams.....	1,624,000
(2.1) 30.95.311-Folsom Dam Modifications Project.....	4,986,000
(3) 30.95.316-Merced County Streams Projects Bear Creek Unit.....	2,300,000
(4) 30.95.343-Sutter Bypass East Water Control Structures.....	4,000,000
(5) Reimbursements—Mid-Valley Levee Reconstruction Project.....	-806,000
(5.5) Reimbursements—Yuba River Basin Project.....	-180,000
(5.6) Reimbursements—Folsom Dam Modifications Project.....	-1,454,000
(6) Reimbursements—South Sacramento County Streams.....	-444,000
(6.5) Reimbursements—American River Flood Control Project: Common Elements.....	-2,580,000
(7) Reimbursements—Merced County Streams Bear Creek Unit.....	-1,000,000
(8) Reimbursements-Marysville Ring Levee Reconstruction Project.....	-5,250,000

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 of the Water Code, the amounts appropriated in this item may be expended for state costs associated with preconstruction design and engineering work conducted by the federal government and others.

2. The amounts appropriated in this item are also for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items that are an obligation of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, 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 chairpersons of the committees in each house of the Legislature that consider 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.

3860-302-6052—For capital outlay, Department of Water Resources, payable from the Disaster Preparedness and Flood Prevention Bond Fund of 2006..... 358,890,000
Schedule:

- (1) 30.95.130-West Sacramento Project..... 1,300,000
- (1.2) 30.95.160-West Sacramento Early Implementation Project..... 37,370,000
- (1.5) 30.95.206- Natomas Levee Improvement Program Early Implementation..... 194,020,000
- (2) 30.95.340-Systemwide Levee Evaluations and Repairs..... 126,500,000
- (3) Reimbursements—West Sacramento Project..... -300,000

Provisions:

- 1. Funds appropriated in this item shall be expended for the evaluation, repair, rehabilitation, reconstruction, or replacement of flood protection facilities to their original design performance consistent with subdivision (a) of Section 5096.821 of the Public Resources Code, or for study and evaluation of facilities to provide enhanced levels of flood protection consistent with subdivision (b) of Section 5096.821 of the Public Resources Code.
- 2. Funds appropriated in this item may also be used for any of the following:
 - (a) Advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items that are an obligation of the state in connection with the completion or operation of the projects and for materials.
 - (b) Flood protection-related obligations of the state associated with 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.

- (c) Flood protection-related planning studies, surveys, preliminary plans, drawings, acquisitions, relocations, rights-of-way, construction, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel for completion of the projects.
- 3. Funds appropriated in this item may be used to implement the above projects without arrangements with the federal government after making all feasible efforts to obtain funding from the federal government in advance or 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.
- 4. Notwithstanding Section 26.00, funds may be transferred, with the approval of the Department of Finance, among projects specified in this item and other Department of Water Resources flood protection-related major capital outlay projects with an active appropriation. 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, 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.
- 5. Payments from a local sponsor may be received by the Department of Water Resources and may be advanced to the federal government.

3860-401—Notwithstanding Section 9613 of the Water Code, funding for the bridge project identified in paragraph (3) of subdivision (a) of Section 12670.11 of the Water Code, including amounts appropriated pursuant to Item 3860-301-6052 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), may be expended without the findings otherwise required by Section 9613.

3860-490—Reappropriation, Department of Water Resources. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2010:

0001—General Fund

(1) Item 3860-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), as reappropriated by Item 3860-490, Budget Acts of 2001 (Ch. 106, Stats. 2001), 2003 (Ch. 157, Stats. 2003), 2005 (Chs. 38 and 39, Stats. 2005), and 2006 (Chs. 47 and 48, Stats. 2006), and Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002)

(1.1) 30.95.111-1997 Flood Damage Repair Projects

(4) 30.95.210-Tisdale Bridge Replacement

(2) Item 3860-301-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-490, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

(3) 30.95.105-Marysville/Yuba Levee Reconstruction

(3) Item 3860-301-001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(3.5) 30.95.211-1997 Flood Damage Repair Projects—San Joaquin Valley

(4) 30.95.255-Eastside Bypass Levee Raising Project

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 Acts of 2003 (Ch. 157, Stats. 2003), and 2006 (Chs. 47 and 48, Stats. 2006)

(2) 30.95.200-Magpie Creek Small Flood Control Project

(4) 30.95.260-South Sacramento County Streams

3860-491—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, 2010:

0543—Local Projects Subaccount

- (1) Item 3860-101-0543, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the Local Projects Loan and Grant Program

6005—Flood Protection Corridor Subaccount

- (1) Item 3860-101-6005, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for the Flood Protection Corridor Program

6007—Urban Streams Restoration Subaccount

- (1) Item 3860-101-6007, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the Urban Streams Restoration Program
- (2) Item 3860-101-6007, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004) for Urban Streams Restoration

6010—Yuba Feather Flood Protection Subaccount

- (1) Item 3860-101-6010, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the Yuba Feather Flood Protection Program
- (2) Item 3860-101-6010, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for the Yuba Feather Flood Protection Program
- (3) Item 3860-101-6010, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for Yuba Feather Flood Protection Program

6014—Water and Watershed Education Subaccount

- (1) Item 3860-101-6014, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-491, Budget Act of 2003 (Ch. 157, Stats. 2003), for the Delta Science Center

6023—Water Conservation Account

- (1) Item 3860-101-6023, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the Infrastructure Rehabilitation Program, Groundwater Recharge Facilities Loan Program, and Urban Water Conservation Program
 - (2) Item 3860-101-6023, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for the Infrastructure Rehabilitation Program and Groundwater Recharge Facilities Loan Program
 - (3) Item 3860-101-6023, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for the Infrastructure Rehabilitation Program and Groundwater Recharge Facilities Loan Program
- 6025—Conjunctive Use Subaccount
- (1) Item 3860-101-6025, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004), and 2006 (Chs. 47 and 48, Stats. 2006), for the Groundwater Storage Program
- 6026—Bay-Delta Multipurpose Water Management Subaccount
- (1) 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 the CALFED Conveyance and Ecosystem Restoration Programs
- 6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount
- (1) Item 3860-101-6027, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-492, Budget Act of 2001 (Ch. 106, Stats. 2001), Item 3860-491, Budget Act of 2002 (Ch. 379, Stats. 2002), Item 3860-491, Budget Acts of 2003 (Ch. 157, Stats. 2003) and 2005 (Chs. 38 and 39, Stats. 2005), and Item 3860-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the Interim Reliable Water Supply Program
 - (2) Item 3860-101-6027, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the 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), as reappropriated by Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for the Delta Levees Special Projects

(2) Item 3860-101-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), for the Delta Levees Special Projects and Delta Levees Subventions Programs

3860-492—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, 2010:

6026—Bay Delta Multipurpose Water Management Subaccount

(1) Item 3860-001-6026, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006) for the CALFED Conveyance Program

(2) Item 3860-001-6026, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3860-491, Budget Acts of 2005 (Chs. 38 and 39, Stats. 2005) and 2007 (Chs. 171 and 172, Stats. 2007), for the CALFED Conveyance, Ecosystem Restoration, and Science Programs

(3) Item 3860-001-6026, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3860-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for the CALFED Conveyance Program

(4) Item 3860-001-6026, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3860-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the CALFED Conveyance, Drinking Water Quality, and Ecosystem Restoration Programs

(5) Item 3860-001-6026, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the CALFED Conveyance and Drinking Water Quality Programs

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), as reappropriated by Item 3860-491, Budget Acts of 2004 (Ch. 208, Stats. 2004) and 2006 (Chs. 47 and 48, Stats. 2006), for the Water Supply Reliability Program
- (2) Item 3860-001-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3860-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the CALFED Drinking Water Quality Program
- (3) Item 3860-001-6031, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for CALFED Water Use Efficiency Grants

3860-493—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, 2010:

0544—Sacramento Valley Water Management and Habitat Protection Subaccount

- (1) Item 3860-101-0544, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the Sacramento Valley Water Management Program

6010—Yuba Feather Flood Protection Subaccount

- (1) Item 3860-001-6010, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the Yuba Feather Flood Protection Program

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 3860-101-6031, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), for the Integrated Regional Water Management Program

3860-495—Reversion, Department of Water Resources. As of June 30, 2008, the appropriations provided in the following citations shall revert to the fund from which the appropriations were made:

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 3860-001-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)..... 5,001,000

3860-496—Reversion, Department of Water Resources. As of June 30, 2008, the amounts provided for in the following citations shall revert to the balance of the fund from which the appropriation was made:

0001—General Fund

- (1) 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 Acts of 2002 (Ch. 379, Stats. 2002) and 2003 (Ch. 157, Stats. 2003)
 - (3.1) 30.95.250-Yuba River Basin
 - Project..... 2,000,000
- (2) Item 3860-301-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 3860-493, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 30.95.115-American River
 - Flood Control Project Phase I:
 - Common Elements..... 3,324,606
- (3) Item 3860-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
 - (3) 30.95.115-American River
 - Flood Control Project: Common
 - Elements..... 28,341
- (4) Item 3860-301-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as partially reverted by Item 3860-496, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (2) 30.95.115-American River
 - Flood Control Project: Common
 - Elements..... 4,247,053
 - (5) 30.95.311-Folsom Dam Modifications Project..... 5,960,000

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

- 3900-001-0001—For support of State Air Resources Board, for payment to Item 3900-001-0044..... 2,189,000
- 3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund..... 105,261,000
- Schedule:
 - (1) 15-Mobile Source..... 552,652,000
 - (2) 25-Stationary Source..... 57,232,000
 - (3) 30.01-Program Direction and Support..... 14,941,000
 - (4) 30.02-Distributed Program Direction and Support..... -14,941,000
 - (5) Reimbursements..... -5,460,000
 - (6) Amount payable from the General Fund (Item 3900-001-0001)..... -2,189,000

(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-164,758,000
(8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421).....	-14,271,000
(9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-936,000
(10) Amount payable from the Federal Trust Fund (Item 3900-001-0890).....	-14,924,000
(11) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070).....	-1,514,000
(12) Amount payable from the Air Quality Improvement Fund (Item 3900-001-3119).....	-50,440,000
(13) Amount payable from the California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 3900-001-6054).....	-250,131,000
3900-001-0115—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Pollution Control Fund.....	164,758,000
3900-001-0421—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Vehicle Inspection and Repair Fund.....	14,271,000
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.....	936,000
3900-001-0890—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Federal Trust Fund.....	14,924,000
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.....	1,514,000
3900-001-3119—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Quality Improvement Fund.....	50,440,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

3900-001-6054—For support of Air Resources Board, for payment to Item 3900-001-0044, payable from the California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 250,131,000

Provisions:

1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated in this item shall be available for disbursements in liquidation of encumbrances until June 30, 2015. This provision conforms the appropriation to Section 39626.5 of the Health and Safety Code, added by Chapter 181, Statutes of 2007.

3900-011-0133—For transfer by the Controller, from the California Beverage Container Recycling Fund, to the Air Pollution Control Fund..... (32,000,000)

Provisions:

1. The transfer made by this item is a loan to the Air Pollution Control Fund and shall be fully repaid from revenues established by the State Air Resources Board pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code). The loan shall be repaid by the earliest feasible date. At least one-third of the loan shall be repaid on or before June 30, 2011, and the full amount shall be repaid on or before June 30, 2013. The loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer.

3900-101-0044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund..... 10,111,000

Schedule:

(1) 35-Subvention..... 10,111,000

Provisions:

1. It is the intent of the Legislature that funds appropriated in this item shall not be used to reduce the fees paid by permittees to the local air quality management and air pollution control districts.

Item Amount

3900-301-0115—For capital outlay, State Air Resources Board, payable from the Air Pollution Control Fund..... 491,000

Schedule:

(1) 40.10.002-Haagen-Smit Laboratory Seismic Retrofit—Construction..... 491,000

3900-490—Reappropriation, Air Resources Board. The balance of the appropriation provided in the following citation is reappropriated for the purpose provided in that appropriation and shall be available for encumbrance or expenditure until June 30, 2010:

6053—Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006

(1) Item 3900-001-6053, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) for purposes of the Lower Emission School Bus Program.

3900-491—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 until June 30, 2009. Notwithstanding Section 16304.1 of the Government Code, the funds shall be available for disbursements in liquidation of encumbrances until June 30, 2015. This provision conforms the appropriation to Section 39626.5 of the Health and Safety Code, added by Chapter 181, Statutes of 2007.

6054—California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006

(1) Item 3900-001-6054, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

3900-492—Reappropriation, State Air Resources Board. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided in those appropriations:

0115—Air Pollution Control Fund

(1) Item 3900-301-0115, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3900-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(1) 40.10.002—Haagen-Smit Laboratory Seismic Retrofit—Construction

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Item

STATUTES OF 2008

[Ch. 268]
Amount

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.....	5,109,000
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 2008–09 fiscal year.	
3910-001-0226—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the California Tire Recycling Management Fund.....	22,609,000
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 Subaccount, Integrated Waste Management Account.....	1,001,000
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.....	597,000
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.....	45,893,000
Schedule:	
(1) 11-Waste Reduction and Management.....	92,682,000

(2) 30.01-Administration.....	9,927,000
(3) 30.02-Distributed Administration....	-9,927,000
(4) Reimbursements.....	-1,505,000
(5) Amount payable from the California Used Oil Recycling Fund (Item 3910-001-0100).....	-5,109,000
(6) Amount payable from the California Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Resources Code).....	-386,000
(7) Amount payable from the California Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Resources Code).....	-3,300,000
(8) Amount payable from the California Tire Recycling Management Fund (Item 3910-001-0226).....	-22,609,000
(9) Amount payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund (Item 3910-001-0281).....	-1,001,000
(10) Amount payable from the Solid Waste Disposal Site Cleanup Trust Fund (Item 3910-001-0386).....	-597,000
(11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3910-006-0387).....	-640,000
(12) Amount payable from the Farm and Ranch Solid Waste Cleanup and Abatement Account (Item 3910-001-0558).....	-1,145,000
(13) Amount payable from the Federal Trust Fund (Item 3910-001-0890).....	-200,000
(14) Amount payable from the Rigid Container Account (Item 3910-001-3024).....	-162,000
(15) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 3910-001-3065)....	-10,135,000

Provisions:

1. Notwithstanding subdivision (h) of Section 42023.1 of the Public Resources Code, the Cali-

fornia Integrated Waste Management Board may offset the costs of administering the revolving loan program for Recycling Market Development Zones with funds appropriated in this item.

- 2. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

3910-001-0558—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Farm and Ranch Solid Waste Cleanup and Abatement Account..... 1,145,000
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 subparagraph (A) of paragraph (3) of subdivision (c) of Section 48100 of the Public Resources Code.

3910-001-0890—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Federal Trust Fund..... 200,000

3910-001-3024—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Rigid Container Account..... 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..... 10,135,000
Provisions:

- 1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, and not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, the California Integrated Waste Management Board may borrow sufficient funds for cashflow purposes of this account from special funds that otherwise provide support for other programs of the board. Loans made pursuant to this provision shall be repaid by June 30, 2010, with interest at the rate earned by the Pooled Money Investment Account.

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3910-003-0100—For transfer by the Controller, upon notification by the California Integrated Waste Management 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 subparagraph (A) of paragraph (2) of subdivision (c) of Section 48100 of the Public Resources Code.... (266,000)

3910-003-0226—For transfer by the Controller, upon notification by the California Integrated Waste Management 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 subparagraph (A) of paragraph (2) of subdivision (c) of Section 48100 of the Public Resources Code..... (400,000)

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 California Integrated Waste Management 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 subparagraph (A) of paragraph (2) 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..... 12,300,000

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.

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3910-101-0387—For local assistance, California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	6,404,000
3930-001-0106—For support of Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund.....	50,255,000
Schedule:	
(1) 10-Pesticide Programs.....	53,515,000
(2) 20.01-Administration.....	10,774,000
(3) 20.02-Distributed Administration.....	-10,774,000
(4) Reimbursements.....	-559,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3930-001-0140).....	-464,000
(6) Amount payable from the Federal Trust Fund (Item 3930-001-0890)....	-2,237,000
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.	
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.....	464,000
3930-001-0890—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the Federal Trust Fund.....	2,237,000
3940-001-0001—For support of State Water Resources Control Board.....	38,714,000
Schedule:	
(1) 10-Water Quality.....	461,545,000
(a) State Water Resources Control Board.....	(344,589,000)
(b) Regional Water Quality Control Boards.....	(116,956,000)
(1) Region 1-North Coast.....	(10,300,000)
(2) Region 2-San Francisco Bay.....	(15,048,000)
(3) Region 3-Central Coast.....	(8,302,000)

(4) Region 4-Los Angeles.....	(16,743,000)
(5) Region 5-Central Valley.....	(33,600,000)
(6) Region 6-Lahontan.....	(9,569,000)
(7) Region 7-Palm Desert.....	(5,222,000)
(8) Region 8-Santa Ana.....	(9,668,000)
(9) Region 9-San Diego.....	(8,504,000)
(2) 20-Water Rights.....	11,377,000
(3) 30.01-Administration.....	20,888,000
(4) 30.02-Distributed Administration.....	-20,888,000
(5) Reimbursements.....	-5,914,000
(6) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-623,000
(7) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193).....	-75,619,000
(8) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-103,000
(9) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235).....	-2,437,000
(10) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387).....	-6,493,000
(11) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419).....	-2,189,000
(12) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422).....	-515,000
(13) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424).....	-97,000
(14) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436).....	-64,000

- (15) Amount payable from the Under-ground Storage Tank Cleanup Fund (Item 3940-001-0439)..... -278,051,000
- (16) Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482)..... -219,000
- (17) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740)..... -322,000
- (18) Amount payable from the Federal Trust Fund (Item 3940-001-0890)..... -34,608,000
- (19) Amount payable from the Water Rights Fund (Item 3940-001-3058)..... -7,382,000
- (20) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013)..... -1,069,000
- (21) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016)..... -1,062,000
- (22) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017)..... -47,000
- (23) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-001-6019)..... -986,000
- (24) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020)..... -81,000
- (25) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021)..... -23,000
- (26) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022)..... -815,000
- (27) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3940-001-6029)..... -170,000
- (28) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031)..... -5,078,000

- (29) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3940-001-6051)..... -4,073,000
- (30) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026)..... -636,000
- (31) Amount payable from the State Water Pollution Control Revolving Fund Administration Fund (Item 3940-001-9739)..... -5,532,000

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. The funds listed in Schedule (1) may be authorized for transfer among regional water quality control boards or the State Water Resources Control Board not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee if the transfers collectively exceed \$100,000 during a 30-day period. Transfers of less than \$100,000 during a 30-day period may be executed at the discretion of the Director of Finance.

3940-001-0028—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Unified Program Account.....	623,000
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.....	75,619,000
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.....	103,000
3940-001-0235—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	2,437,000

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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.....		6,493,000
3940-001-0419—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Recycling Subaccount.....		2,189,000
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.....		97,000
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.....		64,000
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.....		278,051,000
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.....		219,000
3940-001-0740—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the 1984 State Clean Water Bond Fund.....		322,000
3940-001-0890—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Federal Trust Fund.....		34,608,000
3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund.....		7,382,000
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

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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.....	986,000
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.....	815,000
3940-001-6029—For support of the State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	170,000
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....	5,078,000
3940-001-6051—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	4,073,000
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.....	636,000
3940-001-9739—For support of the State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the State Water Control Pollution Revolving Fund Administration Fund.....	5,532,000

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3940-011-0193—For transfer by the Controller from the Waste Discharge Permit Fund to the State Water Cleanup and Abatement Account, a subaccount of the State Water Quality Control Fund.....		3,200,000
3940-101-0001—For local assistance, State Water Resources Control Board.....		0
Schedule:		
(1) 10-Water Quality.....	141,013,000	
(2) Amount payable from the Water Recycling Subaccount (Item 3940-101-0419).....	-8,332,000	
(3) Amount payable from the Watershed Protection Subaccount (Item 3940-101-6013).....	-5,736,000	
(4) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-101-6016).....	-639,000	
(5) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-101-6019).....	-2,891,000	
(6) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-101-6022).....	-3,863,000	
(7) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3940-101-6029).....	-3,353,000	
(8) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-101-6031).....	-4,214,000	
(9) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3940-101-6051).....	-100,485,000	
(10) 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, 2011.....		8,332,000

Item	Amount
3940-101-6013—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Watershed Protection Subaccount, to be available for expenditure until June 30, 2011.....	5,736,000
3940-101-6016—For support of the State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Santa Ana River Watershed Subaccount, to be available for expenditure until June 30, 2011.....	639,000
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, 2011.....	2,891,000
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, 2011.....	3,863,000
3940-101-6029—For support of the State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund, to be available for expenditure until June 30, 2011.....	3,353,000
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.....	4,214,000
Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated in this item shall be available for expenditure until June 30, 2011, and may be used to provide grants to local, state, federal, and private entities for projects.	
3940-101-6051—For support of State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, to be available for expenditure until June 30, 2011.....	100,485,000
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

3940-490—Reappropriation, State Water Resources Control Board. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2009:

0235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund

- (1) Item 3940-001-0235, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) 20-Water Rights

Provisions:

- 1. The State Water Resources Control Board shall conduct at least two public hearings or workshops in the North Coast Region regarding its proposed principles and guidelines for maintaining instream flows required pursuant to Chapter 943 of the Statutes of 2004. At least one of the public hearings shall be conducted in the northern part of the region and one in the southern part.

3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014.....

23,325,000

Provisions:

- 1. The Director of Toxic Substances Control may expend from this item: (a) \$11,604,000 for the following activities at the federal Stringfellow 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) \$4,266,000 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 federal Stringfellow 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, 2009, 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..... 54,553,000

Schedule:

- (1) 12-Site Mitigation and Brownfields Reuse..... 89,426,000
- (2) 13-Hazardous Waste Management..... 69,257,000
- (3) 19.01-Administration..... 33,132,000
- (4) 19.02-Distributed Administration..... -33,132,000
- (5) 20-Science, Pollution Prevention and Technology..... 14,701,000
- (6) 21-State Certified Unified Program..... 1,641,000
- (7) Reimbursements..... -12,140,000

- (8) Amount payable from General Fund (Item 3960-001-0001)..... -23,325,000
- (9) Amount payable from Unified Program Account (Item 3960-001-0028)..... -1,011,000
- (10) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065)..... -2,038,000
- (11) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100)..... -418,000
- (12) Amount payable from Toxic Substances Control Account (Item 3960-001-0557)..... -51,340,000
- (13) Amount payable from Federal Trust Fund (Item 3960-001-0890)..... -25,391,000
- (14) Amount payable from Environmental Quality Assessment Fund (Item 3960-001-3035)..... -576,000
- (15) Amount payable from Electronic Waste Recovery and Recycling Account (Item 3960-001-3065).... -2,592,000
- (16) Amount payable from State Certified Unified Program Agency Account (Item 3960-001-3084)..... -1,641,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the Department of Toxic Substances Control may borrow sufficient funds from special funds that otherwise provide support for the department for cashflow purposes. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.
2. Notwithstanding any other provision of law, upon request of the Director 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 State 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..... 9,597,000

Schedule:

(1) 12-Site Mitigation and Brownfields

Reuse..... 9,597,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. The Director of the Department of Toxic Substances Control shall report, in writing, not later than 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.... 1,011,000

3960-001-0065—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Illegal Drug Lab Cleanup Account..... 2,038,000

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..... 418,000

3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund..... 2,800,000

Schedule:

(1) 12-Site Mitigation and Brownfields

Reuse..... 2,800,000

Provisions:

1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, and approval by the Department

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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..... 51,340,000

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 of Toxic Substances Control 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.

3960-001-0572—For support of Department of Toxic Substances Control, payable from the Stringfellow Insurance Proceeds Account..... 1,500,000

Schedule:

- (1) 12-Site Mitigation and Brownfields Reuse..... 1,500,000

3960-001-0890—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Federal Trust Fund..... 25,391,000

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.

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3960-001-1003—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Cleanup Loans and Environmental Assistance to Neighborhoods Account..... 70,000

3960-001-3035—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Environmental Quality Assessment Fund..... 576,000

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..... 2,592,000

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.

3960-001-3084—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the State Certified Unified Program Agency Account..... 1,641,000

Provisions:

- 1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Department of Toxic Substances Control may borrow for cashflow purposes sufficient funds from special funds that otherwise provide support to the department. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.

- 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.

3960-011-0458—For transfer by the Controller from the Site Operation and Maintenance Account, Hazardous Substance Account, to the Toxic Substances Control Account..... (10,000)

Provisions:

- 1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer funds from the Site Operation and Maintenance Account to the Toxic Substances Control Account in an amount sufficient to fund the department’s costs of providing oversight for sites requiring long-term operation and maintenance. The amount of this transfer can be increased or decreased based on the department’s actual costs. The amount of funds transferred for the oversight shall not exceed the amount deposited in the Site Operation and Maintenance Account.

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.

3960-012-0458—For transfer by the Controller from the Site Operation and Maintenance Account, Hazardous Substance Account, to the Hazardous Waste Control Account..... (10,000)

Provisions:

- 1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer funds from the Site Operation and Maintenance Account to the Hazardous Waste Control Account in an amount sufficient to fund the department’s costs of providing oversight for sites requiring long-term operation and maintenance. The amount of this transfer can be increased or decreased based on the department’s actual costs. The amount of funds transferred for the oversight shall not exceed the amount deposited in the Site Operation and Maintenance Account.

3960-012-0557—For transfer by the Controller from the Toxic Substances Control Account to the Site Remediation Account..... (8,743,000)

3960-101-0890—For local assistance, Department of Toxic Substances Control, payable from the Federal Trust Fund..... 2,000,000

Schedule:

- (1) 12-Site Mitigation and Brownfields Reuse..... 2,000,000

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 in accordance with all applicable federal laws and guidelines.

3960-491—Reappropriation, Department of Toxic Substances Control. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided in those appropriations:

0001—General Fund

- (1) 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) and Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), and Item 3960-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (2) 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) and Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), and Item 3960-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (3) Item 3960-301-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3960-490, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), and Item 3960-491, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(1) 12.18.STF-Stringfellow Pretreatment Plant Site—Preliminary plans

3980-001-0001—For support of Office of Environmental Health Hazard Assessment..... 8,275,000

Schedule:

- (1) 10-Health Risk Assessment..... 18,218,000
- (2) Reimbursements..... -2,442,000
- (3) Amount payable from the Unified Program Account (Item 3980-001-0028)..... -130,000
- (4) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3980-001-0044).... -2,530,000
- (5) Amount payable from the California Used Oil Recycling Fund (Item 3980-001-0100)..... -581,000
- (6) Amount payable from the Department of Pesticide Regulation Fund (Item 3980-001-0106)..... -1,026,000
- (7) Amount payable from the California Environmental License Plate Fund (Item 3980-001-0140)..... -883,000

(8) Amount payable from the Integrated Waste Management Account (Item 3980-001-0387).....	-356,000	
(8.5) Amount payable from the Toxic Substances Control Account (Item 3980-001-0557).....	-557,000	
(9) Amount payable from the Federal Trust Fund (Item 3980-001-0890)....	-514,000	
(10) Amount payable from the Safe Drinking Water and Toxic Enforcement Fund (Item 3980-001-3056).....	-924,000	
3980-001-0028—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Unified Program Account.....		130,000
Provisions:		
1. The Office of Environmental Health Hazard Assessment may assist the Office of Emergency Services by establishing or revising toxicological and health-based parameters for the California Accidental Release Prevention Program. The Office of Environmental Health Hazard Assessment shall not establish policies and procedures for the California Accidental Release Prevention Program.		
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.....		2,530,000
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.....		581,000
3980-001-0106—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Department of Pesticide Regulation Fund.....		1,026,000
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.....		883,000
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.....		356,000

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3980-001-0557—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Toxic Substances Control Account.....		557,000
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.....		514,000
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.....		924,000

HEALTH AND HUMAN SERVICES

4100-001-0890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund.....		7,352,000
Schedule:		
(1) 10-State Council Planning and Administration.....	1,777,000	
(2) 20-Community Program Development.....	1,987,000	
(3) 40-Regional Offices and Local Area Boards.....	10,654,000	
(4) Reimbursements.....	-7,066,000	
4100-490—Reappropriation, State Council on Developmental Disabilities. The unencumbered balance of the appropriation provided in the following citation is reappropriated for the purposes specified in Provision 1 and shall be available for encumbrance or expenditure until June 30, 2009:		
0890—Federal Trust Fund		
(1) Item 4100-001-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)		
Provisions:		
1. The funds reappropriated by this item shall be available for transfer to and in augmentation of Item 4100-001-0890 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 State Council on Developmental Disabilities.

4120-001-0001—For support of Emergency Medical Services Authority.....	3,007,000
Schedule:	
(1) 10-Emergency Medical Services Authority.....	11,855,000
(2) Reimbursements.....	-5,219,000
(3) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001-0194).....	-426,000
(4) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	-1,435,000
(5) Amount payable from the Federal Trust Fund (Item 4120-001-0890)....	-1,768,000
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.....	426,000
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.....	1,435,000
4120-001-0890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Federal Trust Fund.....	1,768,000
4120-101-0001—For local assistance, Emergency Medical Services Authority, grants to local agencies.....	8,508,000
Schedule:	
(1) 10-Emergency Medical Services Authority.....	12,512,000
(2) Reimbursements.....	-3,300,000
(3) Amount payable from the Federal Trust Fund (Item 4120-101-0890)....	-704,000
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, 2006, 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.
5. It is the intent of the Legislature that the Director of the Emergency Medical Services Authority provide assistance, when feasible, to poison control centers in seeking sources of funding other than General Fund support, including grants from health-related foundations, federal grants, and assistance from the California Children and Families Commission, or other relevant entities. It is also the intent of the Legislature that poison control centers assertively seek and obtain funding from foundations, private-sector entities, the federal government, and sources other than the General Fund.

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4120-101-0890—For local assistance, Emergency Medical Services Authority, for payment to Item 4120-101-0001, payable from the Federal Trust Fund.....	704,000
4120-495—Reversion, Emergency Medical Services Authority. As of June 30, 2008, the balance specified below of the appropriations provided for in the following citations shall revert to the balance of the fund from which the appropriations were made: 0001—General Fund	
(1) Item 4120-001-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(1) 10-Emergency Medical Services Authority.....	75,000
(2) Item 4120-101-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
(1) 10-Emergency Medical Services Authority.....	24,000
4140-001-0001—For support of Office of Statewide Health Planning and Development.....	73,000
Schedule:	
(1) 10-Health Care Quality and Analysis.....	6,978,000
(2) 30-Health Care Workforce.....	11,472,000
(3) 42-Facilities Development.....	43,881,000
(4) 45-Cal-Mortgage Loan Insurance....	4,828,000
(5) 60-Health Care Information.....	9,476,000
(6) 80.01-Administration.....	12,247,000
(7) 80.02-Distributed Administration.....	-11,667,000
(8) Reimbursements.....	-956,000
(9) Amount payable from the Hospital Building Fund (Item 4140-001-0121).....	-44,401,000
(10) Amount payable from the California Health Data and Planning Fund (Item 4140-001-0143).....	-18,622,000
(11) Amount payable from the Registered Nurse Education Fund (Item 4140-001-0181).....	-2,029,000
(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).....	-471,000

(14) Amount payable from the Vocational Nurse Education Fund (Item 4140-001-3068).....	-135,000	
(15) Amount payable from the Medical-ly Underserved Account for Physicians, Health Professions Education Fund (Section 128555, Health and Safety Code).....	-1,027,000	
(15.5) Amount payable from the Mental Health Services Fund (Item 4140-001-3085).....	-2,919,000	
(16) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 129200, Health and Safety Code).....	-4,828,000	
(17) Amount payable from the Health Professions Education Fund (Section 128355, Health and Safety Code).....	-1,519,000	
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.....		44,401,000
Provisions:		
1. Notwithstanding any other provision of law, upon request by the Office of Statewide Health Planning and Development, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the review of hospital building plans. The augmentation may be effected not sooner than 30 days after notification in writing of the necessity 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 determine.		
4140-001-0143—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the California Health Data and Planning Fund.....		18,622,000
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.....		2,029,000

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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.....	471,000
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.....	135,000
4140-001-3085—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Mental Health Services Fund.....	2,919,000
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.

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4140-011-0121—For transfer by the Controller, upon order of the Director of Finance, from the Hospital Building Fund to the General Fund.....	(10,000,000)
4140-011-0143—For transfer by the Controller, upon order of the Director of Finance, from the California Health Data and Planning Fund to the General Fund.....	(12,000,000)
4140-017-0143—For support of Office of Statewide Health Planning and Development, payable from the California Health Data and Planning Fund.....	111,000
Schedule:	
(1) 60-Health Care Information.....	111,000
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.....	0
Schedule:	
(1) 30-Health Care Workforce.....	8,556,000
(2) Reimbursements.....	-400,000
(3) Amount payable from California Health Data and Planning Fund (Item 4140-101-0143).....	-6,656,000
(4) Amount payable from the Federal Trust Fund (Item 4140-101-0890)....	-1,000,000
(5) Amount payable from the Mental Health Services Fund (Item 4140-101-3085).....	-500,000
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 2009–10, 2010–11, and 2011–12 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..... 6,656,000

- Provisions:
1. Notwithstanding subdivision (a) of Section 1.80 or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools, or programs that train primary care physicians’ assistants or primary care nurse practitioners, as well as contracts with hospitals or other health care delivery systems located in California, that meet the standards of the 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 2009–10, 2010–11, and 2011–12 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

4140-101-3085—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-0001, payable from the Mental Health Services Fund..... 500,000

4170-001-0001—For support of Department of Aging... Schedule: 4,184,000

- (1) 10-Nutrition..... 2,987,243
- (2) 20-Senior Community Employment Service..... 681,012
- (3) 30-Supportive Services and Centers..... 4,791,438
- (4) 40-Special Projects..... 8,097,307
- (5) 50.01-Administration..... 14,329,445
- (6) 50.02-Distributed Administration..... -14,329,445
- (7) Reimbursements..... -4,024,000
- (8) Amount payable from the State HICAP Fund (Item 4170-001-0289)..... -223,000

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(9) Amount payable from the Federal Trust Fund (Item 4170-001-0890)....	-8,006,000	
(10) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-003-0942).....	-120,000	
4170-001-0289—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the State HICAP Fund.....		223,000
4170-001-0890—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Trust Fund.....		8,006,000
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 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 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.		
4170-001-3085—For support of Department of Aging, payable from the Mental Health Services Fund.....		95,000
4170-003-0942—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Health Facilities Citation Penalties Account, Special Deposit Fund.....		120,000
4170-017-0001—For support of Department of Aging....		12,000
Schedule:		
(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.....	56,109,000
Schedule:	
(1) 10-Nutrition.....	73,373,000
(2) 20-Senior Community Employment Service.....	10,304,000
(3) 30-Supportive Services and Centers.....	71,894,000
(4) 40-Special Projects.....	50,003,000
(4.5) 97.20.004-Local Projects.....	200,000
(a) Legal Services of Northern California: Senior Legal Hotline	
(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).....	-141,418,000
(8) Amount payable from the Federal Health Facilities 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 Care 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

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4170-101-0890—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Trust Fund.....	141,418,000
Provisions:	
1. Provision 1 of Item 4170-001-0890 is also applicable to this item.	
2. Notwithstanding subdivision (e) 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 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.	
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....	54,000
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 California 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 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.

4180-002-0890—For support of Commission on Aging, payable from the Federal Trust Fund..... 355,000
Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures from the Federal Trust Fund for the California 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 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.

4185-001-0983—For support of California Senior Legislature, payable from the California Fund for Senior Citizens..... 260,000
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 of the Legislature and the

Chairperson of the Joint Legislative Budget Committee.

4200-001-0001—For support of Department of Alcohol and Drug Programs..... 14,701,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 57,702,000
- (2) 30.01-Administration..... 11,999,000
- (3) 30.02-Distributed Administration..... -11,999,000
- (4) Reimbursements..... -4,932,000
- (5) Amount payable from the Driving-Under-the-Influence Program Licensing Trust Fund (Item 4200-001-0139)..... -1,519,000
- (6) Amount payable from the Narcotic Treatment Program Licensing Trust Fund (Item 4200-001-0243)..... -1,352,000
- (7) Amount payable from Indian Gaming Special Distribution Fund (Item 4200-001-0367)..... -4,281,000
- (8) Amount payable from the Audit Repayment Trust Fund (Item 4200-001-0816)..... -70,000
- (9) Amount payable from the Federal Trust Fund (Item 4200-001-0890)..... -24,760,000
- (10) Amount payable from the Substance Abuse Treatment Trust Fund (Item 4200-001-3019)..... -3,565,000
- (11) Amount payable from the Mental Health Services Fund (Item 4200-001-3085)..... -507,000
- (12) Amount payable from the Gambling Addiction Program Fund (Item 4200-001-3110)..... -150,000
- (13) Amount payable from Residential and Outpatient Program Licensing Fund (Item 4200-001-3113)..... -1,865,000

Provisions:

- 1. Upon approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-101-0001, 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 opera-

tions that have the most critical need. In making the 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.

4200-001-0139—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..... 1,519,000

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 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.

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..... 1,352,000

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 is provided to the chairpersons of the fiscal committees 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.

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..... 4,281,000

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..... 70,000

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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.....	24,760,000
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.....	3,565,000
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.....	507,000
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.	
4200-001-3110—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Gambling Addiction Program Fund.....	150,000
4200-001-3113—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Residential and Outpatient Program Licensing Fund.....	1,865,000
4200-017-0001—For support of Department of Alcohol and Drug Programs, for implementation of the Health Insurance Portability and Accountability Act.....	783,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 1,699,000
- (2) Reimbursements..... -916,000

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..... 89,197,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 438,351,000
- (2) Reimbursements..... -10,807,000
- (2.5) Amount payable from the Indian Gaming Special Distribution Fund (Item 4200-101-0367)..... -4,000,000
- (3) Amount payable from the Federal Trust Fund (Item 4200-101-0890)..... -237,833,000
- (4) Amount payable from the Substance Abuse Treatment Fund (Item 4200-101-3019)..... -96,514,000

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 sub-
division (a) of Section 16314 of the Government
Code, upon receipt of the federal SAPT Block
Grant.

4200-101-0367—For local assistance, Department of
Alcohol and Drug Programs, for payment to Item
4200-101-0001, payable from the Indian Gaming
Special Distribution Fund..... 4,000,000

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..... 237,833,000

Provisions:

1. Upon order of the Department of Finance, the
Controller shall transfer funds as necessary be-
tween this item and Item 4200-001-0890. In de-
termining 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.

4200-101-3019—For local assistance, Department of
Alcohol and Drug Programs, for payment to Item
4200-101-0001, payable from the Substance Abuse
Treatment Fund..... 96,514,000

Provisions:

1. Funds appropriated in this item are in lieu of the
amounts that otherwise would have been appro-
priated 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)..... 4,639,000
Schedule:

- (1) 15-Alcohol and Other Drug Ser-
vices Program..... 9,278,000
- (2) Reimbursements..... -4,639,000

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 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.

4200-103-0001—For local assistance, Department of Alcohol and Drug Programs, Drug Medi-Cal Services.....	93,721,000
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Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 180,812,000
- (2) Reimbursements..... -87,091,000

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 exceed the amount encumbered in prior fiscal years. The department 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.

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 de-

partment 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.

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.....	100,079,000
4260-001-0001—For support of Department of Health Care Services.....	132,184,000
Schedule:	
(1) 20-Health Care Services.....	383,834,000
(2) 30.01-Administration.....	26,317,000
(3) 30.02-Distributed Administration.....	-26,488,000
(4) Reimbursements.....	-20,644,000
(5) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009).....	-90,000

(6) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080).....	-145,000
(7) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236).....	-775,000
(8) Amount payable from the Federal Trust Fund (Item 4260-001-0890).....	-227,017,000
(9) Amount payable from the Mental Health Services Fund (Item 4260-001-3085).....	-795,000
(10) Amount payable from the California Discount Prescription Drug Program Fund (Item 4260-001-8040).....	-2,013,000

Provisions:

1. Effective February 1, 2009, the State Department of Health Care Services shall report biennially in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairpersons of the committees in each house of the Legislature that consider 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.
2. 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 office of the State Chief Information Officer. The State Department of Health Care 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 office of the State Chief Information Officer, and shall include with the notification a copy of the approved feasibility study report that reflects any changes.

- 3. Of the funds appropriated in Item 4260-001-0001, \$594,000 is for the Provider Enrollment Automation Project. Upon completion of the procurement activities and prior to contract award, the department shall submit a Special Project Report (SPR) to the office of the State Chief Information Officer. Except for project management and oversight activities, these funds shall not be encumbered or expended until the SPR has been approved by the office of the State Chief Information Officer. If the amount approved is less than the amount appropriated, the State Department of Health Care Services shall only spend the amount approved, and any remaining funds shall be reverted at the end of the fiscal year.

4260-001-0009—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Control Account....	90,000
4260-001-0080—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Childhood Lead Poisoning Prevention Fund.....	145,000
4260-001-0236—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	775,000
4260-001-0890—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund.....	227,017,000

Provisions:

- 1. Of the funds appropriated in this item, \$1,069,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00, the State Department of Health Care 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. Of the funds appropriated in this item, \$1,783,000 is for the Provider Enrollment Automation Project. Upon completion of the procurement activities and prior to contract award, the department shall submit a Special Project Report (SPR) to the office of the State Chief Information Officer. Except for project management and oversight activities, these funds may not be encumbered or expended until the SPR

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has been approved by the office of the State Chief Information Officer. If the amount approved is less than the amount appropriated, the State Department of Health Care Services shall only spend the amount approved, and any remaining funds shall be reverted at the end of the fiscal year.

4260-001-3085—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the Mental Health Services Fund..... 795,000

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.

4260-001-8040—For support of Department of Health Care Services, for payment to Item 4260-001-0001, payable from the California Discount Prescription Drug Program Fund..... 2,013,000

Provisions:

1. Funds appropriated in this item shall be available for support of the California Discount Prescription Drug Program.
2. The Department of Finance may augment this item not sooner than 30 days after notification in writing to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may determine.

4260-004-0942—For support of Department of Health Care Services, payable from the Special Deposit Fund, Local Education Agency Medi-Cal Recovery Account..... 1,683,000

4260-006-0001—For transfer by the Controller to the California Discount Prescription Drug Program Fund..... 5,870,000

Provisions:

1. The Department of Finance may increase the amount of the transfer authorized by this item not sooner than 30 days after notification in writing to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint

Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may determine.

4260-007-0890—For support of Department of Health Care Services, payable from the Federal Trust Fund..... 16,663,000

Provisions:

- 1. Notwithstanding Section 28.00, adjustments may be made to this item by the Department of Finance to align this appropriation with legislative actions and other technical adjustments affecting any recipient department’s appropriation authority.

4260-017-0001—For support of Department of Health Care Services, for implementation of the Health Insurance Portability and Accountability Act..... 4,663,000

Schedule:

- (1) 20-Health Care Services..... 16,861,000
- (2) Reimbursements..... -26,000
- (3) Amount payable from Federal Trust Fund (Item 4260-017-0890)..... -12,172,000

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 Care Services, for payment to Item 4260-017-0001, payable from the Federal Trust Fund, for implementation of the Health Insurance Portability and Accountability Act..... 12,172,000

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 Care Services, Medical Assistance Program, payable from the Health Care Deposit Fund (0912) after transfer from the General Fund..... 14,047,759,000

Schedule:

(1) 20.10.010-Eligibility (County Administration).....	2,739,255,000
(2) 20.10.020-Fiscal Intermediary Management.....	268,647,000
(3) 20.10.030-Benefits (Medical Care and Services).....	32,737,727,000
(4) Reimbursements.....	-203,216,000
(5) Amount payable from Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080).....	-160,000
(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).....	-21,457,710,000

Provisions:

1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2008–09 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 Care 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. Additionally, any rule or regulation adopted by the State Department of Health Care Services and any communication that increases costs in the Medi-Cal program shall be effective only 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. The semiannual estimates of Medi-Cal expenditures provided to the Legislature in January and May may constitute the notification required by this provision.
 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 of the Legislature and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such

lesser time as the chairperson of the joint committee, or his or her designee, may designate. The semiannual estimates of Medi-Cal expenditures provided 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 Care 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, 4260-111-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the trans-

fer amount, and any potential fiscal effects on the program from which funds are being transferred or for which funds are being reduced.

11. Notwithstanding any other provision of law and Section 26.00, the Department of Finance may authorize the 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.

12. If a federal grant that provides 75 percent federal financial participation to allow individuals in nursing homes to voluntarily move into a community setting and still receive the same amount of funding for services is awarded to the State Department of Health Care Services during the 2008–09 fiscal year, then, notwithstanding any other provision of law, the department may count expenditures from the appropriation made to this item as state matching funds for that grant.

13. Of the funds appropriated in this item, up to \$9,150,000 may be utilized to resolve the deferral issue by the federal Centers for Medicare and Medicaid Services (Deferral No. CA/2006/3/E/15/MAP) related to the Fresno County Intergovernmental Transfer transaction.

4260-101-0080—For local assistance, Department of Health Care Services, for payment to Item 4260-101-0001, payable from the Childhood Lead Poisoning Prevention Fund.....	160,000
4260-101-0232—For local assistance, Department of Health Care Services, for payment to Item 4260-101-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund.....	18,000,000

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4260-101-0236—For local assistance, Department of Health Care 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 Care Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund....	21,457,710,000
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 Care 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.....	50,939,000
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, 4260-111-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential effects on the program from which funds are being transferred or reduced.	
4260-102-0890—For local assistance, Department of Health Care 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.....	50,939,000
Provisions:	
1. Any of the provisions in Item 4260-102-0001 that are relevant to this item also apply to this item.	
4260-104-0001—For transfer to the Nondesignated Public Hospital Supplemental Fund.....	1,900,000

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4260-105-0001—For transfer to the Private Hospital Supplemental Fund..... 104,800,000

Provisions:

1. The amount appropriated for transfer in this item shall be reduced by an amount, if any, equal to one-half of the difference between \$18,300,000 and the amount of any reduction in the additional payments for distressed hospitals calculated pursuant to subparagraph (B) of paragraph (3) of subdivision (b) of Section 14166.20 of the Welfare and Institution Code, as determined by the Director of Finance.

4260-106-0890—For local assistance, Department of Health Care Services, Program 20.10.030-Benefits (Medical Care and Services), payable from the Federal Trust Fund..... 2,004,000

4260-111-0001—For local assistance, Department of Health Care Services..... 208,191,000

Schedule:

- (1) 20.25-Children’s Medical Services..... 362,926,000
- (2) 20.35-Primary and Rural Health.... 50,389,000
- (3) Reimbursements..... -55,353,000
- (4) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080)..... -24,000
- (5) Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233)..... -774,000
- (6) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236)..... -13,081,000
- (7) Amount payable from the Federal Trust Fund (Item 4260-111-0890)..... -135,892,000

Provisions:

1. Program 20.25-Children’s Medical Services: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the California Children’s Services Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.
2. Notwithstanding any other provision of law, the Department of Finance may authorize transfer

of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or reduced.

4260-111-0080—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Childhood Lead Poisoning Prevention Fund..... 24,000

4260-111-0233—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund..... 774,000

4260-111-0236—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund..... 13,081,000

4260-111-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund..... 135,892,000

Provisions:

- 1. Of the funds appropriated in this item, \$408,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00, the State Department of Health Care Services shall report under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project.

4260-113-0001—For local assistance, Department of Health Care Services, for the Healthy Families Program (Medi-Cal)..... 208,380,000
Schedule:

- (1) 20.10.010-Eligibility (County Administration)..... 4,321,000
- (2) 20.10.020-Fiscal Intermediary Management..... 441,000

(3) 20.10.030-Benefits (Medical Care and Services)..... 567,046,000

(4) Amount payable from the Federal Trust Fund (Item 4260-113-0890)..... -363,428,000

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, 4260-102-0001, 4260-111-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential effects on the program from which funds are being transferred or reduced.

4260-113-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund..... 363,428,000

Provisions:

1. Any of the provisions in Item 4260-113-0001 that are relevant to this item also apply to this item.

4260-117-0001—For local assistance, Department of Health Care Services, for implementation of the Health Insurance Portability and Accountability Act..... 7,140,000

Schedule:

(1) 20.10.010-Eligibility (County Administration)..... 8,401,000

(2) 20.10.020-Fiscal Intermediary Management..... 32,479,000

(3) Amount payable from the Federal Trust Fund (Item 4260-117-0890)..... -33,740,000

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 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.
- 3. Notwithstanding any other provision of law, the Department of Finance may authorize the transfer of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, 4260-111-0001, and 4260-113-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or reduced.

4260-117-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-117-0001, payable from the Federal Trust Fund, for implementation of the Health Insurance Portability and Accountability Act..... 33,740,000

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.

Item

Amount

4260-119-8040—For local assistance, Department of Health Care Services, payment from the California Discount Prescription Drug Program Fund..... 3,857,000

Provisions:

1. Funds appropriated in this item shall be available for the California Discount Prescription Drug Program.
2. The Department of Finance may augment this item 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, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

4260-492—Reappropriation, Department of Health Care 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, 2009, as specified:

0001—General Fund

- (1) Item 4260-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Funds appropriated in this item for the National Cooperative Bank Development Corporation Contract within the Assisted Living Waiver Pilot Project are available for expenditure during the 2008–09 fiscal year.

0890—Federal Fund

- (1) Item 4260-001-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Funds appropriated in this item for the National Cooperative Bank Development Corporation Contract within the Assisted Living Waiver Pilot Project are available for expenditure during the 2008–09 fiscal year.

4265-001-0001—For support of Department of Public Health..... 86,147,000

Schedule:

- (1) 10-Public Health Emergency Preparedness..... 31,868,000
- (2) 20-Public and Environmental Health..... 501,031,000

(3)	30-Licensing and Certification....	163,559,000
(4)	40.01-Administration.....	21,564,000
(5)	40.02-Distributed Administration.....	-21,564,000
(6)	Reimbursements.....	-37,261,000
(7)	Amount payable from the Breast Cancer Research Account (Item 4265-001-0007).....	-1,571,000
(8)	Amount payable from the Breast Cancer Control Account (Item 4265-001-0009).....	-8,559,000
(9)	Amount payable from the Nuclear Planning Assessment Special Account (Item 4265-001-0029).....	-950,000
(10)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4265-001-0044)....	-1,355,000
(11)	Amount payable from the Sale of Tobacco to Minors Control Account (Item 4265-001-0066).....	-2,522,000
(12)	Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4265-001-0070)....	-3,035,000
(13)	Amount payable from the Medical Waste Management Fund (Item 4265-001-0074).....	-2,170,000
(14)	Amount payable from the Radiation Control Fund (Item 4265-001-0075).....	-23,648,000
(15)	Amount payable from the Tissue Bank License Fund (Item 4265-001-0076).....	-320,000
(16)	Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4265-001-0080).....	-9,670,000
(17)	Amount payable from the Export Document Program Fund (Item 4265-001-0082).....	-406,000
(18)	Amount payable from the Clinical Laboratory Improvement Fund (Item 4265-001-0098).....	-5,751,000
(19)	Amount payable from the Health Statistics Special Fund (Item 4265-001-0099).....	-28,341,000
(20)	Amount payable from the Wine Safety Fund (Item 4265-001-0116).....	-60,000

(21) Amount payable from the Water Device Certification Special Account (Item 4265-001-0129).....	-244,000
(22) Amount payable from the Food Safety Fund (Item 4265-001-0177).....	-6,844,000
(23) Amount payable from the Environmental Laboratory Improvement Fund (Item 4265-001-0179).....	-3,337,000
(24) Amount payable from the Genetic Disease Testing Fund (Item 4265-001-0203).....	-115,154,000
(25) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-001-0231).....	-8,219,000
(26) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-001-0234).....	-5,821,000
(27) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-001-0236).....	-2,541,000
(28) Amount payable from the Drinking Water Operator Certification Special Account (Item 4265-001-0247).....	-1,637,000
(29) Amount payable from the Nursing Home Administrator's State License Examining Fund (Item 4265-001-0260).....	-598,000
(30) Amount payable from the Infant Botulism Treatment and Prevention Fund (Item 4265-001-0272).....	-5,955,000
(31) Amount payable from the Safe Drinking Water Account (Item 4265-001-0306).....	-12,646,000
(32) Amount payable from the Registered Environmental Health Specialist Fund (Item 4265-001-0335).....	-395,000
(33) Amount payable from the Vectorborne Disease Account (Item 4265-001-0478).....	-120,000
(33.5) Amount payable from the Toxic Substances Control Account (Item 4265-001-0557).....	-1,025,000

(34) Amount payable from the Drinking Water Treatment and Research Fund (Item 4265-001-0622).....	-706,000
(35) Amount payable from the Domestic Violence Training and Education Fund (Item 4265-001-0642).....	-936,000
(36) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 4265-001-0823).....	-956,000
(37) Amount payable from the Federal Trust Fund (Item 4265-001-0890).....	-208,211,000
(38) Amount payable from the Drug and Device Safety Fund (Item 4265-001-3018).....	-4,664,000
(39) Amount payable from the Medical Marijuana Program Fund (Item 4265-001-3074).....	-422,000
(40) Amount payable from the Cannery Inspection Fund (Item 4265-001-3081).....	-2,174,000
(41) Amount payable from the State Department of Public Health Licensing and Certification Program Fund (Item 4265-001-3098).....	-91,995,000
(42) Amount payable from the Retail Food Safety and Defense Account (Item 4265-001-3111).....	-20,000
(43) Amount payable from the Birth Defects Monitoring Fund (Item 4265-001-3114).....	-4,271,000
(44) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4265-001-6031).....	-3,479,000
(45) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 4265-001-6051).....	-2,123,000
(46) Amount payable from California Prostate Cancer Research Fund (Item 4265-001-8025).....	-199,000

Provisions:

1. Except as otherwise prohibited by law, the State Department of Public Health (SDPH) shall pro-

mulgate emergency regulations to adjust the public health fees set by regulation to an amount such that, if the new fees were effective throughout the 2008–09 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 SDPH 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 3.29 percent. The special fund fees of SDPH 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 3.29 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 2008–09 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 4.57 percent, effective July 1, 2008.
3. The State Department of Public Health shall limit expenditures in this item to implement the Uniform Anatomical Gift Act (Ch. 829, Stats. 2000) to the amount of actual fees collected from tissue banks.
4. 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 State Chief Information Officer. The State Department of Public Health 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 State Chief Information Officer, and shall include with the notification a copy of the approved feasibility study report that reflects the State Chief Information Officer's changes.
5. The State Department of Public Health shall provide the fiscal and policy committees of each house of the Legislature by no later than January

15, 2009, a copy of the annual work plan for accomplishing the mandates set forth in the Nursing Home Administrators' Act. This work plan will identify goals and objectives, required activities, resources needed, timeframes, and expected outcomes that will result in the accomplishment of the defined mandates.

- 6. The State Department of Public Health shall use the standard state personnel year equivalent for all new positions funded in the 2008–09 fiscal year for licensing and certification activities related to health care facilities.

4265-001-0007—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Breast Cancer Research Account..... 1,571,000

4265-001-0009—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Breast Cancer Control Account..... 8,559,000

4265-001-0029—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Nuclear Planning Assessment Special Account..... 950,000

4265-001-0044—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Motor Vehicle Account, State Transportation Fund..... 1,355,000

4265-001-0066—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Sale of Tobacco to Minors Control Account..... 2,522,000

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.

4265-001-0070—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Occupational Lead Poisoning Prevention Account..... 3,035,000

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.

4265-001-0074—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Medical Waste Management Fund..... 2,170,000

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.

4265-001-0075—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Radiation Control Fund..... 23,648,000

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.

4265-001-0076—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Tissue Bank License Fund..... 320,000

4265-001-0080—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Childhood Lead Poisoning Prevention Fund..... 9,670,000

4265-001-0082—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Export Document Program Fund..... 406,000

4265-001-0098—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Clinical Laboratory Improvement Fund.... 5,751,000

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.

4265-001-0099—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Health Statistics Special Fund..... 28,341,000

4265-001-0116—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Wine Safety Fund..... 60,000

4265-001-0129—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Water Device Certification Special Account..... 244,000

4265-001-0177—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Food Safety Fund..... 6,844,000

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Item		Amount
4265-001-0179—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Environmental Laboratory Improvement Fund.....		3,337,000
4265-001-0203—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Genetic Disease Testing Fund.....		115,154,000
4265-001-0231—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund.....		8,219,000
4265-001-0234—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund.....		5,821,000
4265-001-0236—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....		2,541,000
4265-001-0247—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Drinking Water Operator Certification Special Account.....		1,637,000
4265-001-0260—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Nursing Home Administrator’s State License Examining Fund.....		598,000
4265-001-0272—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Infant Botulism Treatment and Prevention Fund.....		5,955,000
4265-001-0306—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Safe Drinking Water Account.....		12,646,000
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.		
4265-001-0335—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Registered Environmental Health Specialist Fund.....		395,000
4265-001-0478—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Vectorborne Disease Account.....		120,000

Item	Amount
4265-001-0557—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Toxic Substances Control Account.....	1,025,000
4265-001-0622—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Drinking Water Treatment and Research Fund.....	706,000
4265-001-0642—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Domestic Violence Training and Education Fund.....	936,000
4265-001-0823—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the California Alzheimer’s Disease and Related Disorders Research Fund.....	956,000
4265-001-0890—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Federal Trust Fund.....	208,211,000

Provisions:

1. Of the funds appropriated in this item, \$52,612,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00, the State Department of Public Health shall report under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project.
2. The Department of Finance may authorize the transfer of expenditure authority from this item to Item 4265-111-0890 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 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 no 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, federal moneys made available for bioterrorism preparedness pursuant to this act shall be available for expenditure or encumbrance until August 30, 2009.
4. The State Department of Public Health 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 department shall notify the fiscal and relevant policy committees of the Legislature in a similar manner.

4265-001-3018—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Drug and Device Safety Fund.....	4,664,000
4265-001-3074—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Medical Marijuana Program Fund.....	422,000
4265-001-3081—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Cannery Inspection Fund.....	2,174,000
4265-001-3098—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the State Department of Public Health Licensing and Certification Program Fund.....	91,995,000
4265-001-3111—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Retail Food Safety and Defense Fund Account.....	20,000
4265-001-3114—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Birth Defects Monitoring Fund.....	4,271,000
4265-001-6031—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	3,479,000

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.

Item Amount

4265-001-6051—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006..... 2,123,000

4265-001-8025—For support of Department of Public Health, for payment to Item 4265-001-0001, payable from the California Prostate Cancer Research Fund..... 199,000

4265-002-0942—For support of Department of Public Health, payable from the Special Deposit Fund, Health Facilities Citation Penalties Account..... 2,111,000

4265-003-0001—For support of Department of Public Health, for rental payments on lease-revenue bonds (Richmond Laboratory)..... 11,588,000

Schedule:

(1) Base Rental and Fees..... 11,547,000

(2) Insurance..... 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.

4265-003-0044—For support of Department of Public Health, for rental payments on lease-revenue bonds, payable from the Motor Vehicle Account, State Transportation Fund..... 540,000

Schedule:

(1) Base Rental and Fees..... 538,000

(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

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Item

STATUTES OF 2008

[Ch. 268]
Amount

Joint Legislative Budget Committee pursuant to
Section 4.30.

4265-003-0080—For support of Department of Public
Health, for rental payments on lease-revenue bonds,
payable from the Childhood Lead Poisoning Preven-
tion Fund..... 341,000

Schedule:

(1) Base Rental and Fees..... 339,000
(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.

4265-003-0098—For support of Department of Public
Health, for rental payments on lease-revenue bonds,
payable from the Clinical Laboratory Improvement
Fund..... 141,000

Schedule:

(1) Base Rental and Fees..... 141,000

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.

4265-003-0179—For support of Department of Public
Health, for rental payments on lease-revenue bonds,
payable from the Environmental Laboratory Improve-
ment Fund..... 8,000

Schedule:

(1) Base Rental and Fees..... 8,000

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.
2. This item may contain adjustments pursuant to 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.

4265-003-0203—For support of Department of Public Health, for rental payments on lease-revenue bonds, payable from the Genetic Disease Testing Fund..... 4,076,000
Schedule:

- (1) Base Rental and Fees..... 4,062,000
- (2) Insurance..... 14,000

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.
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.

4265-003-0890—For support of Department of Public Health, for rental payments on lease-revenue bonds, payable from the Federal Trust Fund..... 83,000
Schedule:

- (1) Base Rental and Fees..... 83,000

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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4265-003-0942—For support of Department of Public Health, payable from the Special Deposit Fund, Federal Citation Penalties Account.....		973,000
4265-004-0001—For transfer to the State Department of Public Health Licensing and Certification Program Fund.....		8,005,000
4265-007-0890—For support of Department of Public Health, payable from the Federal Trust Fund.....		35,000
Provisions:		
1. Notwithstanding Section 28.00, 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 any recipient department’s appropriation authority.		
4265-011-0070—For transfer by the Controller, upon order of the Director of Finance, from the Occupational Lead Poisoning Prevention Account to the General Fund.....		(1,100,000)
Provisions:		
1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by the Occupational Lead Poisoning Prevention Account are not adversely affected by the loan. The General Fund shall not pay interest on this loan.		
4265-011-0247—For transfer by the Controller, upon order of the Director of Finance, from the Drinking Water Operator Certification Special Account to the General Fund.....		(1,600,000)
Provisions:		
1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by the Drinking Water Operator Certification Special Account are not adversely affected by the loan. The General Fund shall not pay interest on this loan.		

Item Amount

4265-011-0589—For transfer by the Controller, upon order of the Director of Finance, payable from the Cancer Research Fund, to the General Fund..... (2,119,000)

4265-017-0203—For support of Department of Public Health, for implementation of the Health Insurance Portability and Accountability Act payable from the Genetic Disease Testing Fund..... 551,000

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.

4265-111-0001—For local assistance, Department of Public Health..... 257,472,000

Schedule:

- (1) 10.10-Emergency Preparedness..... 83,849,000
- (2) 20.10-Chronic Disease Prevention and Health Promotion..... 211,076,000
- (3) 20.20-Infectious Disease..... 365,085,000
- (4) 20.30-Family Health..... 1,504,545,000
- (5) 20.40-Health Information and Strategic Planning..... 510,000
- (6) 20.50-County Health Services..... 40,691,000
- (7) 20.60-Environmental Health..... 132,541,000
- (8) Reimbursements..... -160,479,000
- (9) Amount payable from the Breast Cancer Control Account (Item 4265-111-0009)..... -10,736,000
- (10) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4265-111-0080)..... -11,000,000
- (11) Amount payable from the Health Statistics Special Fund (Item 4265-111-0099)..... -510,000
- (12) Amount payable from the California Health Data and Planning Fund (Item 4265-111-0143)..... -240,000
- (13) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-111-0231)..... -47,354,000
- (14) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-111-0232)..... -22,651,000

- (15) Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-111-0233)..... -2,152,000
- (16) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4265-111-0236)..... -29,075,000
- (17) Amount payable from the Child Health and Safety Fund (Item 4265-111-0279)..... -1,405,000
- (18) Amount payable from the Drinking Water Treatment and Research Fund (Item 4265-111-0622)..... -4,374,000
- (19) Amount payable from the Domestic Violence Training and Education Fund (Item 4265-111-0642)..... -235,000
- (20) Amount payable from the Federal Trust Fund (Item 4265-111-0890)..... -1,333,388,000
- (21) Amount payable from the WIC Manufacturer Rebate Fund (Item 4265-111-3023)..... -329,901,000
- (22) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4265-111-6031)..... -90,951,000
- (23) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 4265-111-6051)..... -36,200,000
- (24) Amount payable from the California Sexual Violence Victim Fund (Item 4265-111-8035)..... -174,000

Provisions:

1. The Office of AIDS in the State Department of Public Health, 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. In order to meet the needs of individuals with hemophilia who are at high risk of HIV infection or who have HIV/AIDS, the Office of AIDS shall continue the existing state contract with the Hemophilia Council for the 2008–09 fiscal year as provided by the State Department of Mental Health as part of the transition period for consolidating programs.
3. The Office of AIDS and the State Department of Public Health shall not exclude any drugs from the AIDS Drug Assistance Program (ADAP) formulary for the purpose of reducing ADAP expenditures to achieve the \$7,000,000 savings proposed in the 2008–09 Governor’s Budget. Funding shall be maintained using the AIDS Drug Assistance Program Rebate Fund.

4265-111-0009—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Breast Cancer Control Account....	10,736,000
4265-111-0080—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Childhood Lead Poisoning Prevention Fund.....	11,000,000
4265-111-0099—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Health Statistics Special Fund.....	510,000
4265-111-0143—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the California Health Data and Planning Fund.....	240,000
4265-111-0231—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund.....	47,354,000
4265-111-0232—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund.....	22,651,000
4265-111-0233—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund.....	2,152,000

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4265-111-0236—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	29,075,000
4265-111-0279—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Child Health and Safety Fund.....	1,405,000
4265-111-0622—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Drinking Water Treatment and Research Fund.....	4,374,000
4265-111-0642—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Domestic Violence Training and Education Fund.....	235,000
4265-111-0890—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Federal Trust Fund.....	1,333,388,000

Provisions:

1. Of the funds appropriated in this item, \$61,868,000 shall be available for administration, research, and training projects. Notwithstanding the provisions of Section 28.00, the State Department of Public Health 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 or encumbrance until August 30, 2009.
3. Any provisions in Item 4265-111-0001 that are relevant to this item shall apply to this item.

4265-111-3023—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the WIC Manufacturer Rebate Fund....	329,901,000
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Provisions:

1. 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. Within 10 working days of such augmentation, the Department of Finance shall provide written notification of the augmentation to the chairpersons of the fiscal committees in each

house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

4265-111-6031—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002....	90,951,000
4265-111-6051—For local assistance, State Department of Public Health, for payment to Item 4265-111-0001, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....	36,200,000
Provisions:	
1. The amount appropriated in this item shall be available for expenditure until June 30, 2011.	
4265-111-8035—For local assistance, Department of Public Health, for payment to Item 4265-111-0001, payable from the Sexual Violence Victim Services Fund.....	174,000
4265-115-0890—For transfer by the Controller from the Federal Trust Fund to the Safe Drinking Water State Revolving Loan Fund.....	77,500,000
4265-115-6031—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
4265-401—Notwithstanding Provision 2 of Item 4260-011-0099 of the Budget Act of 2004 (Ch. 208, Stats. 2004) and Provision 1 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), the \$1,500,000 loan authorized to the Medical Marijuana Program Fund shall be fully repaid to the Health Statistics Special Fund by June 30, 2010, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the loan.	
4270-001-0001—For support of California Medical Assistance Commission.....	1,282,000
Schedule:	
(1) 10-California Medical Assistance Commission.....	2,540,000
(2) Reimbursements.....	-1,258,000
4280-001-0001—For support of Managed Risk Medical Insurance Board.....	2,458,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	1,207,000
(2) 20-Access for Infants and Mothers Program.....	938,000

(3) 40-Healthy Families Program.....	9,292,000
(4) 50-County Health Initiative Matching Fund Program.....	486,000
(5) Reimbursements.....	-397,000
(6) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4280-001-0236).....	-36,000
(7) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	-319,000
(8) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313).....	-1,207,000
(9) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	-6,841,000
(10) Amount payable from Mental Health Services Fund (Item 4280-001-3085).....	-179,000
(11) Amount payable from Federal Trust Fund (Item 4280-003-0890).....	-316,000
(12) Amount payable from County Health Initiative Matching Fund (Item 4280-003-3055).....	-170,000

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 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.....	36,000
4280-001-0309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Perinatal Insurance Fund... Provisions: 1. Provision 1 of Item 4280-001-0313 also applies to this item.	319,000
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..... 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 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 committee, or his or her designee, may in each instance determine.	1,207,000
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..... Provisions: 1. Provision 3 of Item 4280-001-0001 also applies to this item.	6,841,000

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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.....		179,000
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 County Health Initiative Matching Fund Program.... Provisions: 1. Provisions 1, 2, and 3 of Item 4280-001-0001 also apply to this item.		316,000
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 County Health Initiative Matching Fund Program..... Provisions: 1. Provisions 1, 2, and 3 of Item 4280-001-0001 also apply to this item.		170,000
4280-017-0001—For support of Managed Risk Medical Insurance Board, for implementation of the Health Insurance Portability and Accountability Act..... Schedule: (1) 10-Major Risk Medical Insurance Program..... (2) 20-Access for Infants and Mothers Program..... (3) 40-Healthy Families Program..... (4) Amount payable from the Perinatal Insurance Fund (Item 4280-017-0309)..... (5) Amount payable from the Major Risk Medical Insurance Fund (Item 4280-017-0313)..... (6) Amount payable from the Federal Trust Fund (Item 4280-017-0890)....	16,000 15,000 77,000 -5,000 -16,000 -60,000	27,000
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.....		5,000
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.....		16,000

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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..... 60,000

4280-101-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program..... 371,781,000

Schedule:

(1) 20-Access for Infants and Mothers Program..... 81,044,000

(2) 40-Healthy Families Program.... 1,023,654,000

(3) Amount payable from the Federal Trust Fund (Item 4280-101-0890)..... -732,917,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-102-0001 in order to effectively administer the Healthy Families Program.

4280-101-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-101-0001, payable from the Federal Trust Fund, for the Healthy Families Program..... 732,917,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-102-0890 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..... 25,680,000

Schedule:

(1) 40-Healthy Families Program..... 72,955,000

(2) Reimbursements..... -7,191,000

(3) Amount payable from the Federal Trust Fund (Item 4280-102-0890)..... -40,084,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-101-0001 in order to effectively administer the Healthy Families Program.

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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....	40,084,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-101-0890 in order to effectively administer the Healthy Families Program.	
4280-103-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-103-3055, payable from the Federal Trust Fund, for the County Health Initiative Matching Fund Program.....	1,494,000
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 County Health Initiative Matching Fund.....	804,000
Schedule:	
(1) 50-County Health Initiative Matching Fund Program.....	2,298,000
(2) Amount payable from the Federal Trust Fund (Item 4280-103-0890)....	-1,494,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-003-0890 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, 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 reflect this information in the November and May estimates provided 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 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 joint committee, or his or her designee, may in each instance determine.

4280-104-0236—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program Rural Health Demonstration Project..... 1,864,000
Schedule:

- (1) 40-Healthy Families Program..... 6,243,000
- (2) Amount payable from Federal Trust Fund (Item 4280-104-0890)..... -4,379,000

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..... 4,379,000

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..... (42,273,000)

Provisions:

- 1. In order to effectively administer the Access for Infants and Mothers Program, the Department of Finance may decrease or increase this item in order to conform the appropriation to revised subvention estimates.

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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.....	(15,170,000)
Provisions:	
1. In order to effectively administer the Access for Infants and Mothers Program, the Department of Finance may decrease or increase this item in order to conform the appropriation to revised subvention estimates.	
4280-111-0236—For transfer by the Controller from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund to the Perinatal Insurance Fund, for the Access for Infants and Mothers Program.....	(266,000)
Provisions:	
1. In order to effectively administer the Access for Infants and Mothers Program, the Department of Finance may decrease or increase this item in order to conform the appropriation to revised subvention estimates.	
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.....	(6,818,000)
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.....	(2,121,000)
4300-001-0001—For support of Department of Developmental Services.....	24,332,000
Schedule:	
(1) 10-Community Services Program....	23,529,000
(2) 20-Developmental Centers Program.....	14,407,000
(3) 35.01-Administration.....	25,446,000
(4) 35.02-Distributed Administration.....	-25,446,000
(6) Reimbursements.....	-10,595,000
(7) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-0172).....	-280,000
(8) Amount payable from the Federal Trust Fund (Item 4300-001-0890)....	-2,351,000

(9) Amount payable from the Mental Health Services Fund (Item 4300-001-3085)..... -378,000

Provisions:

1. Upon order of the Department of Finance, the 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 State Department of Health Care 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 chairpersons of the fiscal committees 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. Notwithstanding any other provision of law, such 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, 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. The State Department of Developmental Services shall provide the fiscal and policy committees of both houses of the Legislature with a final

report on the Agnews Plan, on January 10, 2009, which will include:

- (a) A final report on all pertinent aspects of the community-based resources and placement of Agnews consumers.
- (b) A final report of living arrangements and the range of services the consumers receive by housing model. This shall include a final report of the construction of housing and the expenditure of the \$11,115,000 appropriated in Item 4300-105-0001, Budget Act of 2004 (Ch. 208, Stats. 2004). At a minimum, this shall include all of the following components: (1) all the properties acquired, (2) the cost of each property, (3) the address of each property, and (4) the square footage of any residential structures on the property.
- (c) A summary of the fiscal analyses as provided in the original plan.
- (d) A report on Agnews employees, including employees who are providing medical services to consumers on an outpatient basis, as well as employees who are providing services to consumers in residential settings.
- (e) A final report on the specific measures the state, including the State Department of Developmental Services and the State Department of Health Care Services, is taking in meeting the health, mental health, medical, dental, and overall well-being of consumers living in the community.

The information above may be provided through the State Department of Developmental Services' budget process, as part of the Regional Center and Developmental Center estimate packages. The updated information shall be made available to the public upon request.

4300-001-0172—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Developmental Disabilities Program Development Fund.....

Provisions:

280,000

- 1. Notwithstanding any other provision of law, the Department of Finance may authorize expenditures for the State 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 of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the joint 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..... 2,351,000

Provisions:

1. Upon order of the Department 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 Early Intervention Program (Part C of the Individuals with Disabilities Education Act).

4300-001-3085—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Mental Health Services Fund..... 378,000

4300-002-0001—For support of Department of Developmental Services, for rental payments on lease-revenue bonds..... 2,200,000

Schedule:

- (1) Base Rental and Fees..... 2,178,000
- (2) Insurance..... 22,000

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.

4300-003-0001—For support of Department of Developmental Services, for Developmental Centers..... 346,524,000

Schedule:

- (1) 20-Developmental Centers Program..... 655,400,000
- (2) Reimbursements..... -308,343,000
- (3) Amount payable from the Federal Trust Fund (Item 4300-003-0890).... -533,000

Provisions:

1. A loan shall be available from the General Fund 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 Department of Finance, the 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 State Department of Health Care 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 chairpersons of the fiscal committees 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 Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
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 Public Health, as well as findings of any other government agency authorized to conduct investigations or surveys of state developmental centers. The DDS shall forward the notifications,

including a copy of the specific findings, to the chairpersons of the committees within 10 working days of its receipt of these findings. The DDS also shall forward these findings, within three working days of submission, to the appropriate investigating agency. In addition, the DDS shall provide notification to the chairpersons of the committees, 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..... 533,000

Provisions:

1. Upon order of the Department 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..... 7,463,000

Schedule:

(1) 20-Developmental Centers Program..... 10,168,000

(a) 20.17-AB 1202
Contracts..... 779,500

(b) 20.66-Medi-Cal Eligible Services..... 9,388,500

(2) Reimbursements..... -2,705,000

Provisions:

1. Of the amount appropriated in this item, \$2,705,000 is to be used to provide the General Fund match for Medi-Cal Eligible Services.

4300-017-0001—For support of Department of Developmental Services, for implementation of the Health Insurance Portability and Accountability Act..... 249,000

Schedule:

(1) 20-Developmental Centers Program..... 410,000

(2) Reimbursements..... -161,000

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.... 2,374,808,000
Schedule:

- | | |
|--|----------------|
| (1) 10.10.010-Operations..... | 527,816,000 |
| (2) 10.10.020-Purchase of Services..... | 3,383,130,000 |
| (3) 10.10.060-Early Intervention Programs..... | 20,095,000 |
| (4) Reimbursements..... | -1,327,854,000 |
| (5) Amount payable from the Public Transportation Account, State Transportation Fund (Item 4300-101-0046)..... | -138,275,000 |
| (6) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172).... | -1,147,000 |
| (7) Amount payable from Federal Trust Fund (Item 4300-101-0890)..... | -88,957,000 |

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
2. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of \$160,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are

- subject to the repayment provisions of Section 16351 of the Government Code.
3. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition Program.
 4. \$1,826,000 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.
 5. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to more accurately reflect expenditures in the Early Intervention federal grant program (Part C of the Individuals with Disabilities Education Act).
 6. It is the intent of the Legislature for the State Department of Health Care Services and the State Department of Developmental Services to collaboratively work with stakeholders, including providers and diverse constituency groups as deemed appropriate, regarding the bundling of rates for the reimbursement of intermediate care facilities for the developmentally disabled, including habilitative and nursing facilities. It is the intent of the Legislature that any changes made by the state shall be seamless to the providers of services affected by the changes, as well as to the consumers and their families that are provided services through the Regional Center system. The integrity of the individual program plan process described in the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) shall be main-

tained throughout this process and shall not be affected by any changes made to implement the bundled rates.

- 7. Of the funds appropriated in Schedule (2), the amount identified by the State Department of Developmental Services for self-directed services shall be available for encumbrance until June 30, 2010, and for liquidation until June 30, 2011.
- 8. Upon the order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-103-0001 in order to effectively administer the Self-Directed Services Risk Pool Fund.

4300-101-0046—For local assistance, Department of Developmental Services, for payment to Item 4300-101-0001, payable from the Public Transportation Account, State Transportation Fund..... 138,275,000

4300-101-0172—For local assistance, Department of Developmental Services, for payment to Item 4300-101-0001, payable from the Developmental Disabilities Program Development Fund..... 1,147,000

Provisions:

- 1. Notwithstanding any other provision of law, the Department of Finance may authorize expenditures for the State Department of Developmental Services in excess of the amount appropriated no 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 no sooner than such lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

4300-101-0890—For local assistance, Department of Developmental Services, for Regional Centers, for payment to Item 4300-101-0001, payable from the Federal Trust Fund..... 88,957,000

Provisions:

- 1. Upon order of the Department 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 federal grant program (Part C of the Individuals with Disabilities Education Act).

- 2. Upon order of the Department 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.
- 3. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Programs 10.10.010-Operations and 10.10.020-Purchase of Services in order to more accurately reflect expenditures in the Early Intervention federal grant program (Part C of the Individuals with Disabilities Education Act).

4300-101-3085—For local assistance, Department of Developmental Services, for Regional Centers, payable from the Mental Health Services Fund..... 740,000
Schedule:

(1) 10.10.010-Operations..... 740,000

4300-103-0001—For local assistance, Department of Developmental Services, Program 10.10.020-Regional Centers: Purchase of Services, Risk Pool, Self-Directed Services..... 1,184,000
Provisions:

- 1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001 in order to effectively administer the Self-Directed Services Risk Pool Fund.

4300-117-0001—For local assistance, Department of Developmental Services, for implementation of the Health Insurance Portability and Accountability Act..... 637,000
Schedule:

(1) 10.10.010-Regional Centers: Operations..... 1,275,000

(2) Reimbursements..... -638,000

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..... 8,967,000

Schedule:

(1) 55.25.250-Fairview: Air-Condition School and Activity Center—Construction.....	2,192,000	
(2) 55.25.260-Fairview: Install Personal Alarm Locating System—Construction.....	2,660,000	
(3) 55.25.270-Fairview: Upgrade Fire Alarm System—Preliminary plans.....	597,000	
(5) 55.50.480-Porterville: Upgrade Personal Alarm Locating System—Construction.....	3,176,000	
(6) 55.55.350-Sonoma: Install Medical Gases and Oxygen Piping—Preliminary plans.....	342,000	
4300-301-0660—For capital outlay, Department of Developmental Services, payable from the Public Buildings Construction Fund.....		5,409,000

Schedule:

(1) 55.50.470—Porterville: New Main Kitchen—Construction.....	5,409,000
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Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the project 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 Environ-

mental Quality Act. This provision is declaratory of existing law.

4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2008, the balances of the appropriations provided for in the following citations are reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2009, unless otherwise stated:

0001—General Fund

(1) Item 4300-101-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Schedule:

(a) Balance of the unencumbered funds in Schedule (1) 10.10.010 for the Life Quality Assessment Interagency Agreement.

4300-491—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2008, 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, 2009:

0001—General Fund

(1) Item 4300-003-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(a) Balance of appropriations in Schedule (1) 20-Developmental Centers Program and Schedule (2) Reimbursements to provide care and assistance to consumers that will remain at Agnews Developmental Center past the June 30, 2008, closure date.

(2) Item 4300-101-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

(a) Balance of appropriations in Schedule (1) 10.10.010-Operations, Schedule (2) 10.10.020-Purchase of Services, and Schedule (4) Reimbursements to provide care and assistance to consumers that will remain at Agnews Developmental Center past the June 30, 2008, closure date.

4300-495—Reversion, Department of Developmental Services. As of June 30, 2008, the balances of the appropriations provided in the following citations shall revert to the funds from which the appropriations were made:

0001—General Fund

(1) Item 4300-101-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Up to \$88,772,000 appropriated in Program 10.10.010-Operations, Program 10.10.020-Purchase of Services, and Reimbursements.	
(2) Item 4300-103-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Up to \$20,000 appropriated in Program 10.10.020-Regional Centers: Purchase of Services, Risk Pool, Self-Directed Services	
4440-001-0001—For support of Department of Mental Health.....	64,071,000
Schedule:	
(1) 10-Community Services.....	80,899,912
(1.5) Mental Health Services Oversight and Accountability Commission....	4,089,088
(2) 20-Long-Term Care Services.....	48,254,000
(3) 35.01-Departmental Administration.....	14,572,000
(4) 35.02-Distributed Departmental Administration.....	-18,931,000
(5) Reimbursements.....	-21,271,000
(6) Amount payable from the Traumatic Brain Injury Fund (Item 4440-001-0311).....	-115,000
(7) Amount payable from the Federal Trust Fund (Item 4440-001-0890)....	-3,379,000
(8) Amount payable from the Mental Health Services Fund (Item 4440-001-3085).....	-39,656,000
(9) Amount payable from the Licensing and Certification Fund, Mental Health (Item 4440-001-3099).....	-392,000
Provisions:	
1. Upon order of the Department of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-0001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
4440-001-0311—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Traumatic Brain Injury Fund.....	115,000

4440-001-0890—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Federal Trust Fund.....	3,379,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4440-101-0890.	
4440-001-3085—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Mental Health Services Fund.....	39,656,000
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 Department of Finance may increase the funding provided in this item to further the implementation of the Mental Health Services Act (Proposition 63, as approved by the voters at the November 2, 2004, statewide general election). Any increase may 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 of the Legislature 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.	
3. The State Department of Mental Health shall annually provide to the Department of Finance a Fund Condition Statement of the Housing Support Account (special deposit account) which shall be annually published in the Governor's January 10 Budget. It is the intent of the Legislature to utilize this information to track the fiscal allocations made for the Housing Initiative Program as established under the Mental Health Services Act.	
4440-001-3099—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Licensing and Certification Fund, Mental Health.....	392,000

4440-003-0001—For support of Department of Mental Health, for rental payments on lease-revenue bonds..... 15,844,000

Schedule:

- (1) Base Rental and Fees..... 40,182,000
- (2) Insurance..... 162,000
- (3) Reimbursements..... -24,500,000

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..... 1,121,518,000

Schedule:

- (1) 20.10-Long-Term Care Services—
Lanterman-Petris-Short Act..... 88,607,000
- (2) 20.20-Long-Term Care Services—
Penal Code and Judicially Commit-
ted..... 996,724,654
- (3) 20.30-Long-Term Care Services—
Department of Corrections and
Rehabilitation..... 125,140,346
- (4) 20.40-Long-Term Care Services—
Other State Hospital Services..... 3,406,000
- (5) Reimbursements..... -92,254,000
- (6) Amount payable from the Califor-
nia State Lottery Education Fund
(Section 8880.5 of the Government
Code)..... -106,000

Provisions:

- 1. Upon order of the Department 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. 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.
3. The reimbursements identified in Schedule (5) 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).
4. Of the total amount attributable in the 2008–09 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.
5. Notwithstanding any other provision of law, 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 Department 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 de-

signee, 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 of Finance's determination that the funding is not needed for accommodating projected hospital population levels.

6. Notwithstanding Section 26.00, the Department of Finance may authorize the transfer of expenditure authority between Schedules (1), (2), (3), and (4) in order to accurately reflect caseload in these programs.
7. Of the amount appropriated in this item, \$4,280,000 is available only to provide appropriate treatment to individuals found incompetent to stand trial and who have not been committed to a state hospital. These funds may be encumbered no earlier than 30 days, or a lesser amount of time as determined by the Chairperson of the Joint Legislative Budget Committee or his or her designee, after the Department of Finance provides a written expenditure plan for these funds to the chairpersons of the fiscal committees in each house of the Legislature, and to the Chairperson of the Joint Legislative Budget Committee.
8. The State Department of Mental Health shall provide the fiscal and policy committees of the Legislature, including the Chairperson of the Joint Legislative Budget Committee, and the Department of Finance with a quarterly update on the progress of the hiring plan to ensure appropriate active treatment for patients, state licensure requirements, and in meeting the Consent Judgment with the United States Department of Justice regarding the federal Civil Rights of Institutionalized Persons Act (CRIPA). This quarterly update shall be provided within 10 working days of the close of the quarter to ensure the exchange of timely and relevant information.
9. It is the intent of the Legislature that the Office of State Audits and Evaluations (OSAE) examine the methodology used by the State Department of Mental Health in developing its budget estimate of the State Hospital system, including

the projecting of all patient caseload categories, operating expenditures and related information used for this purpose. As part of its analysis, the OSAE shall also review marginal costing information used for this population. The OSAE shall report its preliminary findings to the chairpersons of the fiscal committees in each house of the Legislature, including the Joint Legislative Budget Committee, by October 1, 2008. To the extent that these preliminary findings are applicable, they shall be incorporated into the State Department of Mental Health's State Hospital estimate for the Governor's Budget in January 2009. The OSAE shall provide its final report to the chairpersons of the fiscal committees in each house of the Legislature, including the Joint Legislative Budget Committee, by December 1, 2008. Any substantive findings in the final report that have not already been incorporated into the estimate process shall be incorporated into the State Hospital estimate for the May Revision.

4440-016-0001—For support of Department of Mental Health, for Conditional Release Services..... 26,703,000

Schedule:

(1) 20-Long-Term Care Services..... 26,703,000
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 Department 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 of the Penal Code 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..... 1,112,000

Schedule:

- (1) 10-Community Services..... 2,251,000
- (2) 35.01-Departmental Administration..... 707,000
- (3) 35.02-Distributed Departmental Administration..... -707,000
- (4) Reimbursements..... -1,139,000

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..... 480,163,000

Schedule:

- (1) 10.25-Community Services—Other Treatment..... 639,172,000
- (2) 10.30-Community Services—EPSDT..... 984,001,000
- (3) 10.47-Community Services—Children’s Mental Health Services..... 350,000
- (4) 10.85-Community Services—AIDS..... 0
- (5) 10.97-Community Services—Healthy Families Program..... 24,805,000
- (5.5) 10.98-Community Services—Continued Implementation of the MH-SA..... 40,000,000
- (6) Reimbursements..... -1,208,165,000

Provisions:

- 1. Augmentations to reimbursements in this item from the Office of Emergency Services for Dis-

aster 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.
- 3. Of the amount appropriated in this item, \$750,000 shall be used to provide a supplemental payment to Community Treatment Facilities for the 2008–09 fiscal year.
- 4. Of the amount appropriated in this item, a portion is for costs and claims incurred by the San Mateo Pharmacy and Laboratory Services Program in the 2004–05 and 2005–06 fiscal years.

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..... 1,050,000

Schedule:

- (1) 10.87-Community Services—Traumatic Brain Injury Projects..... 1,199,000
- (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 2008–09 fiscal year.

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Item

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Amount

3.	Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4440-001-0890.	
4440-101-3085	—For local assistance, Department of Mental Health, payable from the Mental Health Services Fund.....	12,150,000
	Schedule:	
(1)	10.98-Community Services—Continued Implementation of the Mental Health Services Act.....	12,150,000
4440-102-0001	—For local assistance, Department of Mental Health (Proposition 98), for early mental health services.....	15,000,000
4440-103-0001	—For local assistance, Department of Mental Health, for Mental Health Managed Care....	232,856,000
	Schedule:	
(1)	10.25-Community Services—Other Treatment.....	232,856,000
	Provisions:	
1.	The allocation of funds appropriated in this item shall be determined based on a methodology developed by the State Department of Mental Health in consultation with a statewide organization representing counties. This methodology shall be based on a review of actual and projected expenditures for mental health services for Medi-Cal beneficiaries, by county.	
2.	Of the amount appropriated in this item, \$8,000,000 shall be transferred to the Mental Health Managed Care Deposit Fund (Fund 0865).	
3.	Upon order of the Department of Finance and agreement between the State Department of Mental Health and the State Department of Health Care 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.....	104,000,000
4440-111-0001	—For local assistance, Department of Mental Health, for caregiver resource centers serving families of adults with acquired brain injuries.....	10,547,000

4440-115-0001—For local assistance, Department of Mental Health, for the Early and Periodic Screening, Diagnosis, and Treatment Program.....	86,679,000
Schedule:	
(1) 10.30-Community Services—	
EPSDT.....	170,203,000
(2) Reimbursements.....	-83,524,000
Provisions:	
1. Funding appropriated in this item is available solely to reimburse counties for costs from prior years that have been validated by the State Department of Mental Health. It is the intent of the Legislature that the total cost of \$260,200,000 owed to counties will be reimbursed over a three-year period commencing with the Budget Act of 2007.	
2. The amount appropriated in this item is for costs and claims incurred in the 2003–04, 2004–05, and 2005–06 fiscal years. These expenditures shall be reflected as expenditures in those fiscal years. The Department of Finance and the Controller’s office shall recognize this fiscal alignment accordingly for the purposes of the state budget process and legal basis of accounting.	
4440-301-0001—For capital outlay, Department of Mental Health.....	1,419,000
Schedule:	
(1) 55.40.280-Napa: Remodel Satellite Serving Kitchens and Dining Rooms—Working drawings.....	605,000
(2) 55.45.295-Patton: Remodel Satellite Serving Kitchens and Dining Rooms—Working drawings.....	711,000
(3) 55.10.205-Minor Projects.....	103,000
Provisions:	
1. Notwithstanding any other provision of law, the projects funded in Schedules (1) and (2) shall be considered part of the Napa: Construct New Main Kitchen and Patton: Construct New Main Kitchen projects funded respectively in Schedules (1) and (2) of Item 4440-301-0660.	
4440-301-0660—For capital outlay, Department of Mental Health, payable from the Public Buildings Construction Fund.....	67,401,000

Schedule:

- (1) 55.40.280-Napa: Construct New Main Kitchen—Working drawings and construction..... 31,627,000
- (2) 55.45.295-Patton: Construct New Main Kitchen—Working drawings and construction..... 35,774,000

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 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 construction shall be available for expenditure until June 30, 2012. 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, 2010, shall revert as of that date to the fund from which the appropriation was made.

4440-496—Reversion, Department of Mental Health. As of June 30, 2008, the unencumbered balances of the appropriations provided for in the following cita-

tions shall revert to the balance of the fund from which the appropriation was made:

0001—General Fund

- (1) Item 4440-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (4) 55.40.280-Napa: Remodel Satellite Serving Kitchens and Dining Rooms—Working drawings
- (5) 55.45.295-Patton: Remodel Satellite Serving Kitchens and Dining Rooms—Working drawings

0660—Public Buildings Construction Fund

- (1) Item 4440-301-0660, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (1) 55.40.280-Napa: Construct New Main Kitchen—Preliminary plans, working drawings, and construction
- (2) 55.45.295-Patton: Construct New Main Kitchen—Preliminary plans, working drawings, and construction

4700-001-0001—For support of Department of Community Services and Development..... 154,000

Schedule:

- (1) 47-Naturalization Services..... 154,000
- Provisions:

1. Of the funds appropriated in this item, \$19,000 is available to the Department of Community Services and Development only if a facilities relocation is required in the 2008–09 fiscal year. The department shall inform the Department of Finance of all notices received that relate to the termination of the department’s current facilities lease prior to the expenditure of these funds.

4700-001-0890—For support of Department of Community Services and Development, payable from the Federal Trust Fund..... 12,588,000

Schedule:

- (1) 20-Energy Programs..... 10,250,000
- (2) 40-Community Services..... 3,467,000
- (3) 50.01-Administration..... 4,838,000
- (4) 50.02-Distributed Administration.... -4,838,000
- (5) Reimbursements..... -1,129,000

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. Of the funding provided in this item, \$938,000 is available to the Department of Community Services and Development only if a facilities relocation is required in the 2008–09 fiscal year. The Department of Community Services shall inform the Department of Finance of all notification received relating to the termination of its current facilities lease prior to expenditure of these funds.

4700-101-0001—For local assistance, Department of Community Services and Development..... 2,565,000
Schedule:

- (1) 47-Naturalization Services..... 2,565,000

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..... 154,286,000
Schedule:

- (1) 20-Energy Programs..... 92,154,000
- (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.

5160-001-0001—For support of Department of Rehabilitation..... 56,396,000

Schedule:

- (1) 10-Vocational Rehabilitation Services..... 373,878,000
- (2) 30-Independent Living Services..... 3,284,000
- (3) 40.01-Administration..... 32,422,000
- (4) 40.02-Distributed Administration..... -32,422,000
- (6) Reimbursements..... -7,900,000
- (7) Amount payable from the Vending Stand Fund (Item 5160-001-0600)..... -3,361,000
- (8) Amount payable from the Federal Trust Fund (Item 5160-001-0890)..... -309,296,000
- (9) Amount payable from the Mental Health Services Fund (Item 5160-001-3085)..... -209,000

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).
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.....	3,361,000
5160-001-0890—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Federal Trust Fund.....	309,296,000

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 in 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 in 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..... 209,000

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-Independent Living Services.... 15,736,000

5170-001-0001—For support of State Independent Living Council..... 0

Schedule:

- (1) 10-State Council Services..... 512,000
- (2) Reimbursements..... -512,000

5175-001-0001—For support of Department of Child Support Services..... 23,516,000

Schedule:

- (1) 10-Child Support Services..... 72,127,000
- (2) Reimbursements..... -123,000
- (3) Amount payable from the Federal Trust Fund (Item 5175-001-0890)..... -48,488,000

5175-001-0890—For support of Department of Child Support Services, for payment to Item 5175-001-0001, payable from the Federal Trust Fund..... 48,488,000

5175-002-0001—For support of Department of Child Support Services..... 27,858,000

Schedule:

- (1) 10-Child Support Services..... 94,750,000

(2) Amount payable from the Federal Trust Fund (Item 5175-002-0890)..... -66,892,000

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 chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the 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 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 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. In the event that the actual costs to print and mail child support forms and notices through the Office of State Publishing are less than \$6,300,000, the Department of Child Support Services shall transfer funds from this item to Item 5175-101-0001 upon approval of the Department of Finance.

5175-002-0890—For support of Department of Child Support Services, for payment to Item 5175-002-0001, payable from the Federal Trust Fund..... 66,892,000

Provisions:

1. Provisions 1 and 2 of Item 5175-002-0001 also apply to this item.
2. In the event that the actual costs to print and mail child support forms and notices through the Office of State Publishing are less than

\$12,200,000, the Department of Child Support Services shall transfer funds from this item to Item 5175-101-0890 upon approval of the Department of Finance.

5175-101-0001—For local assistance, Department of Child Support Services..... 293,823,000

Schedule:

- (1) 10-Child Support Services..... 929,246,000
 - (a) 10.01-Child Support Administration..... 762,123,000
 - (b) 10.03-Child Support Automation..... 167,123,000
- (2) Amount payable from the Federal Trust Fund (Item 5175-101-0890)..... -444,357,000
- (3) Amount payable from the Child Support Collections Recovery Fund (Item 5175-101-8004)..... -191,066,000

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 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 joint 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. The amounts appropriated in Schedule (1)(b) 10.03-Child Support Automation shall be available for expenditure or encumbrance until June 30, 2009. The Department of Finance shall provide notification to the Joint Legislative Budget Committee of the amount of the carryover within 10 working days from the date the amount of the carryover is determined.
6. To the extent that the federal government enacts legislation to restore the federal fund match on federal child support performance incentive funds, up to \$29,838,000 of funding provided in this item to backfill lost federal matching funds on performance incentives shall revert to the General Fund upon the direction of the Director of Finance.

5175-101-0890—For local assistance, Department of Child Support Services, for payment to Item 5175-101-0001, payable from the Federal Trust Fund..... 444,357,000
Provisions:

1. Provisions 1 and 5 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. From the federal funds appropriated in Schedule (1)(b) of Item 5175-101-0001 (10.03-Child Support Automation), an amount not to exceed \$103,589,000 shall be available for expenditure

or encumbrance until June 30, 2009. The Department of Finance shall provide notification to the Joint Legislative Budget Committee of the amount of the carryover within 10 working days from the date that the amount of the carryover is determined. 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.

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..... 191,066,000

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.

5175-490—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 upon written approval of the Department of Finance until June 30, 2009, for unanticipated costs occurring during the 2008–09 fiscal year associated with the California Child Support Automation System project, and may be expended upon written approval of the Department of Finance issued on or before June 30, 2009:

0001—General Fund

- (1) Item 5175-001-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) Item 5175-001-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (3) Item 5175-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (4) Item 5175-002-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) Item 5175-002-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (6) Item 5175-002-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (7) Item 5175-101-0001, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (8) Item 5175-101-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (9) Item 5175-101-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

0890—Federal Trust Fund

- (1) Item 5175-001-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (2) Item 5175-001-0890, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (3) Item 5175-001-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (4) Item 5175-002-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (5) Item 5175-002-0890, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (6) Item 5175-002-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (7) Item 5175-101-0890, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)
- (8) Item 5175-101-0890, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (9) Item 5175-101-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Provisions:

1. Notwithstanding 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.
2. Notwithstanding any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may trans-

fer any funding reappropriated in this item to Items 5175-001-0890, 5175-002-0890, and 5175-101-0890.

- 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, provided that the transfer shall take place not 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 not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.
- 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.

5175-491—Reappropriation, Department of Child Support Services. The amount specified in the following citation is reappropriated for the purpose provided for in that appropriation and shall be available for encumbrance and expenditure until June 30, 2009:
0001—General Fund

- (1) \$183,000 in Item 5175-002-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Program 10-Child Support Services

5175-495—Reversion, Department of Child Support Services. As of June 30, 2008, the amount 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:
0001—General Fund

- (1) \$14,817,000 in Item 5175-101-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Program 10.04-Child Support Payments

5180-001-0001—For support of Department of Social Services.....	107,134,000
Schedule:	
(1) 16-Welfare Programs.....	69,468,000

(2) 25-Social Services and Licens- ing.....	168,929,500
(3) 35-Disability Evaluation and Other Services.....	260,159,500
(4) 60.01-Administration.....	53,775,000
(5) 60.02-Distributed Administra- tion.....	-53,775,000
(6) Reimbursements.....	-26,048,000
(7) Amount payable from Foster Fami- ly Home and Small Family Home Insurance Fund (Item 5180-001- 0131).....	-2,136,000
(8) Amount payable from the Federal Trust Fund (Item 5180-001- 0890).....	-362,472,000
(9) Amount payable from the Mental Health Services Fund (Item 5180- 001-3085).....	-767,000

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 State 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 chairpersons of the committees in each house of the Legislature that consider appropriations.
6. Of the amount appropriated in this item, \$3,399,000 shall be available to support relocation efforts related to the renovation of the State Department of Social Services' headquarters (state-owned Office Buildings No. 8 and No. 9). These funds may be expended only to the extent that relocation costs materialize and are necessary to accommodate the Department of General Services' renovation project schedule.
8. 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 provide an update during 2009 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.....

2,136,000

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 2008–09 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 2008–09 fiscal year, the department shall notify the Legislature. Upon notification, the amount of the appropriation made by this item 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.....	21,236,000
5180-001-0271—For support of Department of Social Services, payable from the Certification Fund.....	1,450,000
5180-001-0279—For support of Department of Social Services, payable from the Child Health and Safety Fund.....	3,208,000
5180-001-0803—For support of Department of Social Services, payable from the State Children's Trust Fund.....	361,000
5180-001-0890—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Federal Trust Fund.....	362,472,000

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 the Community Care Licensing Division of the State Department of Social Services.
2. Provision 5 of Item 5180-001-0001 also applies to this item.

- 3. Of the amount appropriated in this item, \$3,232,000 shall be available to support relocation efforts related to the renovation of the State Department of Social Services' headquarters (state-owned Office Buildings No. 8 and No. 9). These funds may be expended only to the extent that relocation costs materialize and are necessary to accommodate the Department of General Services' renovation project schedule.

5180-001-3085—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Mental Health Services Fund..... 767,000
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..... 1,140,000
Provisions:

- 1. Provision 1 of Item 5180-001-0131 also applies to this item.

5180-011-0131—For transfer by the Controller, upon order of the Director of Finance, payable from the Foster Family Home and Small Family Home Insurance Fund, to the General Fund..... (2,800,000)

5180-011-0279—For transfer by the Controller from the Child Health and Safety Fund to the State Children's Trust Fund..... 140,000

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..... 3,211,838,000
Schedule:

- (1) 16.30-CalWORKs..... 5,665,554,000
- (2) 16.65-Other Assistance Payments..... 1,360,039,000
- (3) Reimbursements..... -3,990,000
- (4) Amount payable from the Emergency Food Assistance Program Fund (Item 5180-101-0122)..... -449,000

- (5) Amount payable from the Employment Training Fund (Item 5180-101-0514)..... -35,000,000
- (6) Amount payable from the Federal Trust Fund (Item 5180-101-0890)..... -3,763,287,000
- (7) Amount payable from the Child Support Collections Recovery Fund (Item 5180-101-8004)..... -11,029,000

Provisions:

- 1. (a) No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the State 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.
- (b) Notwithstanding Sections 28.00 and 28.50, the availability of funds 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 (1) specifically required as a result of the enactment of a federal or state law or (2) 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 to the chairpersons of the committees in each house of the Legislature that consider appro-

- priations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the joint 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 or programs 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. (a) 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 2008–09 fiscal year that are within or in excess of amounts appropriated in this act for that year.
(b) 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 appropriation made in this item 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 this item 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 State 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 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 appropriation made by this item 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 18260 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. The Department of Finance shall increase this item up to \$20,613,000 to the extent that unspent county performance and fraud recovery incentive funds available as of June 30, 2008, are less than \$20,613,000. The increase shall be made not sooner than 30 days after written notification of the increase is given 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 may determine.

11. Notwithstanding any other provision of law, upon request of the Department of Social Services, the Department of Finance may increase the expenditure authority in this item for the propose of funding a supplemental payment to foster parents and families receiving adoption assistance payments for children served by both regional centers and child welfare agencies pursuant to Section 11464 of the Welfare and Institutions Code, as amended by Chapter 177 of the Statutes of 2007.

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..... 449,000

5180-101-0514—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Employment Training Fund..... 35,000,000
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..... 3,763,287,000

Provisions:

1. Provisions 1, 4, 6, 7, 9, 10, and 11 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. 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 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. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with Child Care and Development Fund or TANF funds, or both.
4. Upon request of the State Department of Social Services, the Director 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 5180-101-8004. 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.

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..... 11,029,000

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.

Adjustments to expenditure authority shall be consistent with those made pursuant to Provision 4 of Item 5180-101-0890. 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.

5180-111-0001—For local assistance, Department of Social Services..... 5,568,028,000

Schedule:

- (1) 16.70-SSI/SSP..... 3,751,938,000
- (2) 25.15-IHSS..... 5,343,020,000
- (3) 25.20-Recipient Supplementary Payment..... 44,176,000
- (4) Reimbursements..... -3,571,106,000

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 \$240,000,000 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 In-Home Supportive Services (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 In-Home Supportive Services 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 and the number of positions to be established by the State Department of Social Services. The transfer shall be authorized at the time the report is made. The State Department of Social Services shall review the workload associated with the Conlan v. Shewry decision during the 2008–09 fiscal year and may administratively establish positions as the workload requires.
- 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 In-Home Supportive Services 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..... 482,751,000

Schedule:

- (1) 16.75-County Administration and Automation Projects..... 1,215,750,000
- (2) Reimbursements..... -59,427,000
- (3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)..... -673,572,000

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 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 appropriation made by this item 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 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 con-

sortia of the Statewide Automated Welfare System.

- 7. 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 18260 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..... 673,572,000
Provisions:

- 1. Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.

5180-151-0001—For local assistance, Department of Social Services..... 757,135,000
Schedule:

- (1) 25.30-Children and Adult Services and Licensing..... 2,173,290,000
- (2) 25.35-Special Programs..... 22,682,000
- (3) Reimbursements..... -143,894,000
- (4) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)..... -1,264,000
- (5) Amount payable from the State Children’s Trust Fund (Item 5180-151-0803)..... -3,755,000
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890)..... -1,285,924,000
- (7) Amount payable from the Child Welfare Services Program Improvement Fund (Item 5180-151-8023).... -4,000,000

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 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 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. (a) Of the amount appropriated in this item, \$57,836,000 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.

(b) 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. Upon request by the Department of Finance, the Comptroller 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 18260 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.

5180-151-0279—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Child Health and Safety Fund.....	1,264,000
5180-151-0803—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the State Children’s Trust Fund.....	3,755,000
5180-151-0890—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund.....	1,285,924,000

Provisions:

1. Provisions 1, 3, 5, 6, and 8 of Item 5180-151-0001 also apply to this item.

5180-151-8023—For local assistance, Department of Social Services, payable from the Child Welfare Services Program Improvement Fund..... 4,000,000

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, 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..... 324,895,000

Schedule:

- (1) 26-Title IV-E Waiver..... 797,677,000
- (2) Amount payable from the Federal Trust Fund (Item 5180-153-0890)..... -472,782,000

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 18260 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..... 472,782,000

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 18260 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—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 Child Care and Development Fund, 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. 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 \$29,663,000 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 item 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, 2009:

0001—General Fund

- (1) Item 5180-111-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (2) Item 5180-141-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (3) Item 5180-151-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

0890—Federal Trust Fund

- (1) Item 5180-141-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (2) Item 5180-151-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

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 unexpended balances provided for in the

following citations are reappropriated for encumbrance or expenditure pursuant to Provision 1:

0001—General Fund

- (1) Item 5180-151-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (2) Item 5180-151-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

0890—Federal Trust Fund

- (1) Item 5180-151-0890, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
- (2) Item 5180-151-0890, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Provisions:

- 1. Funds for Older Youth Adoptions Project allocated to counties in accordance with Section 16124 of the Welfare and Institutions Code, but unexpended, shall be reappropriated for expenditure until June 30, 2009.

CORRECTIONS AND REHABILITATION

5225-001-0001—For support of Department of Corrections and Rehabilitation..... 6,830,378,000
 Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 461,767,995
- (3) 15-Corrections Standards Authority..... 11,794,000
- (4) 20-Juvenile Operations..... 263,488,000
- (5) 21-Juvenile Education, Vocations, and Offender Programs..... 5,529,000
- (6) 22-Juvenile Paroles..... 34,098,000
- (7) 23-Juvenile Health Care..... 112,786,000
- (8) 25-Adult Corrections and Rehabilitation Operations..... 4,718,297,000
- (9) 30-Parole Operations—Adult..... 752,323,000
- (10) 35-Board of Parole Hearings..... 105,982,000
- (11) 40-Community Partnerships..... 15,145,000
- (12) 45-Education, Vocations, and Offender Programs—Adult..... 551,181,005
- (13) Reimbursements..... -126,998,000
- (14) Amount payable from the Corrections Training Fund (Item 5225-001-0170)..... -2,608,000
- (15) Amount payable from the Federal Trust Fund (Item 5225-001-0890)..... -7,332,000

(16) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917)..... -65,075,000

Provisions:

1. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
2. 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.
3. Notwithstanding any other provision of law, but subject to providing 30 days' prior notification to the Joint Legislative Budget Committee, funds appropriated in Schedule (8) or (9), 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.
4. 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.
5. Not later than February 17, 2009, 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 oper-

ating budget for each of the correctional facilities under the control of the department. Specifically, the report shall include: (a) year-end expenditures by program for each institution in the 2007–08 fiscal year, (b) allotments and projected expenditures by program for each institution in the 2008–09 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 2008–09 fiscal year.

6. 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.
7. Of the amount appropriated in this item, \$87,341,000 is available for the Consolidated Information Technology Infrastructure Project. Upon determination of the project costs that can be financed using GS \$mart, any balance in excess of the amounts needed for 2008–09 payments shall revert to the General Fund upon order of the Director of Finance. Up to \$45,856,000 may be reverted.
8. The Director of Finance may augment this item by up to \$15,000,000 upon approval of a Feasibility Study Report or a Special Project Report by the office of the State Chief Information Officer that identifies a gap and a need for an information technology solution between the development of the Strategic Offender Management System, the Disability and Effective Communication System, and the requirements of the *Armstrong v. Schwarzenegger* court orders. Any augmentation shall be authorized no sooner than 30 days after notification in writing 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.
9. Notwithstanding any other provision of law, upon order of the Director of Finance, funds appropriated in Schedules (8) and (12) may be transferred between each other for the sole purpose of reconciling expenditures in the Division

of Adult Institutions with expenditures in the Division of Adult Education, Vocation, and Offender Programs in order to comply with the April 3, 2007, court order, in the case of *Valdivia v. Schwarzenegger*. Transfers between Schedules (8) and (12) shall occur no sooner than 30 days after notification to the Joint Legislative Budget Committee of actual utilization of In-Custody Treatment Program beds by parole region and how this utilization necessitates the transfer of funds.

10. The Department of Corrections and Rehabilitation (DCR) shall continue its efforts in consultation with legislative staff and the Department of Finance to create a more accurate and transparent population budget request for caseload-related funding. In particular, DCR shall identify appropriate funding formulas to use to estimate staffing levels and funding associated with changes in the projected inmate population. These formulas shall be presented to the Legislature no later than January 10, 2009, so as to be considered during budget deliberations. If approved, these formulas shall be incorporated into DCR's budget request the following year.
11. Of the amount appropriated in Schedule (1), \$3,270,000 is for contract costs to provide employees of the Department of Corrections and Rehabilitation with tuberculosis testing and Hepatitis B vaccinations. Any funds not expended for this purpose by June 30, 2009, shall revert to the General Fund. The Department of Corrections and Rehabilitation shall report actual contract expenditures to the Department of Finance.
12. The process to award local jail bond funding, authorized pursuant to Chapter 7 of the Statutes of 2007, shall be finalized by the Corrections Standard Authority prior to the activation of the Northern California Reentry Facility.
13. The Department of Corrections and Rehabilitation shall establish and implement a system for ensuring consistent reporting of the utilization of funding provided in this item for aftercare rehabilitation services. This information shall be reported to the Legislature's 2009–10 January budget proposal.

- 14. (a) The funds appropriated in this item are restricted for use by the Department of Corrections and Rehabilitation for the specific programmatic and operational purposes specified in the Supplemental Report of the Budget Act of 2008. The department shall provide two reports identifying its progress toward expending these funds during the 2008–09 fiscal year to the fiscal committees of both houses of the Legislature beginning on October 1, 2008. The first report shall be due February 1, 2009, and shall separately detail the activities of the first two quarters of the 2008–09 fiscal year. The second report shall be due May 1, 2009, and shall display the activities for the third quarter of the 2008–09 fiscal year. The funds identified in the Supplemental Report of the Budget Act of 2008 shall be utilized for the purposes specified, and any unspent funds shall revert to the General Fund.
- (b) In situations where fluctuations in population result in lower expenditure levels as identified in the department’s population budget change proposals, these savings shall be captured in the population funding estimates and may be used to offset other population-related expenditure increases.
- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.

5225-001-0170—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Corrections Training Fund.....	2,608,000
5225-001-0890—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Federal Trust Fund.....	7,332,000
5225-001-0917—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Inmate Welfare Fund....	65,075,000
5225-002-0001—For support of Department of Corrections and Rehabilitation.....	2,293,414,000

Schedule:

(1) 10-Corrections and Rehabilitation Administration.....	8,314,000
(2) 25-Adult Corrections and Rehabilitation operations.....	285,922,000
(3) 50.10-Medical Services—Adult.....	1,302,213,000
(4) 50.20-Dental Services—Adult....	110,689,000
(5) 50.30-Mental Health Services—Adult.....	311,820,000
(6) 50.40-Ancillary Health Care Services—Adult.....	215,839,000
(7) 50.50-Dental and Mental Health Services Administration—Adult....	60,818,000
(8) Reimbursements.....	-2,201,000

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 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 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 the Division of Correctional Health Care Services of the Department of Corrections and Rehabilitation is to administer this item to the extent directed by the Receiver.
2. 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.
3. 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 therefor as a result of complying with the directions of the Receiver or orders of the United States District Court in *Plata v. Schwarzenegger*.

4. The amounts appropriated in Schedules (3) and (6) are available for expenditure by the Receiver appointed by the Plata v. Schwarzenegger court to carry out its mission to deliver constitutionally adequate medical care to inmates.
5. The amounts appropriated in Schedules (4), (5), and (7) are available for expenditure by the Department of Corrections and Rehabilitation to provide mental health and dental services only.
6. Of the funds appropriated for the Receiver in Schedules (2), (3), and (6), \$253,807,000 is available for expenditure only for the purposes identified below and any unexpended funds shall revert to the General Fund:
 - (a) Health Care Access Units: \$110,020,000
 - (b) Health Care Guarding and Transportation: \$89,328,000
 - (c) Central Fill Pharmacy: \$8,621,000
 - (d) Pharmaceuticals and Medical Supplies: \$45,838,000
7.
 - (a) The funds appropriated in this item are restricted for use by the Department of Corrections and rehabilitation for the specific programmatic and operational purposes specified in the Supplemental Report of the Budget Act of 2008. The department shall provide two reports identifying its progress toward expending these funds during the 2008–09 fiscal year to the fiscal committees of both houses of the Legislature beginning on October 1, 2008. The first report shall be due February 1, 2009, and shall separately detail the activities of the first two quarters of the 2008–09 fiscal year. The second report shall be due May 1, 2009, and shall display the activities for the third quarter of the 2008–09 fiscal year. The funds identified in the Supplemental Report of the Budget Act of 2008 shall be utilized for the purposes specified, and any unspent funds shall revert to the General Fund.
 - (b) In situations where fluctuations in population result in lower expenditure levels as identified in the department’s population budget change proposals, these savings shall be captured in the population funding esti-

mates and may be used to offset other population-related expenditure increases.

- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.

- 8. The Department of Corrections and Rehabilitation is required to submit a Budget Change Proposal to request funding to support positions authorized in the Mental Health Staffing Workload Study.

5225-003-0001—For support of Department of Corrections and Rehabilitation, for rental payments on lease-revenue bonds..... 248,135,000

Schedule:

- (1) Base Rental and Fees..... 250,903,000
- (2) Insurance..... 1,344,000
- (3) Reimbursements..... -4,112,000

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 Department of Corrections and Rehabilitation..... 531,000

Schedule:

- (1) 15-Corrections Standards Authority..... 1,493,000
- (2) Reimbursements..... -10,000
- (3) Amount payable from the Federal Trust Fund (Item 5225-004-0890).... -952,000

5225-004-0890—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-004-0001, payable from the Federal Trust Fund..... 952,000

5225-011-0001—For support of Department of Corrections and Rehabilitation (Proposition 98)..... 52,843,000

Schedule:

- (1) 21-Juvenile Education, Vocations, and Offender Programs..... 52,843,000

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation..... 64,217,000

Schedule:

- (1) 15-Corrections Standards Authority..... 30,265,000
- (2) 20-Juvenile Operations..... 78,000
- (3) 22-Juvenile Paroles..... 1,403,000
- (4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates..... 278,000
- (5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives..... 2,593,000
- (6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges..... 16,480,000
- (7) 30-Parole Operations—Adult..... 13,120,000

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 11190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
 - (b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged

to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

- (c) To pay 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 \$77.17 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 (8) or (9), or both, of Item 5225-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jails or for the auditing or monitoring of local assistance costs.
- 3. 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.

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
Provisions:

- 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 Corrections Standards Authority shall annually allocate and the 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 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..... 22,224,000
Schedule:

- (1) 15-Corrections Standards Authority..... 22,224,000

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, payable from the General Fund..... 58,319,000
Schedule:

- (.6) 60.26.011-O.H. Close Youth Correctional Facility, Stockton: Inyo Behavioral Treatment Program Space—Construction..... 516,000

(.7)	60.26.268-O.H. Close Youth Correctional Facility, Stockton: Humboldt Specialized Counseling Program Building—Construction.....	517,000
(1)	60.26.269-N. A. Chaderjian Youth Correctional Facility, Stockton: Sexual Behavior Treatment Program Counseling Building No. 1—Construction.....	419,000
(2)	60.26.270-N. A. Chaderjian Youth Correctional Facility, Stockton: Sexual Behavior Treatment Program Counseling Building No. 2—Construction.....	517,000
(3)	61.01.001-Statewide: Budget Packages and Advance Planning—Study.....	3,000,000
(4)	61.01.203-Statewide: Small Management Exercise Yards—Preliminary plans, working drawings, and construction.....	25,407,000
(5)	61.05.038-Correctional Training Facility, Soledad: Solid Cell Fronts—Working drawings.....	498,000
(7)	61.07.107-Folsom State Prison, Represa: Renovate Branch Circuit Wiring, Building No. 5—Working drawings and construction.....	1,876,000
(8)	61.09.038-California Medical Facility, Vacaville: Solid Cell Fronts—Construction.....	6,688,000
(9)	61.13.016-California Institution for Women, Frontera: 20-Bed Psychiatric Services Unit—Preliminary plans and working drawings.....	747,000
(10)	61.14.030-Minor Projects.....	5,538,000
(11)	61.15.035-California Rehabilitation Center, Norco: Replace Men’s Dorms—Working drawings.....	343,000
(12)	61.15.039-California Rehabilitation Center, Norco: Install Bar Screen—Preliminary plans and working drawings.....	113,000
(13)	61.16.023-Sierra Conservation Center, Jamestown: Filtration/Sedimentation Structure—Construction.....	2,579,000

(14) 61.18.008-Mule Creek State Prison, Ione: Wastewater Treatment Plant Improvements—Working drawings.....	542,000
(16) 61.34.004-Ironwood State Prison, Blythe: Heating, Ventilation, and Air Conditioning System—Preliminary plans.....	5,758,000
(17) 61.35.014-Salinas Valley State Prison, Soledad: 180 Housing Unit Conversion and Addition to the Mental Health Services Building—Preliminary plans.....	1,694,000
(18) 61.35.016-Salinas Valley State Prison, Soledad: Intermediate Care Facility Treatment Space—Preliminary plans and working drawings.....	399,000
(19) 61.47.007-California State Prison-Sacramento, Represa: Enhanced Outpatient Program, Facility B Program, Treatment, and Office Space—Preliminary plans.....	1,168,000

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 2009–10 or 2010–11 Budget Act, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2009–10 and 2010–11 Budget Acts, respectively. Upon approval by the Department of Finance, these funds may also be used to develop scope and cost information for projects authorized by Section 15819.40 of the Government Code. These funds may be used for all of the following: budget package development, environmental services, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for 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. The unexpended portion of funds appropriated in Schedules (9), (17), and (18) shall be reverted if the projects for which they are appropriated are removed from the mental health bed plan, as approved by the Coleman Court, and are no longer necessary to meet the mental health space needs required by the Coleman Court.
- 4. The Department of Corrections and Rehabilitation shall report to, 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 by May 1, 2009, on the reconciliation of the funds appropriated in Schedule (10).

5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 62,355,000
 Schedule:

- (.3) 61.07.029-Folsom State Prison, Represa: Convert Officer and Guards Building to Office Space—Construction..... 6,768,000
- (.5) 61.10.101-California Men’s Colony, San Luis Obispo: Central Kitchen Replacement—Working drawings and construction..... 15,263,000
- (2) 61.15.035-California Rehabilitation Center, Norco: Replace Men’s Dorms—Construction..... 14,993,000

(3) 61.22.006-Chuckwalla Valley State
Prison, Blythe: Wastewater Treat-
ment Plant Improvements—Con-
struction..... 25,331,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the projects authorized by this item.
2. The Department of Corrections and Rehabilitation 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 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.
4. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure during the 2008–09 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2011, appropriations for working drawings which shall be available for expenditure until June 30, 2010, and appropriations for construction which shall be available for expenditure until June 30, 2013. In addition, the balance of the 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, 2011, shall revert as of that date to the fund from which the appropriation was made.

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 until June 30, 2009:

0001—General Fund

- (1) Item 5225-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. of 2007). The balance of the funds appropriated for the support, development, implementation, and maintenance of the Business Information System.

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:

0660—Public Buildings Construction Fund

- (1) Item 5240-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)

- (4) 61.12.027-California State Prison-San Quentin, San Quentin: Condemned Inmate Complex—Preliminary plans, working drawings, and construction

- (2) 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—Construction

0747—1988 Prison Construction Fund

- (1) Item 5225-301-0747, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

- (1) 61.27.002-Wasco State Prison, Wasco: Pre-screening Facility at Wastewater Treatment Plant—Construction

5225-492—Reappropriation, Department of Corrections and Rehabilitation. 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, 2009:

0001—General Fund

- (1) Item 5225-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). The balance of the funds appropriated for the State Commission on Juvenile Justice.

- 5225-495—Reversion, Department of Corrections and Rehabilitation. As of June 30, 2008, the unencumbered balances of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made:
- 0001—General Fund
- (.5) Item 5240-301-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), as partially reappropriated by Item 5240-490, Budget Acts of 2003 (Ch. 157, Stats. 2003) and 2004 (Ch. 208, Stats. 2004), and Item 5225-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
 - (6) 61.15.027-California Rehabilitation Center, Norco: Potable Water System Improvements—Construction
 - (1) Item 5225-301-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
 - (25) 61.39.003-Kern Valley State Prison, Kern: Arsenic Removal Water Treatment System—Construction
- 0660—Public Buildings Construction Fund
- (1) Item 5225-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 61.10.101-California Men’s Colony, San Luis Obispo: Central Kitchen Replacement—Construction

EDUCATION

6110-001-0001—For support of Department of Education.....	42,685,000
Schedule:	
(2) 20-Instructional Support.....	174,245,000
(3) 30-Special Programs.....	54,659,000
(4) 40-Executive Management and Special Services.....	9,801,000
(6) 42.01-Department Management and Special Services.....	33,345,000
(7) 42.02-Distributed Department Management and Special Services.....	-33,345,000
(8) Reimbursements.....	-19,511,000
(8.5) Unallocated Reduction.....	-5,121,000
(9) Amount payable from Federal Trust Fund (Item 6110-001-0890).....	-170,681,000

(10) Amount payable from Mental Health Services Fund (Item 6110-001-3085)..... -707,000

Provisions:

1. Notwithstanding Section 33190 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of student performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer pupils.
2. 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.
3. The funds appropriated in this item may not be expended for any REACH program.
4. 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.
5. 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.
 6. Of the funds appropriated in this item, no less than \$2,420,000 is available for support of child care services, including state preschool.
 7. Of the funds appropriated in this item, \$164,000 is provided solely for the purpose of funding existing positions from within the State Department of Education to provide the Curriculum Development and Supplemental Materials Commission with subject matter specialists.
 8. Of the funds appropriated in this item, \$200,000 is available for a review of proposals submitted by school districts that wish to participate in the Mathematics and Reading Professional Development Program. The selection of the reviewer shall be subject to the approval of the State Board of Education.
 9. Of the funds appropriated in this item, \$939,000, as subsequently adjusted for employee compensation, shall be available for costs associated with the administration of the High Priority Schools Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 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 Division 4 of Title 2 of the Education Code.
 10. By October 31 of each year, the State Department of Education (SDE) shall provide to the Department of Finance a file of all charter school average daily attendance (ADA) and state and local revenue associated with charter school general purpose entitlements as part of the P2

Revenue Limit File. By March 1, 2008, 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.

11. On or before April 15, 2008, 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.
12. 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.
13. 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 Public Health.
14. 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.
15. 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.

16. Of the funds appropriated in this item, \$2,000,000 is provided on a one-time basis for legal representation from the office of the Attorney General in litigation related to the California 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, 2008, and every four months thereafter, with the final report due on June 30, 2009. 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.
 - (a) Of the funds in this provision, up to \$767,000 may be used for one-time costs related to the implementation of Chapter 751 of the Statutes of 2006.
17. Of the funds appropriated in this item, \$175,000 shall only be available to support a \$175,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
18. Of the amount appropriated in this item, \$139,000 from reimbursement funds may be expended for administering the Education Technology K–12 Voucher Program pursuant to the Microsoft settlement.
19. Of the funds appropriated in this item, up to \$1,011,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for special education programs.
20. Of the reimbursement funds appropriated in this item, \$422,000 shall be available to the State Department of Education to contract for assistance in developing an approved listing of food and beverage items that comply with the nutrition standards of Chapters 235 and 237 of the

Statutes of 2005. In order to fund the development and maintenance of the approved product listing, the State Department of Education shall collect a fee, as it deems appropriate, from vendors seeking to have their product reviewed for potential placement on the approved product listing. Reimbursements collected in the 2008–09 fiscal year may be used to offset costs incurred in the 2006–07 and 2007–08 fiscal years.

23. Within 30 days after the enactment of this act, the State Department of Education (SDE) shall report to the fiscal committees of the Legislature and the Legislative Analyst’s Office regarding the reductions in positions and appropriations that were taken as a result of the unallocated reduction in this item. The report from the SDE shall include information regarding the division, position description, and position level of all position reductions. The SDE also shall identify the program supported by each position reduction. For every division experiencing a reduction, the SDE shall provide data on the total number of remaining positions, by position level and program supported. The SDE also shall provide a list of the divisions not experiencing any reductions.

New SDE positions authorized by this act shall be filled for the purposes stated in this act and shall not be used to offset the unallocated reduction in this item.

24. Of the funds appropriated in Schedule (2), up to \$536,000 is for transfer by the Controller to the State Instructional Materials Fund for allocation during the 2008–09 fiscal year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of Division 4 of Title 2 of the Education Code.

These funds shall be transferred in amounts claimed by the State Department of Education (SDE), for direct disbursement by the SDE from the Instructional Materials Fund.

25. Of the reimbursement funds appropriated in Schedule (8), \$500,000 is for the support of “Green” California Partnership Academies pursuant to legislation enacted in the 2007–08

Regular Session. These funds shall be available for expenditure until June 30, 2011.

6110-001-0140—For support of Department of Education, Program 20.10.055-Instructional Support, Environmental Education, payable from the California Environmental License Plate Fund.....	47,000
6110-001-0178—For support of 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.....	1,625,000
Provisions:	
1. Of the funds appropriated in this item, \$247,000 is available only for increased lease costs to secure new office and classroom space necessary for the operations of the Schoolbus Driver Instructor Training Program.	
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, pursuant to Article 1 (commencing with Section 104420) of Chapter 1 of Part 3 of the Health and Safety Code.....	976,000
6110-001-0687—For support of Department of Education, for the California State Agency for Donated Food Distribution, payable from the Donated Food Revolving Fund, pursuant to Article 7 (commencing with Section 12110) of Chapter 1 of Part 8 of Division 1 of Title 1 of the Education Code.....	7,405,000
(1) 30.50-Donated Food Distribution Program.....	10,657,000
(2) Reimbursements.....	-3,252,000
Provisions:	
1. Of the funds appropriated in Schedule (1), \$3,252,000 is to reimburse local educational agencies, processors, and distributors for beef disposal costs associated with the Westland/Hallmark beef recall.	
6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund.....	170,681,000
Provisions:	
1. The funds appropriated in this item include federal Carl D. Perkins Vocational and Technical	

Education Act of 2006 funds for the 2007–08 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 career technical 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, \$426,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11431 et seq.). The State Department of Education shall consult with the Department of Community Services and Development, the State Department of Mental Health, the Department of Housing and Community Development, and the Commission for 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. (a) Of the funds appropriated in this item, \$11,779,000 is from the Child Care and Development Block Grant Fund and is available for support of child care services. Of this amount, \$1,547,000 is for 13.0 positions to address compliance monitoring and overpayments, which may contribute to early detection of fraud. This includes 7.0 new positions in the 2008–09 fiscal year to audit all federally subsidized child care agencies pursuant to new federal regulations per Part 98 of Title 45 of the Code of Federal Regulations. The State Department of Edu-

- cation (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), every alternative payment agency and subsidized general child care agency will be audited each year using sufficient sampling of provider records of the following: (1) family fee determinations, (2) income eligibility, (3) rate limits, and (4) 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 the Legislature no later than April 15.
7. Of the funds appropriated in this item, \$1,066,000 shall be used for administration of the federal Enhancing Education Through Technology Grant Program. Of this amount:
(a) \$150,000 is available only for contracted technical support and evaluation services.
8. 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 programs. The State Department of Education shall ensure the quarterly reports that the contractor submits on the results of its dispute resolution services include the same information as required by Provision 9 of Item 6110-001-0890 of Chapters 47 and 48 of the Statutes of 2006 and Section 56504.5 of the Education Code and reflect year-to-date data and final yearend data.
9. Of the amount provided in this item, \$881,000 is provided for staff for the Special Education Focused Monitoring Pilot Program to be estab-

lished 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.

10. 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, 2008. 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.
11. Of the funds appropriated in this item, \$500,000 is for the State Department of Education to contract for annual evaluations of Reading First program effectiveness.
12. 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.
13. 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 mental health services required by an individualized education plan pursuant to Chapter 493 of the Statutes of 2004.
14. Of the funds appropriated in this item, \$1,874,000 is available on a one-time basis to

- implement the Child Nutrition Information and Payment System.
15. Of the funds appropriated in this item, \$2,506,000 shall be used for the administration of the 21st Century Community Learning Centers Program.
 16. Of the funds appropriated in this item, \$109,000 shall be made available to the Office of the Secretary for Education for state operation costs associated with federal and state accountability activities.
 17. Of the funds appropriated in this item, \$175,000 in federal Carl D. Perkins Vocational and Technical Education Act of 2006 funding shall only be available to support a \$175,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
 18. 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.
 19. Of the funds appropriated in this item, \$1,244,000 is available on a one-time basis from federal Title II funds for the State Department of Education to extend 1.0 limited-term position authorized in 2007 and fund 2.0 additional limited-term positions through June 30, 2009, and other costs associated with the development of the California Longitudinal Teacher Integrated Data Education System (CALTIDES). Of this amount, \$398,000 is available for an interagency agreement with the Commission on Teacher Credentialing to extend 2.5 limited-term positions through June 30, 2009, and support other costs associated with the development of CALTIDES.
 20. Of the funds appropriated in this item, \$945,000 of federal Title II funds is for the Compliance Monitoring, Intervention, and Sanctions (CMIS) Program. This program is designed to help school districts meet the highly qualified teacher requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). By April 1, 2009, the State Department

of Education shall submit a report on the CMIS Program to the budget and policy committees of the Legislature. The report shall identify (a) the number of school districts that received CMIS support in the 2008–09 fiscal year, and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report also shall provide longitudinal data on the number and percent of teachers who are and are not highly qualified. At a minimum, the 2008–09 report shall include finalized data for the 2007–08 fiscal year and initial data for the 2008–09 fiscal year. The report shall provide data separately for high- and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.

21. The State Department of Education shall submit an independent evaluation of the Statewide System of School Support to the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst’s Office, and the Department of Finance no later than April 1, 2009.
22. The following funds appropriated in this item are for the development of a comprehensive strategy to address data reporting requirements and the development of the California Longitudinal Pupil Achievement Data System (CALPADS) to meet the requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110) and Chapter 1002 of the Statutes of 2002:
 - (a) \$730,000 and 5.0 positions to support state operations for a comprehensive strategy to address data reporting requirements.
 - (b) \$2,544,000 and 1.0 position to support state operations related to the development of CALPADS. Up to \$1,114,000 may be used to support the involvement of California School Information Services staff in the development of CALPADS.
 - (c) \$606,000 from the Statewide Longitudinal Data System Grant for use in the development of CALPADS.

- (d) \$115,000 and 1.0 position to support workload associated with coordinating data collection and sharing for CALPADS and for the federal Education Data Exchange Network.
 - (e) \$2,181,000 in one-time funding for hardware purchases, data center services, and software licensing to develop CALPADS.
 - (f) \$3,225,000 is reserved for costs in the 2009–10 fiscal year associated with the development of CALPADS.
 - (g) Of the funds appropriated in paragraphs (a) to (f), inclusive, \$4,913,000 is provided in one-time federal Title VI carryover funds.
 - (h) Subject to an approved special project report, \$5,336,000 in one-time federal Title VI funds is available for the California Longitudinal Pupil Achievement Data System. Of this amount, \$5,111,000 is for vendor contract costs and \$225,000 is for data center costs.
23. Of the funds appropriated in this item, \$1,250,000 is to develop and implement a standardized, evidence-based assessment, pursuant to legislation, to allow eligible pupils with disabilities to demonstrate the competence necessary to pass the California High School Exit Examination.
24. Of the funds appropriated in this item, \$378,000 and 4.0 positions are provided to support workload for the federal School Improvement Grant (SIG) Program. Funds shall be allocated pursuant to legislation.
25. Of the funds appropriated in this item, \$385,000 is available to the State Department of Education on a one-time basis for the cost of translating state prototype documents into languages other than English. The department shall contract with appropriate translators or translator services to translate these documents. The department shall post all documents translated pursuant to this provision on its existing Internet-based electronic clearinghouse system of state and locally translated parental notification documents.
26. Of the funds appropriated in this item, \$600,000 is one-time federal Title I Migrant Education Program carryover funds available to augment

- the contract for a three-year program evaluation to meet federal Title I Migrant Education Program requirements.
29. Of the funds appropriated in this item, \$285,000 is available from the Child Care and Development Block Grant Fund on a one-time basis to develop a request for proposals to seek a solution for replacement of the Provider Accounting and Reporting Information System (PARIS), and to contract for project management and oversight. The State Department of Education (SDE) shall require the vendor to propose a cost-effective solution in which interim functions that are duplicative of the Financial Information System for California (FI\$Cal) will be decommissioned when FI\$Cal is fully implemented. The SDE shall also require the vendor to address any modifications to the child care contracting process that may be implemented through legislation enacted during the current legislative session or through regulations deemed necessary to more fully utilize available appropriations in the solution to rewrite PARIS.
 30. Of the funds appropriated in this item, \$308,000 is available from Title II funds for an interagency agreement with the Commission on Teacher Credentialing to support teacher misassignment monitoring activities.
 31. Of the funds appropriated in this item, \$109,000 is provided in federal Title III funds to make permanent 1.0 existing limited-term position to support the English language learner component of the Mathematics and Reading Professional Development Program.
 32. Of the funds appropriated in this item, \$500,000 in one-time federal Title III carryover funds is available to augment an evaluation of the English Language Learner Acquisition and Development Pilot Program as previously authorized in Provision 48 of Item 6110-001-0890 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Prior to the release of the request for applications for the evaluation required pursuant to subdivision (h) of Section 420 of the Education Code, the State Department of Education shall consult with the Department of Finance, the Legislative Analyst's Office, and the appro-

ropriate legislative policy and fiscal staff to discuss the scope of the evaluation.

- 33. Of the funds appropriated in this item, \$1,600,000 in one-time federal Title III carry-over funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for specialized English language learner instructional training and technical assistance in county court and Division of Juvenile Justice schools. This funding shall supplement, and not supplant, English language learner services.
- 34. Of the funds appropriated in this item, \$1,200,000 in one-time federal Title III carry-over funds is set aside for Title III state-level activities in the 2009–10 fiscal year.
- 35. Of the funds appropriated in this item, \$1,250,000 in one-time federal special education carryover funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for special education instructional training and technical assistance in county court schools. This funding shall supplement, and not supplant, existing special education services.

6110-001-3085—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Mental Health Services Fund.....	707,000
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6110-001-6057—For support of Department of Education, Program 20.30-Administrative Services to local educational agencies, payable from the 2006 State School Facilities Fund.....	2,738,000
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Provisions:

- 1. Funds appropriated by this item are for support of the activities of the School Facilities Planning Division and are to be used exclusively for activities related to local school construction, modernization, and schoolsite acquisition.

6110-002-0001—For support of Department of Education, for rental payments on lease-revenue bonds....	969,000
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Schedule:

- | | |
|-------------------------------|---------|
| (1) Base Rental and Fees..... | 968,000 |
| (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.

6110-003-0001—For support of Department of Education, Program 20.30.020-Instructional Support, Standardized Account Code Structure..... 1,164,000
Provisions:

- 1. The funds appropriated in this item shall be used only for the direct costs to administer the Standardized Account Code Structure program, to assist any school district or county office of education in financial distress or bankruptcy, to implement the provisions established by Chapter 52 of the Statutes of 2004, to make available standard fiscal, demographic, and performance data to policy decisionmakers, and for indirect costs for those programs at the rate approved by the United States Department of Education.

6110-005-0001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools, Program 10.60.040.... 34,572,000
Schedule:

- (1) 10.60.040-Instruction..... 38,798,000
 - (a) 10.60.040.001 -
School for the
Blind, Fremont..... 5,612,000
 - (b) 10.60.040.002 -
School for the
Deaf, Fremont..... 17,804,000
 - (c) 10.60.040.003 -
School for the
Deaf, Riverside..... 15,382,000
- (2) Reimbursements..... -384,000
- (3) Amount payable from the Federal
Trust Fund (Item 6110-005-0890).... -3,842,000

Provisions:

- 1. Of the funds appropriated in this item, \$3,842,000 is for the purpose of restoring the

State Special Schools' General Fund budget-balancing reduction.

6110-005-0890—For support of Department of Education, for payment to Item 6110-005-0001, payable from the Federal Trust Fund..... 3,842,000

6110-006-0001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools..... 41,406,000

Schedule:

(1) 10.60.040-Instruction, State Special Schools..... 52,295,000

(a) 10.60.040.001-School for the Blind, Fremont..... 6,718,000

(b) 10.60.040.002-School for the Deaf, Fremont..... 17,950,000

(c) 10.60.040.003-School for the Deaf, Riverside..... 15,461,000

(d) 10.60.040.007-Diagnostic Centers..... 12,166,000

(2) Reimbursements..... -5,826,000

(3) Amount payable from Federal Trust Fund (Item 6110-006-0890)..... -5,063,000

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.

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Item

STATUTES OF 2008

[Ch. 268]
Amount

6110-006-0890—For support of Department of Education, for payment to Item 6110-006-0001, payable from the Federal Trust Fund.....	5,063,000
Provisions:	
1. Of the funds appropriated in this item, \$5,063,000 is for the purpose of restoring the State Special Schools' Proposition 98 budget-balancing reduction.	
6110-008-0046—For support of Department of Education, as allocated by the Department of Education to the State Special Schools for student transportation allowances, payable from the Public Transportation Account, State Transportation Fund.....	4,068,000
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.	
2. The State Department of Education shall obtain from the Department of Finance written approval prior to spending \$924,000 in this item budgeted to address anticipated transportation contract increases in the 2008–09 fiscal year resulting from fuel and insurance costs. The Department of Finance shall act within 30 days of receiving justification from the State Department of Education for the increased costs.	
6110-009-0001—For support of Department of Education.....	1,370,000
Schedule:	
(1) 50-State Board of Education.....	1,424,000
(2) Reimbursements.....	-54,000
Provisions:	
1. The amount appropriated in Schedule (1) shall be available for support of the State Board of Education and shall be directed to meet the policy priorities of its members.	
(a) Of the amount appropriated in this schedule, \$138,000 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 \$138,000 for purposes of overseeing State Board of Education-approved charter schools.	

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, pursuant to Article 1 (commencing with Section 104435) of Chapter 1 of Part 3 of the Health and Safety Code.....	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.....	1,225,000
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 2007–08 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.	
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, pursuant to Article 1 (commencing with Section 104350) of Chapter 1 of Part 3 of Division 103 of the Health and Safety Code.....	18,998,000
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.....	1,813,000

6110-103-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.001.005-School Apportionments, for transfer to Section A of the State School Fund, for the purposes of Section 8152 of the Education Code.....	13,765,000
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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 \$5.17 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 of each year on the amount of funds expended for, and the hours of related and supplemental instruction offered in, the apprenticeship program during the prior 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 prior and current 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 Division 1 of Title 1 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. An additional \$6,227,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
- 7. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 8. Of the amount appropriated in this item, \$415,000 is provided for a cost-of-living adjustment.

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..... 5,080,000

Provisions:

- 1. Of the funds appropriated in this item, \$13,000 is provided in one-time carryover funds to support the existing program.

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..... 339,582,000

Schedule:

- (1) 10.10.011.008-School Apportionments, for Supplemental Instruction, Remedial, Grades 7–12 for the purposes of Section 37252 of the Education Code..... 205,304,000

- (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..... 49,590,000
- (3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR-Grades 2–6 for the purposes of Section 37252.8 of the Education Code..... 16,959,000
- (4) 10.10.011.011-School Apportionments, for Supplemental Instruction, Core Academic K–12 for the purposes of Section 37253 of the Education Code..... 67,729,000

Provisions:

- 1. Notwithstanding any other provision of law, for the fiscal year, the Superintendent of Public Instruction shall allocate a minimum of \$8,900 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 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 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 fiscal year.
- 3. Notwithstanding any other provision of law, the rate of reimbursement shall be \$4.17 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, \$8,910,000 is provided for the purpose of a cost-of-living adjustment.
- 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 mandate 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 following fiscal year.
- 8. Rates or hours shall be adjusted in voluntary programs as necessary to fully meet demand in mandatory programs and remain within the amount provided for this purpose in the annual Budget Act.

6110-105-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-Instruction, 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 Division 4 of Title 2 of the Education Code..... 453,583,000

Schedule:

- (1) 10.10.004-Instruction Program—
School Apportionments, Regional
Occupational Centers and Pro-
grams..... 460,900,000
- (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 current fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for apportionment pursuant to Article 1 (commenc-

<p>ing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code.</p> <p>2. 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.</p> <p>3. 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.</p> <p>4. 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.</p> <p>5. The funds appropriated in this item reflect a reduction to the base funding of 0.55 percent for a statewide decline in 11th and 12th grade average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$10,228,000 is for the purpose of providing a cost-of-living adjustment.</p> <p>6. An additional \$39,630,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.</p> <p>6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight.....</p> <p>Schedule:</p> <p>(1) 10.10.002-COE Oversight.....</p> <p>(2) 10.10.005-FCMAT.....</p> <p>(3) 10.10.012-FCMAT: CSIS.....</p> <p>(4) 10.10.013-Audit Appeal Panel.....</p> <p>(5) 10.10.015-Interim Reporting.....</p> <p>(6) 10.10.016-Staff Development.....</p>	<p>5,565,000</p> <p>3,879,000</p> <p>243,000</p> <p>54,000</p> <p>1,022,000</p> <p>1,164,000</p>	<p>11,685,000</p>
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(7) Amount payable from the Education-
al Telecommunication Fund (Item
6110-107-0349)..... -242,000

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) \$3,229,000 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) \$243,000 shall be available to develop and implement the activities of regional teams of fiscal experts to assist districts in fiscal distress.

- (c) \$407,000 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), \$243,000 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) \$147,000 shall be available for no more than a 25-percent state reimbursement to county offices of education for fiscal oversight of school districts with audit exceptions, districts with qualified or negative interim reports, districts that may be unable to meet financial obligations for the current or subsequent fiscal years, or districts with disapproved budgets.
 - (b) Up to \$875,000 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 2008–09 and 2009–10 fiscal years. Any unexpended balance as of September 1, 2009, shall be available until July 30, 2010, 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) \$831,000 is for the purpose of providing staff development to local educational 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) \$333,000 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 the 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 allocations 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 of each year.

Item

Amount

6110-107-0349—For local assistance, Department of Education, for payment to Item 6110-107-0001, payable from the Educational Telecommunication Fund..... 242,000

6110-108-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support, the Supplemental School Counseling Program, established pursuant to Article 4.5 (commencing with Section 52378) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 213,487,000

Provisions:

1. Of the funds appropriated in this item, \$4,427,000 is provided for the purpose of a cost-of-living adjustment.

6110-111-0001—For local assistance, Department of Education (Proposition 98), Program 10-Instruction, 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 Division 3 of Title 2 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 Division 3 of Title 2 of the Education Code..... 567,999,000

Schedule:

- (1) 10.10.006-Pupil Transportation.... 561,913,000
- (2) 10.10.008-Small School District Bus Replacement..... 6,086,000

Provisions:

1. Of the funds appropriated in this item, \$12,868,000 is for the purpose of providing a cost-of-living adjustment.
2. An additional \$52,583,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
3. Notwithstanding any other provision of law, of the funds appropriated in this item, an amount equal to the amount of reimbursement to the General Fund pursuant to Section 24.85 shall be used to provide mass transportation services for pupils enrolled in school districts that receive these funds.

6110-112-0890—For local assistance, Department of Education, Program 20.60.036-Public Charter Schools, payable from the Federal Trust Fund..... 36,395,000

6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program..... 90,735,000

Schedule:

- (1) 20.70.030.005-Assessment Review and Reporting..... 2,313,000
- (2) 20.70.030.006-STAR Program..... 62,127,000
- (3) 20.70.030.007-English Language Development Assessment..... 11,433,000
- (4) 20.70.030.008-High School Exit Examination..... 14,862,000
- (5) 20.70.030.015-California High School Proficiency Examination.... 1,144,000
- (6) Reimbursements..... -1,144,000

Provisions:

1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 3 (commencing with Section 48400) of Part 27 of Division 4 of Title 2 of the Education Code and Chapter 5 (commencing with Section 60600), Chapter 6 (commencing with Section 60800), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850) of Part 33 of Division 4 of Title 2 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 Tests, the Standards-Based Tests 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 the California English Language Development Test (CELDT) meeting the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2 of the Education Code. Incentive funding of \$5 per pupil is provided for district apportionments for the CELDT. 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 California High School Exit Examination (CAHSEE) pursuant to Chapter 9 (commencing with Section 60850) of Part 33 of Division 4 of Title 2 of the Education Code. The State Board of Education shall establish the amount of funding to be apportioned to school districts for the CAHSEE. The amount of funding to be apportioned per test shall not be valid without the approval of the Department of Finance.
 5. The funds appropriated in Schedule (4) shall be used for seven annual administrations of the California High School Exit Examination. Grade 12 pupils may take up to five administrations of the examination, grade 11 pupils may take up to two, and grade 10 pupils are required to take one.
 6. It is the intent of the Legislature that the State Department of Education (SDE) develop a plan to streamline existing programs to eliminate duplicative tests and minimize the instructional time lost to test administration. The SDE shall ensure that all statewide tests meet industry standards for validity and reliability.
 7. 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 STAR Program, the California English Language Development Test, and the California High School Exit Examination. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from these schedules.
- 6110-113-0890—For local assistance, Department of Education-Title VI Flexibility and Accountability, payable from the Federal Trust Fund..... 23,442,000

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.....	6,065,000
(4) 20.70.030.007-Instructional Support: English Language Development Test.....	10,480,000
(5) 20.70.030.008-Instructional Support: High School Exit Examination.....	5,172,000
(6) 20.70.030.029-Instructional Support: High School Exit Examination: Evaluation of Instruction.....	350,000

Provisions:

1. Funds appropriated in Schedule (1) are provided for the continued development of the Alternative Schools Accountability Model to include alternative schools within the state's system of accountability.
2. Funds appropriated in Schedule (3) are provided for approved contract and district apportionment costs for the development and administration of the California Standards Tests, the Standards-Based Tests in Spanish, the California Modified Assessment, the California Alternate Performance Assessment (CAPA), and the Designated Primary Language Test, as part of the STAR Program. District apportionments for the CAPA shall be \$5 per pupil.
3. The funds appropriated in Schedule (4) shall be available for approved contract and apportionment 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 Division 4 of Title 2 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 California 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 California 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 STAR 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 mandate reimbursement claims by the amount of funding provided to them from these schedules.
- 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, \$45,000 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..... 19,291,000
- Provisions:
1. Of the funds appropriated in this item, \$400,000 is provided for the purpose of a cost-of-living adjustment.

<p>2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.</p> <p>6110-119-0890—For local assistance, Department of Education, Program 10.30.060.002—Title I Program for Neglected and Delinquent Children, payable from the Federal Trust Fund.....</p> <p>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 Division 4 of Title 2 of the Education Code....</p> <p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$1,500,000 shall be allocated to Specialized Secondary Programs established prior to the 1991–92 fiscal year that operate in conjunction with the California State University.</p> <p>2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.</p> <p>3. Of the amount appropriated in this item, \$130,000 is provided for a cost-of-living adjustment.</p> <p>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 Division 4 of Title 2 of the Education Code.....</p> <p>Schedule:</p> <p>(1) 20.60.030.034-High Priority Schools Grant Program.....</p> <p>(2) 20.60.030.036-Corrective Actions.....</p> <p>Provisions:</p> <p>1. 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 Division 4 of Title 2 of the Education Code. Schoolsite grants shall be adjusted based on October 2007 California Basic Educational Data System enrollment. Of these funds, \$10,000,000 or whatever greater or lesser amount is necessary, shall be available to</p>	<p>2,461,000</p> <p>6,252,000</p> <p>120,209,000</p> <p>114,209,000</p> <p>6,000,000</p>
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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.

- 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, 20.60.030.035-Innovative Programs, Title V-ESEA, payable from the Federal Trust Fund..... 6,000,000

Provisions:

- 1. The funds in this item are one-time carryover funds that shall be used for purposes of federal Title I program improvement. Funds shall be programmed pursuant to legislation.

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 Division 4 of Title 2 of the Education Code..... 52,222,000

Provisions:

- 1. An additional \$4,294,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year.
- 2. Of the funds appropriated in this item, \$1,171,000 is for the purpose of providing a cost-of-living adjustment.
- 3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6110-125-0001—For local assistance, Department of Education (Proposition 98)..... 64,603,000

Schedule:

- (1) 10.40.030.004-Refugee Children School Grant Program..... 1,649,000

- (2) 20.10.006-English Language Acquisition Program, pursuant to Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of the Education Code..... 64,603,000
- (3) Reimbursements..... -1,649,000

Provisions:

- 1. Of the funds appropriated in this item, \$1,340,000 is provided for the purpose of a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6110-125-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 311,032,000
Schedule:

- (1) 10.30.010-Title I, Migrant Education..... 136,119,000
- (3) 20.10.004-Title III, Language Acquisition..... 174,913,000

Provisions:

- 1. Of the funds appropriated in Schedule (1), the Department of Education shall use no less than \$6,500,000 and up to \$7,100,000 for the California Mini-Corps Program.
- 2. Of the funds appropriated in Schedule (1), \$8,400,000 is provided in one-time carryover funds to support the existing program.
- 3. Of the funds appropriated in Schedule (3), \$4,806,000 is provided in one-time carryover funds to support the existing program.
- 4. Of the funds appropriated in Schedule (3), \$1,800,000 is available for establishing an intervention and assistance program for coordinating federal Title I and Title III program improvement activities for local educational agencies that are not meeting their annual measurable achievement objectives for English language learners.

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..... 57,433,000
Provisions:

- 1. The funds appropriated in this item are for Reading First programs pursuant to Article 1

(commencing with Section 51700) of Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code. It is the intent of the Legislature that all participating school districts receive funding at the rates established in paragraph (3) of subdivision (c) of Section 51700 for six years. A participating school district shall not receive funding from this item for more than six years.

2. Of the funds appropriated in this item, \$3,658,000 shall be available for Reading First's statewide and regional infrastructure, including its six Regional Technical Assistance Centers.
3. By May 1, 2009, 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.
4. By May 1, 2009, the State Department of Education 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 to 2006-07, inclusive, 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 Division 4 of Title 2 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 pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code..... 1,015,333,000

Provisions:

1. Of the funds appropriated in this item, \$21,054,000 is provided for the purpose of a cost-of-living adjustment.

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, \$1,170,000 is available for administration of the Advancement Via Individual Determination (AVID) centers.

6110-134-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 112,206,000
Schedule:

- (1) 10.30.006-Statewide System of School Support..... 10,000,000
- (5) 10.30.009-Program Improvement—Local Educational Agencies..... 55,206,000
- (8) 10.30.003-Program Improvement Local Educational Agencies Carry-over..... 47,000,000

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 of 1999, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of Division 4 of Title 2 of the Education Code, so that duplication of effort is minimized at the local level.
- 2. The funds appropriated in Schedule (1) shall be available for the purposes established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.
- 4. The State Department of Education shall provide to the Legislature, the Legislative Analyst’s Office, and the Department of Finance, a letter by April 15, 2009, reporting expenditures and anticipated savings for each schedule, based on available information.
- 6. The funds appropriated in Schedules (5) and (8) shall be available for requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and shall be programmed pursuant to legislation.
- 9. The funds appropriated in Schedule (8) are provided on a one-time carryover basis.
- 10. Of the funds appropriated in Schedule (8), \$7,800,000 is provided on a one-time basis for local educational agency data support.

6110-135-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 78,082,000
Schedule:

- (1) 10.30.004-School Improvement Grants..... 61,462,000
- (2) 10.30.001-School Improvement Grants Carryover..... 16,620,000

Provisions:

- 1. The funds appropriated in this item shall be available for requirements as specified in subsection (g) of Section 6303 of Title 20 of the United States Code and shall be programmed pursuant to legislation.
- 2. The funds appropriated in Schedule (2) are provided on a one-time carryover basis.

6110-136-0890—For local assistance, Department of Education, Program 10.30-Instruction, payable from the Federal Trust Fund..... 1,647,819,000
Schedule:

- (1) 10.30.060-Title I-ESEA..... 1,630,796,000
- (2) 10.30.065-McKinney-Vento Homeless Children Education..... 8,526,000
- (4) 10.30.030-Title I-Even Start Program..... 8,497,000

Provisions:

- 1. Of the funds appropriated in Schedule (1), \$19,252,000 is provided in one-time carryover funds to support the existing program.
- 2. Of the funds appropriated in Schedule (2), \$1,333,000 is provided in one-time carryover funds to support the existing program.
- 3. Of the funds appropriated in Schedule (4), \$1,500,000 is provided in one-time carryover funds to support the existing 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 Division 14 of Title 3 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 Chapter 524 of the Statutes of 2006.

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..... 1,270,000

Provisions:

- 1. Of the funds appropriated in this item, \$67,000 is provided in one-time carryover funds to support the existing program.

6110-140-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support..... 0

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
- (4) Amount payable from the Education Telecommunications Fund (Item 6110-140-0349)..... -5,094,000

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 cohorts, (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 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- 5. The State Department of Education and CSIS shall jointly report by October 1, 2008, to the Department of Finance, the Legislative Analyst's Office, and the budget committees of the Legislature on the workload activities performed by each entity to prepare for the implementation of CALPADS.

6110-140-0349—For local assistance, Department of Education, for payment to Item 6110-140-0001, payable from the Educational Telecommunication Fund.....	5,094,000
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 Division 3 of Title 2 of the Education Code.....	4,900,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

Provisions:

1. Of the funds appropriated in this item, up to \$1,000,000 shall be available for the Chief Business Officer Training Program pursuant to Article 4.8 (commencing with Section 44518) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code. In addition to funding new eligible candidates, funds allocated pursuant to this paragraph may be used for reimbursement of eligible candidates approved by the State Board of Education and enrolled in an approved Chief Business Officer Training Program on or after May 2006.

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 Division 4 of Title 2 of the Education Code..... 676,000

Provisions:

1. Of the funds appropriated in this item, \$14,000 is provided for the purpose of a cost-of-living adjustment.

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 Division 2 of Title 2 of the Education Code..... 4,636,000

Provisions:

1. Of the funds appropriated in this item, \$96,000 is provided for the purpose of a cost-of-living adjustment.

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 Division 2 of Title 2 of the Education Code..... 376,000

6110-156-0001—For local assistance, Department of Education (Proposition 98), Program 10.50.010-Instruction, 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..... 743,023,000
Schedule:

- (1) 10.50.010.001-Adult Education.... 743,023,000
- (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

(P.L. 104-193). 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 Item 6110-105-0001 or pursuant to 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 Division 4 of Title 2 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 Division 4 of Title 2 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 office of the State Chief Information Officer and Legislative Analyst's Office in determining the specific data elements of the system and shall meet all infor-

mation technology reporting requirements of the State Chief Information Officer.

- (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, 2008, to June 30, 2009, inclusive.

- 5. Of the funds appropriated in this item, \$18,843,000 is provided for increases in average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$16,359,000 is for the purpose of providing a cost-of-living adjustment.
- 6. An additional \$45,896,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust Fund..... 75,126,000
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 department 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 Government Auditing Standards 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 (OMB), Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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 audit 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 organizationwide audit performed. These limited-scope audits shall be conducted in accordance with the State Department of Education audit guidelines and 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 American Institute of Certified Public Accountants (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 of each year, the State Department of Education shall report to the appropriate subcommittees of the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review on the following aspects of Title II of the federal Workforce Investment Act of 1998: (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, or 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 (English as a Second Language (ESL), ESL-Citizenship, adult basic education, or adult secondary education) included in the performance targets of participating agencies.

It is the intent of the Legislature that the Legislature and the department 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 current 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.

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.....

18,601,000

Provisions:

- 1. Notwithstanding Section 41841.5 of the Education Code, or any other provision of law, all of the following shall apply:
 - (a) 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.
 - (b) The amount appropriated in this item shall be allocated based upon prior year rather than current year expenditures.
 - (c) Funding distributed to each local educational agency (LEA) for reimbursement of services provided in the prior fiscal year for the Adults in Correctional Facilities Program shall be limited to the amount received by

the agency for services provided in the 2006–07 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the prior fiscal year, as compared to the level of services provided in the 2006–07 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.

- (d) Funding appropriated in this item for growth in average daily attendance (ADA) first shall be allocated to programs that are funded for 20 units or less of ADA, up to a maximum of 20 additional units of ADA per program.
- 2. \$444,000 is provided for increases in average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$386,000 is for the purpose of providing a cost-of-living adjustment.

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,188,406,000
Schedule:

- (1) 10.60.050.003-Special education instruction..... 3,116,310,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 86,491,000
- (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 2008–09 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.

2. Of the funds appropriated in Schedule (1), up to \$13,206,000, plus any cost-of-living adjustment, 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), up to \$10,080,000, plus any cost-of-living adjustment, 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 Division 4 of Title 2 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), up to \$5,258,000, plus any cost-of-living adjustment (COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities ; up to \$87,617,000, plus any COLA, shall be available for regionalized program specialist services ; and up to \$2,573,000, plus any COLA, shall be available 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), up to \$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), up to \$205,213,000, plus any cost-of-living adjustment

(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 2008–09 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 Division 4 of Title 2 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 special education local plan areas, 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 2008–09 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), up to \$188,000, plus any cost-of-living adjustment, shall be available to fully fund the declining enrollment of necessary small special education local plan areas 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), up to \$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), up to \$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 Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.).
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), up to \$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 Improvement Act of 2004 (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), \$70,296,000 is provided for cost-of-living adjustments.
 20. Of the amount provided in Schedule (2), \$1,812,000 is provided for cost-of-living adjustments.
 21. Of the amount appropriated in this item, up to \$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, 2009, 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.
 22. Of the funds appropriated in this item, up to \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a)

of Section 612 of the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.), and Section 2122 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.). 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.

23. 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).
24. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
25. Of the funds appropriated in Schedule (1), the amount resulting from increases in federal funds reflected in the calculation performed in paragraph (1) of subdivision (c) of Section 56836.08 of the Education Code shall be allocated based on an equal amount per average daily attendance and added to each special education local plan area's base funding, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. This amount may be up to \$19,000,000 less adjustments for state operations and preschool. When the final amount is determined, the State Department of Education shall provide this information to the Department of Finance and the budget committees of each house of the Legislature.

6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children..... 1,174,139,000

Schedule:

- (1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education..... 995,330,000
- (2) 10.60.050.013-State Agency Entitlements, IDEA Special Education.... 1,821,000
- (3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program..... 63,437,000
- (4) 10.60.050.021-IDEA, State Level Activities..... 70,720,000
- (5) 10.60.050.030-P.L. 99-457, Preschool Grant Program..... 37,841,000
- (6) 10.60.050.031-IDEA, State Improvement Grant, Special Education..... 2,196,000
- (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 (20 U.S.C. Sec. 1400 et seq.) (IDEA) that are actually received by the state exceed \$1,165,973,000, 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 \$1,165,973,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the IDEA that are actually received by the state are less than \$1,165,973,000, 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 (20 U.S.C. Sec. 1400 et seq.) permanent formula.
- 4. Of the funds appropriated in Schedule (4) up to \$300,000 shall be used to develop and test pro-

- cedures, 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 Disability 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 the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and the special education funding formula required pursuant to Chapter 7.2 (commencing with Section 56836) of Part 30 of Division 4 of Title 2 of the Education Code, without waiting 30 days, but shall provide a notice to the Legislature each time a transfer occurs.
 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 2008–09 fiscal year by county mental health agencies pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code and that are included within an individualized education program pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.). Each county office of education receiving these funds shall contract, on behalf of special education local planning areas in its 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 the 2008–09 fiscal year. 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 the 2004–05 fiscal year for mental health services provided pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code.

- 10. Of the funds appropriated in Schedule (6), \$2,196,000 is provided on a one-time basis for science-based professional development as part of the State Personnel Development grant.

6110-166-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund for purposes of Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of Division 4 of Title 2 of the Education Code, Partnership Academies Program..... 23,490,000

Schedule:

- (1) 10.70.070.001-California Partnership Academies..... 23,490,000
- (2) 10.70.070.002-“Green” California Partnership Academies..... 3,000,000
- (3) Reimbursements..... -3,000,000

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 State 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.
- 3. Notwithstanding Provisions 1 and 2, the funds appropriated in Schedule (2) shall be available consistent with Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of Division 4 of Title 2 of the Education Code and pursuant to legislation enacted in the 2007–08 Regular Session.

6110-166-0890—For local assistance, Department of Education, Program 10.70-Vocational Education, payable from the Federal Trust Fund..... 138,162,000
Provisions:

- 1. The funds appropriated in this item include federal Carl D. Perkins Career and Technical Education Act of 2006 funds for the current fiscal year to be transferred to the community colleges by means of interagency agreements for the purpose of funding career technical 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 \$9,349,000 that is available during the 2008–09 academic year for the support of additional career technical education institutional activities. The first funding priority shall be to support curriculum development and articulation of K–12 technical preparation programs with local community college economic development and career technical education

programs to increase the participation of K–12 pupils in sequenced, industry-driven coursework that leads to meaningful employment in today’s high-tech, high-demand, and emerging technology areas of industry employment.

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 Career Technical Education Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 5,284,000
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 Career Technical 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. This provision does not 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. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the amount appropriated in this item, \$110,000 is provided for a cost-of-living adjustment.

6110-170-0001—For local assistance, Department of Education, Program 20-Career Technical Education, pursuant to Section 88532 of the Education Code.... 0
Schedule:

- (1) Career Technical Education..... 15,703,000
- (2) Reimbursements..... -15,703,000

Provisions:

1. Funding in this item shall be provided through a transfer from Schedule (21) of Item 6870-101-0001, pursuant to an interagency agreement between the Office of the Chancellor of the California Community Colleges and the State Department of Education.

6110-180-0890—For local assistance, Department of Education, Program 20.10.025-Educational Technology, payable from the Federal Trust Fund..... 31,265,000

Provisions:

1. Of the funds appropriated in this item, \$15,322,000 is for allocation to school districts that are awarded formula grants pursuant to the federal Enhancing Education Through Technology Grant Program. This allocation includes \$814,000 in one-time carryover funds.
2. Of the funds appropriated in this item, \$14,880,000 is available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 of Division 4 of Title 2 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. This allocation includes \$372,000 in one-time carryover funds.
3. Of the funds appropriated in this item, \$1,062,000 is available for the California Technology Assistance Project to provide federally required technical assistance and to help districts apply for and take full advantage of the federal Enhancing Education Through Technology grants. This allocation includes \$601,000 in one-time carryover funds.

1790
Item

STATUTES OF 2008

[Ch. 268]
Amount

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 of Division 4 and Chapter 3.34 (commencing with Section 44730) of Part 25 of Division 3 of Title 2 of the Education Code.....	17,984,000
Provisions:	
1. Of the funds appropriated in this item, \$373,000 is for the purpose of a cost-of-living adjustment.	
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.	
6110-181-0140—For local assistance, Department of Education, Program 20.10-Instructional Support, 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.....	10,404,000
Provisions:	
1. Expenditure authority of no greater than \$15,600,000 is provided for the K-12 High-Speed Network.	
(a) Of the amount authorized for expenditure in this provision, \$1,300,000 of unexpended cash reserves from the following appropriations are available to continue management and operation of the network during the 2008-09 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.	
(b) Of the amount authorized for expenditure in this provision, \$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.

- (c) For the 2008–09 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, Program 20.10.045-Safe and Drug Free Schools and Communities Act (Part A of Title IV of P.L. 107-110), payable from the Federal Trust Fund..... 28,531,000

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, \$1,600,000 is provided in one-time carryover funds 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..... 277,382,000

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), Program 20.20.020.005-Instructional Support, 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 (Instructional Materials Block Grant)..... 426,433,000

Provisions:

- 1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials.
- 2. Of the funds appropriated in this item, \$8,842,000 is provided for the purpose of a cost-of-living adjustment.
- 3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6110-190-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.10.021-School Apportionments, Community Day Schools established pursuant to Article 3 (commencing with Section 48660) of Chapter 4 of Part 27 of Division 4 of Title 2 of the Education Code..... 48,349,000

Provisions:

- 1. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.
- 2. Of the funds appropriated in this item, \$1,101,000 is for the purpose of providing a cost-of-living adjustment.
- 3. An additional \$4,751,000 in expenditures for this item has been deferred until the 2009–10 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..... 33,172,000

Schedule:

(1) 20.60.070-Instructional Support: Bilingual Teacher Training Assistance Program.....	2,183,000
(2) 20.60.060-Instructional Support: Teacher Peer Review.....	30,578,000
(3) 20.60.110-Instructional Support: Improving School Effectiveness- Reader Services for Blind Teachers.....	411,000

Provisions:

1. Notwithstanding any other provision of law, the amount appropriated in Schedule (1) shall be the maximum amount allocated for the purposes of the Bilingual Teacher Training Assistance Program established by Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of Division 4 of Title 2 of the Education Code.
2. Of the funds appropriated in Schedule (1), \$45,000 is for the purpose of providing a cost-of-living adjustment at a rate of 2.12 percent.
3. The funds appropriated in Schedule (2) shall be allocated in accordance with Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code. 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 \$634,000 for the purpose of providing a cost-of-living adjustment at a rate of 2.12 percent.
4. Notwithstanding any other provision of law, the amount appropriated in Schedule (3) shall be the maximum amount allocated for the purposes of the Reader Services for Blind Teachers Program, 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.
5. Of the funds appropriated in Schedule (3), \$9,000 is for the purpose of providing a cost-of-living adjustment at a rate of 2.12 percent.
6. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6110-193-0890—For local assistance, Department of Education, Program 20.60-Instructional Support, Part B of Title II of the Elementary and Secondary Education Act (Mathematics and Science Partnership Grants) payable from the Federal Trust Fund..... 22,804,000
Provisions:

- 1. Of the funds appropriated in this item, \$1,500,000 is provided in one-time carryover funds to support the California Mathematics and Science Partnership Program.

6110-195-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.140-Staff Development: Teacher Improvement, Teacher Incentives National Board Certification..... 6,000,000
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 Division 3 of Title 2 of the Education Code.

6110-195-0890—For local assistance, Department of Education, Program 20.60-Instructional Support, Part A of Title II of the Elementary and Secondary Education Act (Teacher and Principal Training and Recruiting Fund), payable from the Federal Trust Fund..... 326,018,000
Schedule:

- (1) 20.60.280-Improving Teacher Quality Local Grants..... 314,514,000
- (2) 20.60.270-Administrator Training Program..... 1,654,000
- (3) 20.60.190.300-California Subject Matter Projects..... 9,850,000

- 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 Division 3 of Title 2 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 pursuant to Article 1 (commencing with

Section 99200) of Chapter 5 of Part 65 of Division 14 of Title 3 of the Education Code.

- 3. Of the funds appropriated in Schedule (3), \$5,500,000 is provided in one-time carryover for transfer to the University of California and shall be used for Subject Matter Projects. None of these funds shall be used for additional indirect administrative costs.
- 4. Of the funds appropriated in Schedule (1), \$3,582,000 is provided in one-time carryover for Improving Teacher Quality Local Grants.
- 5. Of the funds appropriated in Schedule (2), \$100,000 is provided in one-time carryover for the Administrator Training Program pursuant to Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.

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..... 1,806,646,000

Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education..... 441,854,000
- (1.5) 30.10.020-Child Care Services..... 1,857,104,000
 - (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs.... 804,649,000
 - (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 40,570,000

- (d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 257,037,000
- (e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2.... 369,960,000
- (f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside..... 245,204,000
- (g) 30.10.020.008-Special Program, Child Development, Resource and Referral..... 19,438,000
- (i) 30.10.020.015-Special Program, Child Development, Extended Day Care..... 35,890,000
- (j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped..... 1,997,000
- (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..... 67,572,000

(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.....	6,637,000
(3) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments.....	34,282,000
(4) 30.10.020.909-Special Program, Child Development, Growth Adjustments.....	10,917,000
(5) Amount payable from the Federal Trust Fund (Item 6110-196-0890).....	-537,511,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the current 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) \$22,963,000 shall be available for CalWORKs Stage 3 child care.
 - (c) The Controller shall establish an account entitled "Section 8278 Expenditures in 2007" in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2008, 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 Division 1 of Title 1 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 effective March 1, 2009, based on the 2007 Regional Market Rate Survey data. The State Department of Education shall cause to be developed rate limits at the 85th percentile, based on the 2007 survey data, and submit for approval in accordance with law to the Department of Finance no later than October 1, 2008, to enable the rate limits to be reviewed and then implemented by March 1, 2009. The State Department of Education may redirect funding from funds normally reserved for new surveys to achieve this goal, as necessary.
- 3. Of the amount appropriated in Schedule (1), \$50,000,000 is available for Prekindergarten and Family Literacy preschool programs pursuant to Chapter 211 of the Statutes of 2006. Of the amount appropriated in Schedule (1), \$5,000,000 is available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for these funds to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.

4. 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) \$2,014,056 is for the schoolage care and resource and referral earmark.
 - (b) \$11,359,176 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
 - (c) \$7,237,000 in one-time federal funding is available for use in the 2008–09 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). The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education (SDE) and approved by the Department of Finance.
 - (d) From the remaining funds in Schedule (1.5)(I), 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, \$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, or construction of child care facilities.
 - (e) When developing the 2008–09 expenditure plan for proposed state and local activities to improve child care, the SDE shall follow these three principles: (1) preserve funding for activities that provide direct services and supports to families, (2) preserve funding for activities that provide direct services and supports to child care providers and teachers,

- and (3) comply with federal mandates, including quality earmarks and set-asides.
5. Of the amount appropriated in Schedule (1.5)(I), \$15,000,000 shall be for child care worker recruitment and retention programs pursuant to Section 8279.7 of the Education Code, and \$320,000 shall be for the Child Development Training Consortium.
 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.
 - (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 SDE, 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. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.
- (e) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
 - (f) 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 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.

9. (a) Notwithstanding any other provision of law, the income eligibility limits pursuant to Section 8263.1 of the Education Code that were applicable to the 2007–08 fiscal year shall remain in effect for the 2008–09 fiscal year.
- (b) Notwithstanding any other provision of law, the State Department of Education (SDE) shall update the 2006–07 family fee schedule by family size for use in the 2008–09 fiscal year based on the state median income at the level at which it has been determined for the 2007–08 fiscal year for a family of four, in accordance with law. The SDE shall ensure fees are not charged to families with incomes lower than 40 percent of state median income.
10. Of the amounts provided in this item, \$34,282,000 is available to provide a cost-of-living adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). The maximum standard reimbursement rate shall not exceed \$35.11 per day for general child care programs and \$21.67 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. Of the amounts provided in this item, \$10,917,000 is available to provide a growth adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
12. (a) Notwithstanding any other provision of law, the 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.

13. 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 for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 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 Division 1 of Title 1 of the Education Code).
14. It is the intent of the Legislature to fully fund the third stage of child care for former Cal-WORKs recipients.

6110-196-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.... 537,511,000
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, \$10,000,000 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.
4. Of the funds appropriated in this item, \$7,237,000 is available on a one-time basis for quality projects from federal Child Care and Development Block Grant funds appropriated prior to the 2008 federal fiscal year.

6110-197-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, 21st Century Community Learning Centers Program..... 169,721,000

Schedule:

- (1) 30.10.080-Special Program, Child Development, 21st Century Community Learning Centers Program..... 169,721,000

Provisions:

1. 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 pupils served and planned to be served, and the average cost per pupil per day. If the average cost per pupil 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 pupil per day, the department shall not count attendance unless the pupil 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 pupils is restricted to any particular subgroup of pupils 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 funding provided in this item, \$40,350,000 is available on a one-time basis as a carryover 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..... 59,321,000

Schedule:

- (1) 20.60.220-Cal-SAFE Academic and Supportive Services..... 20,220,550
- (2) 20.60.221-All Services for Non-converting Pregnant Minors Programs..... 13,673,750
- (3) 30.10.020-Cal-SAFE Child Care.... 25,426,700

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 Division 1 of Title 1 of, a Pregnant Minors Program pursuant to Chapter 6 (commencing with Section 8900) of Part 6 of Division 1 of Title 1 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 State Department of Education shall compute allocations to these agencies using the respective agencies' 1998-99 Pregnant Minors Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minors Program revenue limit rather than convert to the Cal-SAFE revenue limit must provide

child care within the revenue limit funding for children of pupils comprising base year average daily attendance. Notwithstanding any other provision of law, programs shall not be eligible for funding for enrolling additional units of average daily attendance above the certified 1998–99 level.

- 4. Of the funds appropriated in this item, \$1,230,000 is for the purpose of providing a cost-of-living adjustment.
- 5. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 6. Notwithstanding Section 26.00, the State Department of Education may transfer expenditure authority between Schedule (1) Cal-SAFE Academic and Supportive Services and Schedule (2) All Services for Nonconverting Pregnant Minors Programs, to accurately reflect expenditures in these programs, upon approval of the Department of Finance and notification of the Legislature.

6110-201-0001—For local assistance, Department of Education (Proposition 98), Program 30.20.010-Child Nutrition School Breakfast and Summer Food Service Program grants pursuant to Article 11 (commencing with Section 49550.3) of Chapter 9 of Part 27 of the Education Code..... 1,017,000

6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund..... 1,754,152,000

Schedule:

- (1) 30.20.010-Child Nutrition Programs..... 1,721,702,000
- (2) 30.20.040-Summer Food Service Program..... 32,450,000

Provisions:

- 1. Of the amount appropriated in Schedule (1), \$250,000 is provided from one-time federal funds for Fresh Fruit and Vegetable Program grants to local educational agencies.

6110-202-0001—For local assistance, Department of Education, Program 30.20.010-Child Nutrition Programs..... 11,936,000

Provisions:

- 1. Funds appropriated are for child nutrition programs pursuant to Section 41311 of the Educa-

tion Code. Claims for reimbursement of meals pursuant to this appropriation shall be submitted no later than September 30, 2009, to be eligible for reimbursement.

- 2. Funds appropriated 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, \$194,000 is for the purpose of providing a cost-of-living adjustment.

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..... 128,346,000

Schedule:

- (1) 30.20.010-Child Nutrition Programs..... 128,688,000
 - (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, 2009, to be eligible for reimbursement.
- 2. Funds designated for child nutrition programs in Schedule (1) 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, \$2,661,000 is for the purpose of providing a cost-of-living adjustment.
- 5. Of the funds appropriated in this item, \$2,404,000 is for the purpose of providing a growth adjustment due to an increase in the projected number of meals served.

- 6. If the appropriation in this item is insufficient to fully fund all eligible reimbursement claims pursuant to Section 49430.5 of the Education Code, the State Department of Education shall reimburse eligible claims at a prorated share of the funds appropriated by this item.
- 7. The State Department of Education shall notify the Department of Finance in writing 30 days prior to paying prior year reimbursement claims from this item pursuant to Section 16304.1 of the Government Code. No reimbursements shall be made prior to final approval of the Department of Finance.

6110-204-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction..... 74,292,000

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.
- 2. Of the amount appropriated in this item, \$1,540,000 is to provide a cost-of-living adjustment.
- 3. The per-pupil amount for grade 12 may not exceed \$531 in the 2008–09 fiscal year.
- 4. 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.

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 at participating schools.

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.... 49,000

Provisions:

- 1. Of the funds appropriated in this item, \$1,000 is for the purpose of providing a cost-of-living adjustment at a rate of 2.12 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, in accordance with Sections 47634 and 47634.1 of the Education Code..... 187,884,000

Provisions:

- 1. The State Department of Education shall provide an estimate of average daily attendance expected to be claimed for this item for the 2009–10 fiscal year to the Department of Finance and the Legislative Analyst’s Office by October 1 of each year, for use in developing the Governor’s Budget. The State Department of Education shall provide an update of the estimate by March 31 of each year, for preparation of the May Revision.
- 2. An additional \$5,947,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

6110-220-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Charter School Facility Grant Program, as set forth in Section 47614.5 of the Education Code..... 18,000,000

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 Division 3 of Title 2 of the Education Code..... 98,852,000

Schedule:

- (1) 10.10.950.002-Operations Grants.... 98,852,000

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 Division 3 of Title 2 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 Su-

perintendent 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.

- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 3. Of the funds appropriated in this item, \$2,050,000 is for the purpose of providing a cost-of-living adjustment at a rate of 2.12 percent.

6110-227-0001—For local assistance, Department of Education (Proposition 98), established pursuant to Article 4 (commencing with Section 315) of Chapter 3 of Part 1 of Division 1 of Title 1 of the Education Code, English language tutoring to children with limited English proficiency..... 50,000,000
Schedule:

(1) 10-Instruction..... 50,000,000

6110-228-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.020.011-School Safety Block Grant, for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction..... 63,428,000
Provisions:

- 1. The funds appropriated are 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 Division 1 of Title 1 of the Education Code. An additional \$38,720,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year. Of the amount deferred, \$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 Division 1 of Title 1 of the Education Code.

- 2. Of the funds appropriated in this item, \$2,118,000 is for the purpose of providing a cost-of-living adjustment.
- 3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 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 Division 4 of Title 2 of the Education Code..... 98,166,000
Provisions:

- 1. Schools participating in this program shall receive a per-pupil rate of \$218 pursuant to Section 52086 of the Education Code, based on a cost-of-living adjustment at a rate of 1.65 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 Division 4 of Title 2 of the Education Code..... 1,830,101,000
Provisions:

- 1. Schools participating in Option One shall receive a per-pupil rate of \$1,094. Schools participating in Option Two shall receive a per-pupil rate of \$546. These rates are based on a cost-of-living adjustment at a rate of 2.12 percent.

6110-240-0001—For local assistance, Department of Education (Proposition 98)..... 3,122,000
Schedule:

- (1) 10.80.030-Instruction: International Baccalaureate Diploma Program.... 1,300,000

(2) 20.70-Instructional Support: Assessments (Advanced Placement Fee Waiver Program)..... 1,822,000

Provisions:

- 1. The funds appropriated in Schedule (1) shall be for the International Baccalaureate Diploma Program authorized by Chapter 12.5 (commencing with Section 52920) of Part 28 of Division 4 of Title 2 of the Education Code.
- 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 52240) of Part 28 of Division 4 of Title 2 of the Education Code.
- 3. Of the funds appropriated in this item, \$65,000 is for the purpose of providing a cost-of-living adjustment.
- 4. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

6110-240-0890—For local assistance, Department of Education, Program 20.70.010-Instructional Support: Advanced Placement Fee Waiver, payable from the Federal Trust Fund..... 3,670,000

Provisions:

- 1. Funding shall be used to fully satisfy the demand for advanced placement examination fee reimbursements for low-income pupils. Any funding remaining after the demand for advanced placement 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 neither create nor imply any continuing obligation to fund the alternative activities beyond the 2008–09 fiscal year.

6110-242-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.106..... 33,000

Provisions:

- 1. Funds appropriated in this item are for allocation to the California Association of Student Councils to expand student leadership activities.

6110-243-0001—For local assistance, Department of Education (Proposition 98), 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 (commencing with Section 41505) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 99,007,000

Provisions:

1. Of the funds appropriated in this item, \$2,053,000 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

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 Article 4 (commencing with Section 41520) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 131,395,000

Provisions:

1. Of the funds appropriated in this item, \$3,395,000 is available to support the Teacher Credentialing Block Grant regional infrastructure.
2. 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.
3. 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 2.
4. Of the funds appropriated in this item, \$2,654,000 is provided for a cost-of-living adjustment at a rate of 2.12 percent for a total per-participant rate of \$4,155.

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5. The funds in this item shall be made available only to beginning teachers, as defined in Section 44279.1 of the Education Code, serving in their first or second year of service in California.

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 Article 5 (commencing with Section 41530) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 279,076,000
Provisions:

1. Of the funds appropriated in this item, \$5,787,000 is for the purpose of providing a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base of 0.52 percent for a decline in statewide average daily attendance.

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 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 992,679,000
Provisions:

1. Of the funds appropriated in this item, \$22,660,000 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Notwithstanding any other provision of law, an additional \$100,118,000 in expenditures for this item has been deferred until the following 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 (commencing with Section 41570) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 472,836,000

Provisions:

- 1. Of the funds appropriated in this item, \$9,805,000 is provided for the purpose of a cost-of-living adjustment.
- 2. The funds appropriated in this item also reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

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 Division 3 of Title 2 of the Education Code..... 18,336,000

Provisions:

- 1. Of the funds appropriated in this item, \$380,000 is for the purpose of providing a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 3. Notwithstanding any other provision of law, up to \$400,000 of the funds appropriated in this item may be used for contracts with county offices of education to provide regional training in safe school planning and crisis response and for statewide coordination of such training.
- 4. 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 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.

6110-260-0001—For local assistance, Department of Education (Proposition 98), 20.11-Instructional Support: Physical Education Teacher Incentive Grants..... 42,697,000

Provisions:

- 1. The funds appropriated in this item are for transfer by the Controller to the Superintendent of Public Instruction to provide incentive grants to schools serving kindergarten or any of grades

1 to 8, inclusive, to support the hiring of more credentialed physical education teachers.

These grants shall be allocated in the amount of \$37,355 per schoolsite to the districts that were randomly selected in 2006–07 in order to hire teachers to provide instruction in physical education courses.

- 2. As a condition of receipt of funds, school districts identified through the process required pursuant to Section 41020 of the Education Code as not meeting the required physical education instruction minutes required in Sections 51210, 51222, and 51223 of the Education Code, shall be required to provide a plan to the county office of education that corrects the deficient physical education minutes for the following school year and, to the extent practicable, make up the deficient minutes identified.
- 3. Of the funds appropriated in this item, \$885,000 is provided for the purpose of a cost-of-living adjustment at a rate of 2.12 percent.

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant..... 112,081,000
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 arts and music instruction in kindergarten and grades 1 to 12, inclusive. Local educational agencies shall use these funds to supplement, and not supplant, existing resources for arts and music.
- 2. (a) (1) The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education on the basis of an equal amount per pupil, provided that a minimum of \$2,228 shall be allocated for schoolsites with 20 or fewer pupils and a minimum of \$3,564 shall be allocated for schoolsites with more than 20 pupils.
- (2) Except as provided in subdivision (b), the governing board of a district, charter school, or county office of education shall distribute funds received pursuant to this item to all schoolsites on the basis

- of an equal amount per pupil or the schoolsite minimums as set forth in paragraph (1), whichever of the two amounts is greatest.
- (b) If the governing board elects not to allocate funds to schoolsites in the amounts specified pursuant to paragraph (2) of subdivision (a), the governing board shall do both of the following:
 - (1) Adopt a resolution to that effect at a public meeting. The resolution shall specify how the funds are to be allocated among schoolsites and for districtwide purposes and the reasons for those allocations.
 - (2) Prior to the public meeting, inform schoolsite councils, schoolwide advisory groups, or school support groups, as applicable, of the content of the proposed resolution and of the time and location where the resolution is proposed to be adopted.
 - (c) By February 2, 2009, as a condition of receipt of funds, the governing board of each school district shall provide a summary report to the State Department of Education of how these funds were expended or are proposed to be expended, the number of pupils, and the grade levels served. The department shall collect and compile this data and report that information to the Legislature and the Governor.
 - (d) For purposes of this provision, “school district” means a school district, county office of education, state special school, or direct-funded charter school, as described in paragraph (1) of subdivision (a) of Section 47651 of the Education Code.
3. The funds appropriated in this item may be used for hiring of additional staff and for ongoing support of staff hired under the grant program, purchase of new or used materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.

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4. Of the funds appropriated in this item, \$2,324,000 is provided for the purpose of a cost-of-living adjustment.
- 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. Up to \$1,500,000 may be used to provide funding to county offices of education for the oversight activities required pursuant to subparagraph (E) of paragraph (2) of subdivision (c) of Section 1240 of the Education Code.
- 6110-267-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for Certificated Staff Mentoring Program.... 11,955,000
- 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 Article 6 (commencing with Section 44560) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.
 2. Of the funds appropriated in this item, \$248,000 is provided for a cost-of-living adjustment at a rate of 2.12 percent for a total per-participant rate of \$6,407.
- 6110-268-0001—For local assistance, Department of Education (Proposition 98), Child Oral Health Assessments Program, pursuant to Article 4 (commencing with Section 49452.8) of Chapter 9 of Part 27 of the Education Code..... 4,400,000
- Provisions:
1. 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 child oral health assessments. 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.

6110-295-0001—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 Controller..... 38,000

Schedule:

- (1) 98.01.003.677-Annual Parent Notification (Ch. 36, Stats. 1977, et al.) (CSM 4445, 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, 00-TC-12)..... 1,000
- (2) 98.01.009.894-Caregiver Affidavits (Ch. 98, Stats. 1994) (CSM 4497).... 1,000
- (3) 98.01.016.193-Intradistrict Attendance (Ch. 161, Stats. 1993) (CSM 4454)..... 1,000
- (4) 98.01.048.765-Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM 4485)..... 1,000
- (5) 98.01.049.801-Graduation Requirements (Ch. 498, Stats. 1983) (CSM 4435)..... 1,000
- (6) 98.01.049.802-Notification of Truancy (Ch. 498, Stats. 1983) (CSM 4133)..... 1,000
- (7) 98.01.049.803-Pupil Suspensions, Expulsions, Expulsion Appeals (Ch. 498, Stats. 1983, et al.) (CSM 4455, 4456, and 4463)..... 1,000
- (8) 98.01.078.192-Charter Schools (Ch. 781, Stats. 1992) (CSM 4437)..... 1,000
- (9) 98.01.079.980-PERS Death Benefits (Ch. 799, Stats. 1980)..... 1,000
- (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)..... 1,000
- (11) 98.01.096.175-Collective Bargaining (Ch. 961, Stats. 1975) (CSM 4425, 97-TC-08)..... 1,000

(12)	98.01.096.577-Pupil Health Screenings (Ch. 1208, Stats. 1976) (CSM 4440).....	1,000
(13)	98.01.097.595-Physical Performance Tests (Ch. 975, Stats. 1995) (96-365-01).....	1,000
(14)	98.01.101.184-Juvenile Court Notices II (Ch. 1011, Stats. 1984; Ch. 1423, Stats. 1984) (CSM 4475)....	1,000
(15)	98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211, 4298).....	1,000
(16)	98.01.111.789-Law Enforcement Agency Notifications (Ch. 1117, Stats. 1989) (CSM 4505, 4505-2)....	1,000
(17)	98.01.117.677-Immunization Records (Ch. 1176, Stats. 1977) (SB 90-120).....	1,000
(18)	98.01.118.475-Habitual Truants (Ch. 1184, Stats. 1975) (CSM 4487, 4487-A).....	1,000
(19)	98.01.125.375-Expulsion Transcripts (Ch. 1253, Stats. 1975).....	1,000
(20)	98.01.130.689-Notification to Teachers of Public Expulsion (Ch. 1306, Stats. 1989) (CSM 4452)....	1,000
(21)	98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195).....	1,000
(22)	98.01.139.874-PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974).....	1,000
(23)	98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-01).....	1,000
(24)	98.01.058.897-Criminal Background Checks (Ch. 558, Stats. 1997) (97-TC-16).....	1,000
(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-Public Safety Officers Procedural Bill of Rights Act (Ch. 465, Stats. 1976) (CSM 4499).....	1,000

(27)	98.01.361.977-Financial and Compliance Audits (Ch. 36, Stats. 1977) (CSM 4498, 4498-A).....	1,000
(28)	98.01.064.097-Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08).....	1,000
(29)	98.01.112.096-Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25).....	0
(30)	98.01.091.787-County Office of Education Fiscal Accountability Reporting (Ch. 917, Stats. 1987) (97-TC-20).....	1,000
(31)	98.01.010.081-School District Fiscal Accountability Reporting (Ch. 100, Stats. 1981) (97-TC-19).....	1,000
(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).....	1,000
(35)	98.01.032.578-Immunization Records—Hepatitis B (Ch. 325, Stats. 1978; Ch. 435, Stats. 1979) (98-TC-05).....	1,000
(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).....	1,000
(38)	98.01.059.498-Criminal Background Checks II (Ch. 594, Stats. 1998; Ch. 840, Stats. 1998; Ch. 78, Stats. 1999) (00-TC-05).....	1,000
(39)	98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).....	1,000

- (40) 98.01.074.398-Pupil Promotion and Retention (Ch. 100, Stats. 1981, et al.) (98-TC-19)..... 1,000
- (41) 98.01.033.198-Teacher Incentive Program (Ch. 331, Stats. 1998) (99-TC-15)..... 1,000
- (42) 98.01.030.098-Differential Pay and Reemployment (Ch. 30, Stats. 1998) (99-TC-02)..... 1,000

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 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 2008-09 fiscal year:

- (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).
- (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).

6110-301-0660—For capital outlay, Department of Education, payable from the Public Buildings Construction Fund..... 4,912,000
Schedule:

California School for the Deaf, Riverside:

- (3) 80.80.089-Kitchen and Dining Hall Renovation—Construction..... 4,912,000

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 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 provision does not exempt the State Department of Education from the requirements of the California Environmental Quality Act. This provision is intended to be declarative of existing law.

6110-401—For maintenance of accounting records by the Controller’s office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agency 6110 (Department of Education) are to be recorded under agency 6100 (Department of Education).

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 \$101,000,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purpose:

0001—General Fund

- (1) \$101,000,000 to the School Facilities Program for the purpose of funding the School Facilities Emergency Repair Account pursuant to Chapter 899 of the Statutes of 2004.

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the unobligated balances from the following items are available for reappropriation for the purposes specified in Provisions 1, 2, and 3:

0001—General Fund

- (1) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (2) \$1,441,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (3) \$3,663,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$1,749,000 of which was carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (4) \$12,921,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 and Stage 3 child care in Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (6) \$18,120,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), with

- the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs.
- (7) \$8,000,000 of the amount appropriated to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code from Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (8) \$5,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the provision of wraparound care to children enrolled in preschool programs pursuant to Section 8238.6 of the Education Code (Ch. 211, Stats. 2006).
 - (9) \$48,000 or whatever greater or lesser amount reflects the unexpended funds from subdivision (a) of Section 9 of Chapter 734 of the Statutes of 1999.
 - (10) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Community-Based English Tutoring pursuant to Section 315 of the Education Code, as enacted by Proposition 227 in 1998.
 - (11) \$9,200,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for juvenile education in Item 5225-011-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (12) \$76,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Small School District Bus Replacement in Schedule (2) of Item 6110-111-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (13) \$488,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Home to School Transportation in Schedule (1) of Item 6110-111-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (14) \$545,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Examination in Schedule (4) of Item 6110-113-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

- (15) \$2,060,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Assessment Review and Reporting and the STAR Program in Schedules (1) and (2) of Item 6110-113-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (16) \$19,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (17) \$17,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (3) of Item 6110-123-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (18) \$2,993,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (19) \$615,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (20) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Learners Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (21) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

- (22) \$109,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Schedule (1) of Item 6110-128-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (23) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (24) \$1,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Administrator Training Program in Item 6110-144-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (25) \$7,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the American Indian Early Childhood Education Program in Item 6110-150-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (26) \$110,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Schedule (1) of Item 6110-151-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (27) \$177,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Item 6110-151-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (28) \$1,385,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adults in correctional facilities in Item 6110-158-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (29) \$107,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (30) \$21,919,000 or whatever greater or lesser amount reflects the unexpended balance of the

- amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (31) \$57,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for vocational education for partnership academies in Item 6110-166-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (32) \$23,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education Incentive Program in Item 6110-167-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (33) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for educational technology programs in Item 6110-181-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (34) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount transferred to the State School Fund for educational technology programs in Item 6110-181-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (35) \$27,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for staff development for teacher peer review in Schedule (2) of Item 6110-193-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (36) \$95,000 or whatever greater or lesser amount reflects the unexpended balance of the amounts appropriated for the Bilingual Teacher Training Assistance Program and teacher peer review in Schedules (1) and (2) of Item 6110-193-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (37) \$43,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for teacher dismissal apportionments in Item 6110-209-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

- (38) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for School Community Policing Partnership Competitive Grants Program in Schedule (5) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (39) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the International Baccalaureate Diploma Program in Schedule (1) of Item 6110-240-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (40) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Credentialing Block Grant Program in Item 6110-244-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (41) \$79,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (42) \$186,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (43) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (44) \$641,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to county offices of education for site visits for Williams audits in Item 6110-266-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (45) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Facility Grant Program in Schedule (7) of Item 6110-

- 485 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (46) \$600,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Principal Training Program in Schedule (8) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (47) \$25,645,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2004–05 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002.
 - (48) \$178,352,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2007–08 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
 - (49) \$20,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (50) \$520,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2006–07 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code, as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.

Provisions:

- 2. The sum of \$295,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction, on a one-time basis, to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) to conduct compre-

hensive assessments pursuant to Section 41327.1 of the Education Code. Of the amount appropriated in this paragraph, FCMAT shall use \$60,000 for the assessment of the Oakland Unified School District, \$125,000 for an assessment of the Vallejo City Unified School District, and \$110,000 for an assessment of the West Fresno Elementary School District. FCMAT shall provide a copy of the written report to the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature representing those school districts, any advisory councils of those school districts, the Superintendent of Public Instruction, the county superintendents of schools with jurisdiction over those school districts, the Department of Finance, and the Office of the Secretary for Education. The amount reappropriated pursuant to this section is for use in the 2008–09 fiscal year.

3. The sum of \$163,051,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 2 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.
4. The sum of \$164,686,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 3 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.

6110-490—Reappropriation, Department of Education.

The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation:

0660—Public Buildings Construction Fund

- (1) Item 6110-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 6110-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

California School for the Deaf, Riverside:

- (1) 80.80.050-Career and Technical Education Complex and Service Yard—Working drawings, construction, and equipment.
 - (2) Item 6110-301-0660, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)
California School for the Deaf, Riverside:
 - (1) 80.80.089-Kitchen and Dining Hall Renovation—Preliminary plans, working drawings, construction, and equipment.
 - (2) 80.80.052-New Gymnasium and Pool Center—Preliminary plans, working drawings, construction, and equipment.
- 6110-491—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations for the purposes specified:
- (1) \$132,000 from Item 6110-001-0178 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) is reappropriated and shall be available for encumbrance or expenditure until June 30, 2009, to support the purchase of one schoolbus for the Schoolbus Driver Instructor Training Program.
 - (2) \$500,000, or the unexpended amount thereof, from Provision 48 of Item 6110-001-0890 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) is reappropriated for the purposes specified.
- 6110-492—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following specified balances in the appropriations in the following citations are reappropriated for encumbrance or expenditure until June 30, 2009:
- 0001—General Fund
- (1) \$50,000 from Item 6100-001-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), to the State Department of Education for supporting the Curriculum Development and Supplemental Materials Commission and the State Board of Education for the purpose of reviewing the standards-based Native American instructional resources developed pursuant to Section 13041 of the Education Code.

6110-495—Reversion, Department of Education, Proposition 98. The following amount shall be reverted to the Proposition 98 Reversion Account by the Controller within 60 days of the enactment of this act:

0001—General Fund

- (1) \$99,480,000 or whatever greater or lesser amount reflects the unexpended balance of the After School Education and Safety Program in Item 6110-649-0001 from the 2006–07 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code, as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.

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 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 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 Reversion Account, whichever is appropriate.

6120-011-0001—For support of California State Library, Division of Libraries, and California Library Services Board.....

13,372,000

Schedule:

- (1) 10-State Library Services..... 16,454,000
- (2) 20-Library Development Services.... 4,576,000

(3) 30-Information Technology Services.....	2,711,000	
(4) 40.01-Administration.....	2,019,000	
(5) 40.02-Distributed Administration....	-2,019,000	
(5.5) Unallocated Reduction.....	-1,486,000	
(6) Reimbursements.....	-1,599,000	
(7) Amount payable from the Federal Trust Fund (Item 6120-011-0890)....	-7,115,000	
(8) Amount payable from the Mental Health Services Fund (Item 6120-011-3085).....	-169,000	
Provisions:		
1. Of the funds appropriated in this item, \$1,420,000 is provided on a one-time basis for acquiring and implementing the Integrated Library System Replacement Project.		
2. Of the funds appropriated in this item, \$2,620,000 is provided on a one-time basis for relocating staff and materials during the renovation of the Library and Courts Building.		
6120-011-0020—For support of California State Library, Program 10-State Library Services, for support of the State Law Library, payable from the State Law Library Special Account.....		706,000
Provisions:		
1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the State Law Library Special Account which is in addition to the revenue appropriated 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 California State Library, for payment to Item 6120-011-0001, payable from the Federal Trust Fund.....		7,115,000
6120-011-3085—For support of California State Library, for payment to Item 6120-011-0001, payable from the Mental Health Services Fund.....		169,000
Provisions:		
1. The funds appropriated in this item shall be used to support existing positions and related expenses to conduct mental health research activities		

on behalf of the State Department of Mental Health.	
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.....	2,407,000
6120-011-6029—For support of California State Library, Program 10-State Library Services-Administration of the California Cultural and Historical Endowment, authorized by Chapter 157 of the Statutes of 2003, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	900,000
Provisions:	
1. The expenditure of funds from this item shall not exceed the amount authorized for administration from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40).	
6120-011-9740—For support of California State Library, Program 10-State Library Services, payable from the Central Service Cost Recovery Fund.....	1,450,000
6120-012-0001—For support of California State Library, for rental payments on lease-revenue bonds.....	2,389,000
Schedule:	
(1) Base Rental and Fees.....	2,475,000
(2) Insurance.....	19,000
(3) Reimbursements.....	-105,000
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.	
6120-013-0001—For support of California State Library, Program 10-State Library Services—Sutro Library Special Repairs Project.....	15,000

6120-150-0001—For local assistance, California State Library, competitive grants for the California Civil Liberties Public Education Program, pursuant to the provisions of Part 8.5 (commencing with Section 13000) of Division 1 of Title 1 of the Education Code.....	475,000
6120-151-0483—For support of 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.....	228,000
6120-211-0001—For local assistance, California State Library, Program 20-Library Development Services.....	13,625,000
Schedule:	
(1) 20.30-Direct Loan and Interlibrary Loan Programs pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of Division 1 of Title 1 of the Education Code.....	10,899,000
(2) 20.50-California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of Division 1 of Title 1 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, pursuant to Section 18880 of the Education Code.....	4,811,000

6120-221-0001—For local assistance, California State Library, Program 20-Library Development Services-Public Library Foundation Program, pursuant to Section 18025 of the Education Code..... 13,642,000

Provisions:

1. Notwithstanding any other provision of law, for the 2008–09 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, 2008.
2. Notwithstanding any other provision of law, for the 2008–09 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, 2009.
3. Notwithstanding subdivision (d) of Section 18025 of the Education Code or any other provision of law, in the 2008–09 fiscal year, any city, county, district, or city and county that reduces local revenues required to meet the maintenance of effort for its public library for the 2008–09 fiscal year shall continue to receive state funds appropriated under this item for the 2008–09 fiscal year only, provided that the amount of the local reduction to that public library for the 2008–09 fiscal year is no more than a specified percent of the 2007–08 fiscal year local revenues required to meet the maintenance of effort for that public library, as certified by the fiscal officer of the public library and transmitted to the State Librarian pursuant to Section 18025 of the Education Code. The specified percent in this provision shall be the percentage reduction for this item from the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) to the Budget Act of 2008.

6120-495—Reversion, California State Library. As of June 30, 2008, the amounts 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) \$1,466,000 from Item 6120-101-6029, Budget Act of 2003 (Ch. 157, Stats. 2003)
 - (2) \$825,000 from Item 6120-011-6029, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

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(3) \$842,000 from Item 6120-011-6029, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)		
6125-001-0001—For support of the Education Audit Appeals Panel.....		1,146,000
Schedule:		
(1) 10-Education Audit Appeals Panel.....	1,146,000	
6255-001-0001—For support of California State Summer School for the Arts.....		1,381,000
Schedule:		
(1) 10-California State Summer School for the Arts.....	1,381,000	
6330-001-0001—For support of the California Career Resource Network.....		0
Schedule:		
(1) 10-California Career Resource Network.....	450,000	
(2) Reimbursements.....	-450,000	
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.....		15,366,000
Schedule:		
(1) 10-Standards for Preparation and Licensing of Teachers.....	15,764,000	
(2) 10.40.010-Departmental Administration.....	4,426,000	
(3) 10.40.020-Distributed Departmental Administration.....	-4,426,000	
(3.5) 10.10.001-Teacher Misassignment Monitoring.....	308,000	
(4) Reimbursements.....	-398,000	
(5) Reimbursements (Teacher Misassignment Monitoring).....	-308,000	
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 of the Legislature 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

of each year, 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. 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, the 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 of each year. 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. Backlog is defined as applications received that have not been processed after 10 days.
7. Of the reimbursement authority provided in Schedule (4), \$398,000 is available on a one-time basis from federal Title II funds through an interagency agreement with the State Department of Education to support 1.0 limited-term Staff Information Systems Analyst, 1.0 limited-term Senior Information Systems Analyst, 0.5 limited-term Associate Governmental Program Analyst, and other costs associated with the development of the Teacher Database System. Of this amount, \$150,000 is provided for temporary help to convert microfiche lifetime credential information to electronic data.
8. Of the funds appropriated in Schedule (1), \$229,000 and 2.0 permanent positions are provided to support implementation of the revised accreditation system.
9. Of the funds appropriated in Schedule (1), \$113,000 and 1.0 limited-term position are provided to support review and revision of the specialist credential authorizing the teaching of special education, the specialist credential in reading and language arts, the reading certificate, and the designated subjects vocational education teaching credential, and revision of the standards related to intern and induction programs.

10. The funds appropriated in Schedule (3.5) are provided from federal Title II funds through an interagency agreement with the State Department of Education to support Teacher Misassignment Monitoring. These funds 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 on Teacher Credentialing. 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.

6360-001-0408—For support of the Commission on Teacher Credentialing, payable from the Test Development and Administration Account, Teacher Credentials Fund..... 5,091,000

Schedule:

(1) 10-Standards for Preparation and Licensing of Teachers..... 5,091,000

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 of the Legislature 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.

- 4. Of the funds appropriated in this item, \$240,000 is provided to support 2.0 positions and other costs associated with the development and implementation of the teacher performance assessment pursuant to Section 44320.2 of the Education Code.
- 5. Of the funds appropriated in this item, \$500,000 is provided on a one-time basis to support revalidation of the California Formative Assessment and Support System.
- 6. Of the funds appropriated in this item, \$350,000 is provided to support teacher examination validation studies and examination development activities. The Commission on Teacher Credentialing shall submit an annual report to the Department of Finance in September of each year describing the teacher examination validation studies and examination development conducted during the previous fiscal year.

6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers..... 33,671,000

Schedule:

- (1) 10.20.001-Alternative Certification Program..... 26,510,000
- (2) 10.20.002-California School Paraprofessional Teacher Training Program..... 7,161,000

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 Division 3 of Title 2 of the Education Code. Of these funds, \$6,800,000 is available to increase intern grants for school districts and county offices of education that agree to enhance internship programs and address the distribution of beginning teachers pursuant to Section 44387 of the Education Code.

- 2. The funds appropriated in Schedule (2) are for school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program established pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of Division 3 of Title 2 of the Education Code at a per-participant rate of \$3,500.

6420-001-0001—For support of California Postsecondary Education Commission..... 2,005,000

Schedule:

- (1) 100000-Personal Services..... 2,049,000
- (2) 300000-Operating Expenses and Equipment..... 641,000
- (2.5) 555000-Unallocated Reduction.... -223,000
- (3) Reimbursements..... -3,000
- (4) Amount payable from the Federal Trust Fund (Item 6420-001-0890).... -459,000

Provisions:

- 1. To the extent that the funding in this item is not adequate to fulfill all of the California Postsecondary Education Commission’s statutory responsibilities, it is the intent of the Legislature that the commission prioritize its workload to ensure at a minimum that the following statutory responsibilities are completed in a timely manner during the 2008–09 fiscal year:
 - (a) All reviews and recommendations of the need for new institutions for the public higher education segments, inclusive of community colleges, pursuant to subdivision (e) of Section 66903 of the Education Code.
 - (b) All reviews and recommendations of the need for new programs for the public higher education segments, inclusive of community colleges, pursuant to subdivision (f) of Section 66903 of the Education Code.
 - (c) Consistent with the role of the commission pursuant to Section 67002, serve as the designated state educational agency to carry out federal education programs, pursuant to subdivision (o) of Section 66903 of the Education Code.
 - (d) All data management responsibilities pursuant to subdivision (m) of Section 66903 of the Education Code and data reporting pursuant to the enactment of legislation es-

establishing a higher education accountability framework.

6420-001-0890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-0001, payable from the Federal Trust Fund..... 459,000

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..... 3,000,920,000

Schedule:

- (1) Support..... 3,123,516,000
- (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
- (8) Unallocated Reduction..... -201,092,000

Provisions:

- 1. The appropriations made in this item are exempt from Section 31.00.
- 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. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its

instructional support activities. The Director of Finance may authorize Program expenditures for the list of planned projects 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 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. The list of planned projects submitted for approval for a given funding cycle should be all-inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding cycle, but which the university wishes to proceed with during the budget year, may be treated as an exempted project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 each year, the university shall prepare a report describing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive awards, and the projected amount of energy savings. These reports will sunset at the end of the Program.

3. The funds appropriated in Schedule (2) are for support of University of California programs 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. 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.
5. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.
6. 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.
7. 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.
8. Of the funds appropriated in Schedule (1), \$1,897,200 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.
9. The University of California (UC) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students

- who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.
10. The University of California shall report to the Legislature by March 15, 2009, on whether it has met its 2008–09 academic year enrollment goal.
 11. Of the funds appropriated in Schedule (1), \$1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. 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, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.
 12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master’s degree nursing programs and the master’s of science nursing degree programs.
 13. 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, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 14. Of the funds appropriated in Schedule (1), \$19,300,000 is 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 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.

15. The amount appropriated in Schedule (1) reflects a reduction of \$32,300,000 to institutional support.
16. Of the amount appropriated in Schedule (1), \$15,000,000 shall be redirected from funds budgeted for compensation of administrators of the University of California, including administrators at the campuses and in the Office of the President, to support salary increases and a step pay system for low wage service employees.
17. Of the funds appropriated in Schedule (1), \$693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.
18. Of the funds appropriated in Schedule (1), \$427,500 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.
19. Of the funds appropriated in Schedule (1), \$346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
20. Of the funds appropriated in Schedule (1), \$16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.
21. Of the funds appropriated in Schedule (1), \$693,000 shall be used for lupus research at the University of California, San Francisco.
22. Of the funds appropriated in Schedule (1), \$1,385,100 shall be used to expand spinal cord injury research.

- 23. Of the funds appropriated in Schedule (1), \$3,463,000 is to fund the Medical Investigation of Neurodevelopment Disorders (MIND) Institute, including \$3,150,000 for a research grants program.
 - 24. Of the funds appropriated in Schedule (1), \$5,400,000 is 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.
 - 25. The amount appropriated in this item reflects a \$5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item 6110-195-0890 from federal Title II carryover funds to ensure the projects can be maintained in the 2008–09 fiscal year.
- 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, the funds appropriated in this item shall be available for expenditure until June 30, 2011.
- 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, the funds appropriated in this item are available for expenditure until June 30, 2011.
- 6440-001-0308—For support of the University of California, payable from the Earthquake Risk Reduction Fund of 1996..... 1,500,000

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Item

STATUTES OF 2008

[Ch. 268]
Amount

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..... 1,500,000

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..... 778,000

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, 2011.

6440-001-3054—For support of University of California..... 1,908,000

Provisions:

1. The funds appropriated in this item shall be used to support the analysis of health care-related legislation, in accordance with Chapter 684 of the Statutes of 2006, commencing with Section 127660 of the Health and Safety Code.

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, 2009. Claims for these funds shall be submitted by the University of California on or after July 1, 2009, and before October 1, 2009.

- 2. No reserve may be established by the Controller for this appropriation before July 1, 2009.

6440-003-0001—For support of the University of California, for payments on lease-purchase bonds..... 175,078,000

Schedule:

- (1) Rental, insurance, and administrative payments..... 184,702,000
- (2) Reimbursements..... -9,624,000

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..... 20,000,000

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 expenses 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. \$10,000,000 of the funds appropriated 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
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Provisions:

- 1. 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 Innovation.

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)
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6440-301-0705—For capital outlay, University of California, payable from the 1992 Higher Education Capital Outlay Bond Fund.....	2,855,000
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Schedule:

Irvine Campus:

- (7) 99.09.355-Social and Behavioral Sciences Building—Equipment..... 2,855,000

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 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

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 Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house of the Legislature.

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, 2009.

6440-301-0791—For capital outlay, University of California, payable from the June 1990 Higher Education Capital Outlay Bond Fund..... 910,000

Schedule:

Riverside Campus:

(1.5) 99.05.205-Student Academic Support Services Building—Equipment..... 910,000

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 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

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 Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house of the Legislature.

- 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, 2009.

6440-301-6048—For capital outlay, University of California, payable from the 2006 University Capital Outlay Bond Fund.....	7,210,000
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Schedule:

Riverside Campus:

- (1) 99.05.190-Materials Science and Engineering Building—Equipment..... 4,620,000

Santa Barbara Campus:

- (2) 99.08.130-Education and Social Sciences Building—Equipment..... 2,590,000

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 correction 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 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

Not later than November 1 of each year, the University of California 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 of the Legislature.

- 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, 2009.

6440-302-6041—For capital outlay, University of California, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 5,802,000

Schedule:

Los Angeles Campus

- (1) 99.04.265-Life Sciences Replacement Building—Construction..... 5,802,000

Provisions:

- 1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
- 2. The University of California shall complete each project identified in the above schedule within

the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made 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 June 30, 2010, except that funds appropriated for construction only must be bid by June 30, 2009, and are available for expenditure until June 30, 2010, and that funds appropriated for equipment purposes are available for encumbrance until June 30, 2011. For the purpose 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 storage tank correction 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 (42 U.S.C. Sec. 12101 et seq.), 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.

6440-304-6048—For capital outlay, University of California, payable from the 2006 University Capital Outlay Bond Fund..... 39,850,000

Schedule:

Statewide:

- (.5) 99.00.100-Statewide Telemedicine Services Expansion—Equipment.... 10,000,000

San Francisco:

- (1) 99.02.155-Telemedicine and PRIME Urban Underserved Education Facilities—Construction and equipment..... 29,100,000

Davis:

- (2) 99.03.365-Telemedicine Resource Center and Rural PRIME Facility—Equipment..... 750,000

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 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

Not later than November 1 of each year, the University of California 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 of the Legislature.

2. The funds appropriated 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, 2009.

6440-401—Identified savings in funds encumbered from the Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, 2002, and 2004, and from the 2006 and 2008 University Capital Outlay Bond Funds for capital outlay projects, re-

maining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and (e) for identified savings in funds encumbered from the Higher Education Capital Outlay Bond Funds of 1996, 1998, 2002, 2004, and 2006 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 chairpersons of the fiscal committees in each house of the Legislature.

6440-402—University of California, San Diego Campus.
The Health Sciences Biomedical Research Facility 2 project is authorized pursuant to Section 15820.21 of the Government Code.

6440-490—Reappropriation, University of California.
Notwithstanding any other provision of law, the balances as of June 30, 2008, 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, 2009:

0001—General Fund

(1) Item 6440-001-0001 of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Provisions:

1. Of the funds reappropriated in this item from Item 6440-001-0001 of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), \$15,000,000 shall be available for de-

ferred maintenance, special repair projects, and the replacement of instructional equipment. As of June 30, 2008, 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, 2008, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), by September 30, 2008, and the expenditures made pursuant to this item by September 30, 2009.

6440-491—Reappropriation, University of California. 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:

6048—2006 University Capital Outlay Bond Fund

- (1) Item 6440-301-6048, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

Irvine Campus:

- (2.5) 99.09.360-Primary Electrical Improvements Step 3—Working drawings and construction

- (2) Item 6440-301-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Santa Barbara Campus:

- (13) 99.08.145-Davidson Library Addition and Renewal—Working drawings

Santa Cruz Campus:

- (18) 99.07.185-Infrastructure Improvements Phase 2—Working drawings

- (19) 99.07.190-Biomedical Sciences Facility—Construction

- (3) Item 6440-304-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Davis Campus:

- (1.5) 99.03.365-Telemedicine Resource Center and Rural PRIME Facility—Working drawings, construction, and equipment

6440-492—Reappropriation, University of California. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2009:

6041—2004 Higher Education Capital Outlay Bond Fund	
(1) Item 6440-302-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)	
Davis Campus:	
(2) 99.03.325-Physical Sciences Expansion—Construction	
6440-495—Reversion, University of California. As of June 30, 2008, the unencumbered balance of the appropriation provided for in the following citation shall revert to the fund from which the appropriation was made:	
6028—2002 Higher Education Capital Outlay Bond Fund	
(1) Item 6440-302-6028, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 6440-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)	
Los Angeles Campus:	
(1) 99.04.265-Life Sciences Replacement Building—Construction	
6600-001-0001—For support of Hastings College of the Law.....	10,631,000
Provisions:	
1. The appropriation made in this item is exempt from Section 31.00.	
2. The amount appropriated in this item reflects a 10-percent reduction to institutional support.	
6610-001-0001—For support of California State University.....	2,910,596,000
Schedule:	
(1) Support.....	3,082,555,000
(2) Unallocated Reduction.....	-171,959,000
Provisions:	
1. The appropriations made in this item are exempt from Section 31.00, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.	
2. Of the amount appropriated in this item, \$350,000 is for transfer to the Affordable Student Housing Revolving Fund for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of	

Part 55 of Division 8 of Title 3 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 until June 30, 2010.
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 until June 30, 2011.
5. The California State University (CSU) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each CSU campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a math or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.
6. The California State University shall provide a preliminary report to the Legislature by March 15, 2009, and a final report by May 1, 2009, on whether it has met its 2008–09 academic year enrollment goal.
7. The California State University shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the baccalaureate nursing degree and entry-level master’s nursing degree programs.

- 8. The amount appropriated in Schedule (1) reflects a reduction of \$43,199,000 to institutional support.
- 9. 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.
- 10. Of the amount appropriated in Schedule (1), \$52,000,000 is appropriated for student academic preparation and student support services programs. The California State University shall provide \$45,000,000 to support the Early Academic Assessment Program 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, 2009.

6610-002-0001—For support of the California State University for transfer to and in augmentation of Item 6610-001-0001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate, Executive, and Judicial Fellows programs and the Center for California Studies..... 3,111,000

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..... 328,000
- (10) Unallocated Reduction..... -124,000

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6610-002-0785—For support of California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund.....	4,955,000
6610-002-6041—For support of California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund.....	13,716,000
6610-003-0001—For support of the California State University for payments on lease-purchase bonds....	56,999,000
Schedule:	
(1) Rental, insurance, and administrative payments.....	61,572,000
(2) Reimbursements.....	-4,573,000
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.....	4,239,000
Schedule:	
(1) 06.54.081-Dominguez Hills: Education Resource Center Addition—Equipment.....	3,664,000
(2) 06.73.086-Los Angeles: Forensic Science Building—Equipment.....	575,000
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 cor-	

rection 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 (42 U.S.C. Sec. 12101 et seq.).

Not 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.

Not 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 of the Legislature.

6610-301-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 28,217,000

Schedule:

- (.5) 06.52.109-Chico: Student Services Center—Equipment..... 2,432,000
- (2.5) 06.64.082-East Bay: Student Services Replacement Building—Equipment..... 1,963,000
- (3) 06.83.005-Channel Islands: Entrance Road—Construction..... 23,822,000

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 identi-

fied 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 (42 U.S.C. Sec. 12101 et seq.).

Not 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.

Not 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 of the Legislature.

6610-302-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 21,041,000
Schedule:

- (1) 06.78.073-San Bernardino: Access Compliance Barrier Removal—Preliminary plans, working drawings, and construction..... 10,510,000
- (2) 06.82.085-Northridge: Science I Replacement Building—Equipment..... 4,499,000
- (3) 06.82.086-Northridge: Performing Arts Center—Equipment..... 6,032,000

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 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 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 (42 U.S.C. Sec. 12101 et seq.), (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 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 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 June 30, 2010, except that the funds appropriated for construction only must be bid by June 30, 2009, and are available for expenditure until June 30, 2010, and funds appropriated for equipment purposes are available for encumbrance until June 30, 2011. 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 the Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, 2002, and 2004, and from the 2006 and 2008 University Capital Outlay Bond Funds 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 construc-

tion of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.).

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 General Fund to the California State University (CSU) local trust funds, the CSU, with Department of Finance approval, shall annually calculate a base funding adjustment that represents the amount necessary to maintain fiscal neutrality for the General Fund.

6610-490—Reappropriation, California State University. 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, 2009:

0001—General Fund

(1) Item 6610-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Provisions:

1. Of the funds reappropriated in this item from Item 6610-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 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, 2008, 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, 2008, report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance as of June 30, 2008, of Item 6610-001-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), and a proposed expenditure plan for that balance. The California State University shall report by

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September 30, 2009, on the expenditures made pursuant to this item.

6610-493—Reappropriation, California State University. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2009:

6028—2002 Higher Education Capital Outlay Bond Fund

(1) Item 6610-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 6610-491, Budget Act of 2003 (Ch. 157, Stats. 2003)

San Diego Campus:

(8) 06.80.152-Telecommunications Infrastructure—Construction

6041—2004 Higher Education Capital Outlay Bond Fund

(1) Item 6610-302-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)

(14) 06.78.093-San Bernardino: College of Education Building—Construction

6870-001-001—For support of Board of Governors of the California Community Colleges..... 10,109,000
Schedule:

(1) 10-Apportionments..... 907,000

(2) 20-Special Services and Operations..... 18,146,000

(3) 30.01-Administration..... 4,410,000

(4) 30.02-Administration—Distributed..... -4,410,000

(4.5) 97.20.001-Unallocated Reduction..... -200,000

(5) Reimbursements..... -8,744,000
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.	The funds appropriated in Schedule (5) reflect an interagency agreement with the Office of Homeland Security for \$400,000 to conduct emergency planning and preparedness training for community college districts.	
3.	The funds appropriated in Schedule (5) reflect \$140,000 to support a position through an interagency agreement with the Department of Corrections and Rehabilitation for the purpose of coordinating and administering funds to districts for department staff training and instruction services.	
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.....	12,000
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

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6870-001-6041—For support of Board of Governors of the California Community Colleges, Program 20.40.010-Facilities Planning, payable from the 2004 Higher Education Capital Outlay Bond Fund.....	1,879,000
6870-002-0890—For support of Board of Governors of the California Community Colleges, Program 20.97-Community College Logistics Program, payable from the Federal Trust Fund.....	251,000
Provisions:	
1. The funds appropriated in this item are available to support personnel and operating expenses necessary for the implementation of the community college logistics program pursuant to a grant from the United States Department of Labor pursuant to Public Law 105-220.	
6870-003-3085—For support of Board of Governors of the California Community Colleges, payable from the Mental Health Services Fund.....	175,000
Provisions:	
1. On or before June 1, 2009, the Chancellor of the California Community Colleges shall provide the Legislature and the Department of Finance with a report on the state of mental health services at the community colleges. The Office of the Chancellor shall request, but not require, data from community colleges for inclusion in the report. The report shall include all of the following for each community college: (a) current staffing levels of campus mental health programs; (b) the extent to which colleges utilize community providers to complement or supplement the provision of mental health services to students; (c) the current level of student access to crisis, short-term, and mid-term counseling services; (d) funding sources and levels in support of mental health services; and (e) other potential sources of funding, such as grants, that could be accessed to enhance student mental health services at the community colleges. It is the intent of the Legislature to require subsequent reports to monitor the efforts of the Office of the Chancellor to improve the delivery of mental health services at the community colleges.	
6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98).....	4,120,653,000

Schedule:

(1)	10.10.010-Apportionments.....	3,294,493,000
(2)	10.10.020-Apprenticeship.....	14,963,000
(3)	10.10.030-Growth for Apportionments.....	113,500,000
(4)	20.10.004-Student Success for Basic Skills Students.....	33,100,000
(5)	20.10.005-Student Financial Aid Administration.....	51,269,000
(6)	20.10.020-Disabled Students.....	117,446,000
(7)	20.10.045-Special Services for CalWORKs Recipients.....	43,580,000
(8)	20.10.060-Foster Care Education Program.....	5,254,000
(9)	20.10.070-Matriculation.....	103,959,000
(10)	20.20.020-Academic Senate for the Community Colleges.....	467,000
(11)	20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Stats. 2002.....	1,747,000
(12)	20.20.050-Part-time Faculty Health Insurance.....	1,000,000
(13)	20.20.051-Part-time Faculty Compensation.....	50,828,000
(14)	20.20.055-Part-time Faculty Office Hours.....	7,172,000
(15)	20.30.011-Telecommunications and Technology Services.....	26,197,000
(16)	20.30.050-Economic Development.....	46,790,000
(17)	20.30.070-Transfer Education and Articulation.....	1,424,000
(18)	20.40.026-Physical Plant and Instructional Support.....	27,345,000
(19)	20.10.010-Extended Opportunity Programs and Services and Special Services.....	124,880,000
(20)	20.30.045-Fund for Student Success.....	6,158,000
(21)	20.70.010-Career Technical Education.....	20,000,000
(22)	20.80.010-Campus Childcare Tax Bailout.....	6,981,000
(23)	20.95.010-Nursing Program Support.....	22,100,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16), (18), (19), and (22) are for transfer by the Controller during the 2008–09 fiscal year to Section B of the State School Fund.
2. Notwithstanding any other provision of law, 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.
3. The funds appropriated in Schedule (1) for Apportionments include \$31,409,000 to encourage district-level accountability efforts pursuant to Section 84754.5 of the Education Code. It is intended that the Chancellor of the California Community Colleges submit an annual report on district-specific accountability measures by March 19 of each year. This report shall reflect outcomes from the most recently completed fiscal year for which data is available pursuant to Section 84754.5 of the Education Code.
4. Of the funds appropriated in Schedule (1), Apportionments:
 - (a) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.
 - (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 pursuant to Section 58508 of Title 5 of the California Code of Regulations.
5. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.

6. (a) Of the amount appropriated in Schedule (2) for the Apprenticeship Program, up to \$14,963,000 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 \$5.17 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.
7. Funds appropriated in Schedule (3), Growth for Apportionments, shall be available first to any districts bringing online in the current fiscal year newly accredited colleges or California Postsecondary Education Commission-approved educational centers. It is the intent of the Legislature that increases in basic foundation allocations to each college be funded prior to additional growth in full-time equivalent students. The Chancellor of the California Community Colleges shall provide a report by November 1 of each year, to the Department of Finance and the Legislative Analyst, on the number of new centers and colleges added for the current fiscal year and those anticipated to be added for the prospective budget year. This report shall also detail the specific funding adjustments provided for basic foundation allocations to each college and center for the current fiscal year.
8. 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 subdivision (a) of Provision 5 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.

10. Of the amount appropriated in Schedule (1), \$10,000,000 shall only be available for noncredit instruction to prepare pupils to pass the California High School Exit Examination (CAHSEE). The first priority shall be to serve high school pupils from the class of 2007 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 pupils 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.
11. The funds appropriated in Schedule (4), Student Success for Basic Skills Students, shall be allocated as follows:
 - (a) \$1,600,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All col-

- leges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1, 2009.
- (b) \$31,500,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.
 - (c) Funding specified in subdivisions (a) and (b) shall be distributed to eligible applicants pursuant to Chapter 489 of the Statutes of 2007.
 - (d) The Office of the Chancellor shall work jointly with the Department of Finance and the Legislative Analyst to develop annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code. By November 1, 2009, the chancellor shall submit a report to the Governor and Legislature on the annual accountability measures developed pursuant to this process.
12. (a) Of the funds appropriated in Schedule (5) for Student Financial Aid Administration, not less than \$9,864,000 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 (5), not less than \$4,405,000 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) Funding provided to community college districts in subdivisions (a) and (b) of Provision 15 is provided to directly offset any mandated costs claimed by community college districts pursuant to Commission on State Mandates Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers).
 - (d) (1) Of the amount appropriated in Schedule (5), \$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: (A) the California Community Colleges (CCC) remain affordable, (B) financial aid and tax credits are available to cover enrollment fees and help with books and other costs, and (C) 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 appro-

- appropriate coordination with any other state efforts in this area and ensure compliance with this provision.
- (2) Of the amount appropriated in Schedule (5), 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 item, 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 Office of the Chancellor of the California Community Colleges provide the Legislature with a report not later than April 1, 2009, on the use of the funds

allocated pursuant to paragraphs (1) and (2) of this subdivision (d), 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 report by September 1, 2008, in the manner and using the factors set forth in paragraph (5) of subdivision (b) of Provision 11 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of outreach efforts on student headcount and FTES enrollment for the 2005–06 and 2006–07 academic years.
13. Of the funds appropriated in Schedule (19) for Extended Opportunity Programs and Services, \$109,047,000 is for Extended Opportunity Programs and Services (EOPS) in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 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. In addition, \$15,833,000 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 Division 7 of Title 3 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 Extended Opportunity Programs and Services, \$1,900,000 shall be available to support additional textbook assistance grants to community college students as an allowable expenditure

- consistent with paragraph (10) of subdivision (b) of Section 69648 of the Education Code.
15. The funds appropriated in Schedule (20) for the Fund for Student Success is for additional targeted student services, to be expended as follows:
- (a) \$1,921,000 is for the Puente Project to support up to 75 colleges. These funds are available if matched by \$200,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project. All funding shall be allocated directly to participating districts in accordance with their participation agreement.
 - (b) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide \$1 in matching funds.
 - (c) 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 8.
16. (a) The funds appropriated in Schedule (6) 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 (6), no less than \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Office of the Chancellor of the California Community Colleges.

- (c) Of the amount appropriated in Schedule (6), 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 Office of the Chancellor. 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 (6), \$1,246,000 shall be for state hospital adult education programs at the hospitals served by the Coast and Kern 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 2008–09 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 2008–09 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
 - (e) Of the funds appropriated in Schedule (6) for the Disabled Student Services, no less than \$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.
17. The funds appropriated in Schedule (7), 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 (7) 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.
- (g) Campus-based case management, limited to on-campus assistance and services not provided by county case workers that do not supplant other counseling and academic support services funded through existing California Community Colleges categorical programs.

Of the amount appropriated in Schedule (7), \$15,000,000 is for child care and does 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 2008–09 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 and work participation requirements, 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 positions. These funds may be expended only if the total hours of education, employment, and workstudy for the student are sufficient to meet both state and federal minimum requirements for qualifying work-related activities.

Funds may be used to provide credit or non-credit classes for CalWORKs students if a district has committed all of its funded full-time equivalent students (FTES) and is unable to offer the additional instructional services to meet the demand for CalWORKs students. This determination shall be based on fall enrollment information. Districts shall submit applications to the Office of the Chancellor by October 15 of each year. If the chancellor approves the use of funds for direct instructional workload, the Office of the Chancellor shall submit a report to the Department of Finance and the Joint Legislative Budget Committee by November 15, 2008, that (a) identifies the enrollment of new CalWORKs students, (b) states whether and why additional classes were needed to accommodate the needs of CalWORKs students, and (c) sets forth an expenditure plan for the balance of funds.

As a condition of receipt of the funds appropriated in Schedule (7), by the fourth week following the end of the semester or quarter term commencing in January 2009, each participating community college shall submit to the Office of the Chancellor 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 Office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services by November 15 of each year.

First priority for expenditures of any funds appropriated in Schedule (7) 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, 2008, 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 Office of the Chancellor 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 (7) 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, and \$1,000,000 is available for campus job development and placement services.

18. Funds appropriated in Schedule (7) 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.
19. (a) Funds provided in Schedule (8) 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 training.

- (b) Funds provided in Schedule (8) 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.
- 20. (a) Funds appropriated in Schedule (9) 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 Division 7 of Title 3 of the Education Code.
- (b) Of the amount appropriated in Schedule (9), \$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 stu-

dents 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.

21. The funds in Schedule (13) 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.
22. (a) \$24,197,000 of the funds provided in Schedule (15) 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 for the following purposes:
 - (1) Provision of access to statewide multimedia hosting and delivery services for system colleges and districts.
 - (2) Provision of systemwide Internet, audio bridging, and telephony.

- (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development in a manner consistent with paragraph (3) of subdivision (b) of Provision 17 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996).
- (4) Ongoing support for the California Virtual University Distance Education Program.
- (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K–20 segments in California.
- (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

In addition, a portion of the funds provided in this subdivision 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 subdivision (a) of Provision 21 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).

- (b) The Office of the Chancellor of the California Community Colleges shall develop the reporting criteria for all programs funded by this item and shall submit that for review along with an annual progress report on program implementation to the Legislative Analyst, the Office of the Secretary for Education, and the Department of Finance no later than December 1 of each year. Reporting shall include summaries of allocations and expenditures by program and by district, where applicable.

- (c) Of the funds provided in Schedule (15), \$2,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success (Cal-PASS) program. As a condition of receipt of these funds, the grantee shall submit to the Office of the Chancellor, by October 15 of each year, all of the following: (1) a report that includes the numbers and percentages of institutions and school districts that have signed agreements and the number and percentage that have actively submitted data in the current year, (2) the results of an annual program evaluation, as prescribed by the chancellor, that sufficiently documents the value and productivity of the program, and (3) an annual financial audit, as prescribed by the chancellor, that includes an accounting of all funding sources and all uses of funds by funding source. It is the intent of the Legislature that all reporting requirements contained in this subdivision shall be completed using funds provided to the grantee.
- 23. Of the funds provided in Schedule (16) 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.
- (e) \$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.
- (f) The following provisions apply to the expenditure of funds within subdivisions (a) and (b): 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) to increase the level of subsidized training otherwise available.
- (g) Funds allocated by the Board of Governors of the California Community Colleges under this provision may not be used by community college districts to supplant existing

courses or contract education offerings. The chancellor shall ensure that funds are spent only for expanded services and shall implement accountability reporting for districts receiving these funds to ensure that training, credit, and noncredit programs remain relevant to business needs. Programs that do not demonstrate continued relevance and support by business shall not be eligible for continued funding. The board of governors shall consider the level of involvement and financial commitments of business and industry as primary factors in making awards. The chancellor shall incorporate grant requirements into the guidelines for audits of economic development grants.

- (h) Primary objectives of the Economic and Workforce Development Program are 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 and Workforce 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.
24. (a) The funds appropriated in Schedule (17) 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 (17) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.

25. (a) \$13,673,000 of the funds appropriated in Schedule (18) 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 (42 U.S.C. Sec. 12101 et seq.) 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 (18) 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 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 (18) shall be available for expenditure until June 30, 2010.
- 26. 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 (6), (9), (11), and (19) 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.
- 27. The funds appropriated in Schedule (21) 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 and Workforce Development Program. Prior to the allocation of these funds, the Chancellor of the California Community Colleges, in conjunction with the State Department of Education, shall submit a proposed expenditure plan for the funds contained in this item, and the rationale therefor, to the Department of Finance by August 1, 2008, for approval.

Of the funds appropriated in Schedule (21), \$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 pupils in kindergarten and grades 1 to 12, inclusive, and the California Community Colleges.
28. The funds appropriated in Schedule (22) 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.
29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:
- (a) \$14,000,000 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. 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.
 - (b) \$8,100,000 shall be used to provide diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
 - (d) The Board of Governors of the California Community Colleges shall develop a request for applications (RFA) to allocate the additional \$5,214,000 of funds 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 enroll-

- ment in nursing programs beyond the level of full-time equivalent students served in the 2007–08 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.
- (e) 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.
- (f) 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 2006–07 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 2006–07 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 Improve- ment Loans.....	302,000	
6870-101-0925—For local assistance, Board of Govern- ors of the California Community Colleges, Program 20.30.050-Economic Development, payable from California Business Resources and Assistance Inno- vation Network Fund.....		15,000
6870-103-0001—For local assistance, Board of Govern- ors of the California Community Colleges (Propo- sition 98), to allow selected community colleges to make required lease-purchase payments.....	68,122,000	

Schedule:

(1) Rental and administration.....	68,873,000
(2) Reimbursements.....	-751,000

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.

6870-107-0001—For local assistance, Board of Govern- ors of the California Community Colleges (Propo- sition 98), for local district financial oversight and evaluation.....		570,000
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Provisions:

1. The funds appropriated in this item are available to the Board of Governors of the California Community Colleges to reimburse the Fiscal Crisis and Management Assistance Team (FCMAT) for costs incurred by FCMAT for the following activities:
 - (a) The performance of audits, examinations, or reviews of any community college districts pursuant to Section 84041 of the Education Code.
 - (b) The provision of technical assistance, training, and short-term institutional research

necessary to address existing or potential accreditation deficiencies. No more than \$150,000 of the funds annually appropriated in this item may be used for these purposes.

- 2. The Board of Governors of the California Community Colleges may request unsolicited reviews of local community college districts if the board determines that there is an imminent threat to the fiscal integrity of a district as a result of fraud, misappropriation of funds, or other illegal fiscal practices.
- 3. All proposed contracts and reimbursements for Fiscal Crisis and Management Assistance Team services shall be subject to the approval of the Department of Finance.

6870-111-0001—For local assistance, Board of Governors of the California Community Colleges.....

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Schedule:

(1) 10.20-CalWORKs Services.....	8,000,000
(2) 20.10.060-Foster Parent Training....	6,112,000
(3) 20.30.030-Vocational Education....	62,941,000
(3.5) 20.30.034-Corrections Training Program.....	2,610,000
(4) 20.30.011-Telecommunications and Technology Infrastructure.....	292,000
(5) 20.30.050-Economic Development.....	1,340,000
(6) Reimbursements.....	-81,295,000

Provisions:

- 1. The funds appropriated in Schedules (1) and (3) are for transfer by the Controller to Section B of the State School Fund.
- 2. The funds appropriated in Schedule (1) 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.

- 2.5. The funds appropriated in Schedule (3.5) reflect an interagency agreement with the Department of Corrections and Rehabilitation to support the delivery of staff training and instruction services to the department’s staff throughout the state. These funds shall not be made available to the community colleges until 30 days after the interagency agreement is provided to the Legislature.
- 3. The funds appropriated in Schedule (4) shall be used to support Phase 2 of the CCCTran project.
- 4. The funds appropriated in Schedule (5) shall be used to support an interagency agreement between the Office of the Chancellor of the California Community Colleges and the Department of Transportation for the purpose of providing assistance and training in business management practices to small and disadvantaged businesses in an effort to increase their capacity to be successful in bidding for state transportation contracts.
- 5. Of the funds appropriated in Schedule (3), \$6,200,000 is a one-time carryover available for the support of additional vocational education instruction activities. These funds shall be used during the 2008–09 academic year to support additional alignment and articulation of K–12 technical preparation programs with local community college economic development programs in an effort to incorporate greater participation of K–12 pupils in sequenced, industry-driven coursework that leads to meaningful employment in today’s high-tech, high-demand, and emerging technology areas of industry employment.

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)..... 3,989,000

1900
Item

STATUTES OF 2008

[Ch. 268]
Amount

- (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)..... 4,000

Provisions:

1. Allocation of funds appropriated in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
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.

6870-301-0705—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1992..... 1,106,000

Schedule:

- Los Angeles Community College District
- Los Angeles Harbor College
- (1) 40.26.305-Library/Learning Resource Center—Equipment..... 302,000
- San Joaquin Delta Community College District
- San Joaquin Delta College

(2) 40.49.109-Cunningham Math/Science Replacement—Equipment....	804,000	
6870-301-0785—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 1988 Higher Education Capital Outlay Bond Fund.....		4,946,000
Schedule:		
Los Angeles Community College District		
Los Angeles City College		
(1) 40.26.209-Jefferson Hall Modernization—Construction and equipment.....	3,680,000	
South Orange County Community College District		
Irvine Valley College		
(2) 40.45.131-Life Sciences Building—Preliminary plans and working drawings.....	1,266,000	
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.....		16,594,000
Schedule:		
Cerritos Community College District		
Cerritos College		
(1) 40.07.121-Gymnasium Seismic Retrofit—Construction.....	9,678,000	
South Orange County Community College District		
Irvine Valley College		
(2) 40.45.103-Business Technology and Innovation Center—Equipment.....	2,721,000	
San Jose-Evergreen Community College District		
Evergreen Valley College		
(2.5) 40.50.105-Arts Complex—Equipment.....	1,848,000	
Siskiyou Joint Community College District		
College of the Siskiyous		
(3) 40.59.104-Science Complex Modernization—Preliminary plans and working drawings.....	1,140,000	
West Valley-Mission Community College District		
Districtwide		

(4) 40.69.301-Fire Alarm System Replacement—Preliminary plans and working drawings.....	1,207,000
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.....	402,391,000
Schedule:	
Antelope Valley Community College District	
Antelope Valley College	
(1) 40.03.115-Health and Science Building—Construction.....	34,974,000
Barstow Community College District	
Barstow College	
(2) 40.04.105-Wellness Center—Construction and equipment.....	9,722,000
Chaffey Community College District	
Ralph M. Lewis Fontana Center	
(3) 40.08.201-Fontana Center Phase III, Academic Building—Construction and equipment.....	9,091,000
Coast Community College District	
Orange Coast College	
(4) 40.11.312-Consumer and Science Laboratory Building—Construction and equipment.....	15,620,000
El Camino Community College District	
El Camino College	
(5) 40.14.115-Social Sciences Remodel for Efficiency—Construction and equipment.....	5,257,000
El Camino College Compton Center	
(5.5) 40.14.116-Infrastructure Replacement Phase I—Preliminary plans and working drawings.....	1,700,000
Los Angeles Community College District	
Los Angeles Harbor College	
(6) 40.26.305-Library/Learning Resource Center—Construction.....	12,766,000
Los Angeles Trade Technical College	
(7) 40.26.705-Learning Assistance Center Renovation—Construction and equipment.....	27,246,000
Los Angeles Valley College	

(8) 40.26.805-Library/Learning Assistance Center—Construction and equipment.....	23,515,000
Los Rios Community College District American River College	
(9) 40.27.106-Library Expansion—Construction.....	3,216,000
Sacramento City College	
(10) 40.27.313-Performing Arts Modernization—Construction.....	16,036,000
Mt. San Antonio Community College District Mt. San Antonio College	
(11) 40.33.117-Administration Building Remodel—Construction and equipment.....	8,912,000
North Orange County Community College District Fullerton College	
(12) 40.36.204-Technology and Engineering Complex—Construction and equipment.....	34,255,000
Palo Verde Community College District Needles Center	
(13) 40.37.200-Needles Center Equipment—Equipment.....	1,661,000
Redwoods Community College District College of the Redwoods	
(14) 40.42.106-Student Services/Administration and Performing Arts Building—Construction.....	15,027,000
(15) 40.42.107-New Science/Humanities Building Seismic Replacement—Preliminary plans and working drawings.....	2,258,000
Riverside Community College District Riverside City College	
(16) 40.44.104-Nursing/Science Building—Construction and equipment.....	58,008,000
San Francisco Community College District City College of San Francisco, Chinatown Campus	
(17) 40.48.301-Campus Building—Equipment.....	5,007,000
San Joaquin Delta Community College District San Joaquin Delta College	
(18) 40.49.109-Cunningham Mathematics/Science Replacement—Construction.....	26,493,000

San Luis Obispo Community College District North County Center (19) 40.51.201-Learning Resource Center—Construction and equip- ment.....	22,187,000
Santa Clarita Community College District College of the Canyons (20) 40.54.116-Library Addition— Construction and equipment.....	14,059,000
Santa Monica Community College District Santa Monica College (21) 40.55.110-Student Services and Administration Building—Construc- tion and equipment.....	15,935,000
Sequoias Community College District College of the Sequoias (22) 40.56.111-Physical Education and Disabled Program Center—Con- struction and equipment.....	13,946,000
Tulare Center (23) 40.56.200-Phase I Site Develop- ment and Facilities—Working drawings.....	2,526,000
Sierra Joint Community College District Sierra College (24) 40.58.108-Child Development Center—Construction and equip- ment.....	7,821,000
Sonoma County Junior College District Santa Rosa Junior College (25) 40.61.401-Public Safety Training Center Advanced Laboratory and Office Complex—Construction and equipment.....	5,748,000
West Hills Community College District West Hills College, Coalinga (26) 40.67.105-Agricultural Science Facility—Construction and equip- ment.....	9,405,000
6870-303-6041—For capital outlay, Board of Governors of the California Community Colleges, to be allocat- ed 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.....	8,369,000
Schedule: Ohlone Community College District	

Ohlone College

- (1) 40.16.114-Fire Suppression—Preliminary plans, working drawings, and construction..... 5,741,000

Mira Costa Community College District

Mira Costa College

- (2) 40.31.112-Campuswide Fire Line Replacement—Preliminary plans, working drawings, and construction..... 2,628,000

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 2008–09 and 2009–10 fiscal years. 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.

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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..... 10,156,000

Schedule:

Riverside Community College District
Riverside City College

(1) 40.44.105-Wheelock Gymnasium
Seismic Retrofit—Preliminary
plans, working drawings, and construction..... 10,156,000

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 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 2008–09 and 2009–10 fiscal years. 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.

6870-488—Reappropriation, California Community Colleges, Proposition 98. The amount of \$21,648,000 from the 2007–08 fiscal year appropriations pursuant to Sections 8483.5 and 8483.51 of the Education Code is hereby reappropriated for local assistance to community colleges and shall be available for encumbrance and expenditure until June 30, 2009, for the purpose of backfilling projected shortfalls in local property tax revenues from the 2007–08 fiscal year.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, in those appropriations:

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)

Los Angeles Community College District
West Los Angeles College

(27) 40.26.907-Science Complex—Equipment

- (2) Item 6870-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

Rancho Santiago Community College District
Santiago Canyon College

(28) 40.41.201-Science Building—Equipment

- (3) Item 6870-301-6041, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 6870-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

San Luis Obispo County Community College District
North County Center

(34) 40.51.202-Technology and Trades Complex—Construction and equipment

- (4) Item 6870-301-6041, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 6870-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Santa Barbara Community College District
Santa Barbara City College

(4) 40.53.123-Drama/Music Building Modernization—Construction

- 6049—2006 California Community College Capital
Outlay Bond Fund
- (1) Item 6870-303-6049, Budget Act of 2006 (Chs.
47 and 48, Stats. 2006)
Los Angeles Community College District
Los Angeles Mission College
(10) 40.26.413-Culinary Arts Center—Construc-
tion and equipment
Mt. San Antonio Community College District
Mt. San Antonio College
(16) 40.33.116-Design and Online Technologies
Center—Construction and equipment
Rio Hondo Community College District
Rio Hondo College
(20) 40.43.109-Physical Education Facili-
ties—Construction and equipment
West Kern Community College District
Taft College
(32) 40.68.104-Tech Arts Modernization—Con-
struction
Copper Mountain Community College District
Copper Mountain College
(33) 40.72.101-Remodel for Efficiency—Con-
struction and equipment
- (2) Item 6870-301-6049, Budget Act of 2007 (Chs.
171 and 172, Stats. 2007)
Allan Hancock Community College District
Allan Hancock College
(1) 40.02.118-One-Stop Student Services Cen-
ter—Construction
Antelope Valley Community College District
Antelope Valley College
(2) 40.03.114-Theatre Arts Facility—Construc-
tion
Contra Costa Community College District
Los Medanos College
(10) 40.13.316-Art Area Remodel—Construction
Palomar Community College District
Palomar College
(28) 40.38.114-Multi-Disciplinary Build-
ing—Construction and equipment
San Francisco Community College District
City College of San Francisco, Chinatown Cen-
ter
(36) 40.48.301-Campus Building—Construction
San Joaquin Delta Community College District
San Joaquin Delta College

(37) 40.49.108-Goleman Learning Resource Center Modernization—Construction and equipment

Santa Barbara Community College District

Santa Barbara City College

(40) 40.53.122-High Technology Center—Construction and equipment

West Valley-Mission Community College District

West Valley College

(51) 40.69.110-Science and Math Building Renovation—Construction

Feather River Community College District

Feather River College

(53) 40.73.105-Learning Resource Center and Technology Building—Construction

6870-492—Reappropriation, California Community Colleges, Proposition 98. The amount of \$47,318,000 from Schedule (1) of Item 6870-101-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006) is hereby reappropriated and shall be available for encumbrance and expenditure until June 30, 2009, for the purpose of backfilling a projected shortfall in local property tax revenues from the 2007–08 fiscal year for community colleges.

6870-497—Reversion, Board of Governors of the California Community Colleges. As of June 30, 2008, the balances specified below of the appropriations provided for in the following citations shall revert to the funds from which the appropriations were made:

6049—2006 California Community College Capital Outlay Bond Fund

(1) Item 6870-301-6049, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

West Valley-Mission Community College District

Mission College

(21) 40.69.209-Main Building, Second Floor Reconstruction—Preliminary plans and working drawings..... 1,893,000

(2) Item 6870-301-6049, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

West Valley-Mission Community College District

Mission College

(52) 40.69.209-Main Building, Second Floor Reconstruction—Construction.....	20,511,000	
7980-001-0001—For support of Student Aid Commission.....		14,206,000
Schedule:		
(1) 15-Financial Aid Grants Program....	15,711,000	
(1.5) 50-California Loan Program.....	1,000,000	
(2) 80.01-Administration and Support Services.....	3,369,000	
(3) 80.02-Distributed Administration and Support Services.....	-3,369,000	
(3.5) 97.20.001-Unallocated Reduction.....	-789,000	
(4) Reimbursements.....	-296,000	
(4.5) Amount payable from the Student Loan Operating Fund (Item 7980-001-0784).....	-1,000,000	
(5) Amount payable from the Federal Trust Fund (Item 7980-001-0890)....	-420,000	

Provisions:

1. The funds appropriated in this item are available only for the Student Aid Commission’s state operations activities.
2. Of the funds appropriated in Schedule (1), up to \$369,000 is available for expenditure to support enhancement of the Student Aid Commission’s Grant Delivery System.
3. Schedule (1) includes funding for 2.0 positions to increase program compliance reviews for institutions participating in the Cal Grant Program under Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code and the Assumption Program of Loans for Education under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, with the objective of auditing higher risk institutions once every three years. The audits shall emphasize verification of applicant eligibility, fund disbursement, and payment reconciliation. The Student Aid Commission shall prioritize its review of institutions that have demonstrated noncompliance in prior audits. The commission shall report to the Legislature and the Governor by September 30, 2008, on the institutions audited, the rate of noncompliance

with each major program requirement, and the steps taken to address noncompliance.

4. (a) This item reflects \$1,000,000 payable from the Student Loan Operating Fund for the purpose of funding, on a limited-term basis, 6.0 positions in the Federal Policy and Programs Division. Those positions shall be continued until a sale or other authorized transaction is completed pursuant to Chapter 182 of the Statutes of 2007, which is anticipated to occur in the 2009–10 fiscal year.
- (b) Additionally, this item reflects an increase of \$1,010,000 available on a one-time basis for necessary moving costs, furnishings, and equipment associated with relocation of the Student Aid Commission. Not later than August 1, 2008, the commission shall detail and submit for approval to the Department of Finance, and for informational purposes to the Chairperson of the Joint Legislative Budget Committee, all one-time costs estimated to be necessary for relocation of the commission. Any funds remaining shall be available for any expenses that may be necessary or convenient to further the intent of the sale or other authorized transaction of EdFund pursuant to Chapter 182 of the Statutes of 2007 upon the written approval of the Department of Finance.

7980-001-0784—For support of Student Aid Commission, Federal Policy and Program Division, for payment to Item 7980-001-0001, payable from the Student Loan Operating Fund.....	1,000,000
7980-001-0890—For support of Student Aid Commission, Cash for College Program, for payment to Item 7980-001-0001, payable from the Federal Trust Fund.....	420,000
7980-101-0001—For local assistance, Student Aid Commission.....	600,984,000
Schedule:	
(1) 15-Financial Aid Grants Program.....	885,379,000
(2) Reimbursements.....	-242,514,000
(3) Amount payable from the Federal Trust Fund (Item 7980-101-0890).....	-17,881,000

(4) Amount payable from the Student Loan Operating Fund (Item 7980-101-0784)..... -24,000,000

Provisions:

1. Funds appropriated in Schedule (1) are for 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 Division 5 of Title 3 of the Education Code.
- (b) Grants under the Law Enforcement Personnel Dependents Scholarship Program pursuant to 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 Division 5 of Title 3 of the Education Code.
- (d) The purchase of loan assumptions under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. The Student Aid Commission shall issue 8,000 new warrants.
- (e) The purchase of loan assumptions under the Graduate Assumption Program of Loans for Education pursuant to Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.
- (f) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) Employees of State Facilities Program pursuant to Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
- (g) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
- (h) The Student Aid Commission shall report by April 1, 2009, on the State Nursing Assumption Program of Loans for Education,

- pursuant to the reporting requirements of Section 70108 of the Education Code.
- (i) Of the amount appropriated in Schedule (1), \$297,000 is provided for loan assumption payments to participants in the National Guard Assumption Program of Loans for Education pursuant to Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42 of the Education Code.
 - (j) Notwithstanding subdivision (c) of Section 69613.8 of the Education Code, any Assumption Program of Loans for Education participant who meets the requirements of subdivision (a) or (b) of Section 69613.8 of the Education Code may receive the additional loan assumption benefits authorized by those subdivisions.
2. If federal trust funds for the 2008–09 fiscal year exceed budgeted levels for the Leveraging Educational Assistance Partnership Program (LEAP) and the Special Leveraging Educational Assistance Partnership Program (SLEAP), 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, notwithstanding subdivision (k) of Section 69432.7 of the Education Code, whose income or family's gross income does not exceed \$88,300 for the purpose of determining recipients for the 2008–09 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.
 - (d) All recipients receiving Cal Grant C book and supply awards shall be \$576.
 5. Of the funds appropriated in Schedule (1), as reimbursed from federal trust funds in Schedule

- (3), \$6,849,000 is for the California Student Opportunity and Access Program established pursuant to Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code and shall be available to provide financial aid awareness and outreach to students who are preparing to enter, or are currently enrolled in, college.
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 Division 5 of Title 3 of the Education Code.
 7. Pursuant to Chapter 403 of the Statutes of 2000 and notwithstanding any other provision of 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 Division 5 of Title 3 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 of the Legislature that consider appropriations, nor sooner than whatever lesser time those persons, or their designees, may in each instance determine.
 8. The Student Aid Commission is authorized to issue 100 new warrants for the State Nursing Assumption Program of Loans for Education (SNAPLE) Employees of State Facilities Program pursuant to Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
 9. The Student Aid Commission shall issue 100 new State Nursing Assumption Program of Loans for Education (SNAPLE) warrants pur-

suant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.

- 10. Of the funds appropriated in Schedule (1), as reimbursed from federal trust funds in Schedule (3), \$410,000 is for the Cash for College Program.

7980-101-0784—For local assistance, Student Aid Commission, Cal Grant Program, for payment to Item 7980-101-0001, payable from the Student Loan Operating Fund..... 24,000,000

7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund..... 17,881,000

Provisions:

- 1. Of the funds appropriated in this item, \$10,622,000 is available for the Leveraging Educational Assistance Partnership Program (LEAP) and Special Leveraging Educational Assistance Partnership Program (SLEAP).
- 2. Of the funds appropriated in this item, \$410,000 is available for the Cash for College Program. This amount reflects funds anticipated from the new College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.
- 3. Of the funds appropriated in this item, \$6,849,000 is available for the California Student Opportunity and Access Program (Cal-SOAP). This amount reflects funds anticipated from the New College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.

7980-490—Reappropriation, Student Aid Commission.

The balance of the appropriation provided in the following citation is reappropriated for the purposes specified in Provision 1 and shall be available for encumbrance or expenditure until June 30, 2009:

- (1) Item 7980-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Provisions:

- 1. These funds are available for relocation costs of the Student Aid Commission or for any expenses that may be necessary or convenient to further the intent of the sale or other authorized transaction of EdFund pursuant to Chapter 182 of the Statutes of 2007. These funds shall not be ex-

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pended unless first approved by the Department of Finance.

7980-495—Reversion, Student Aid Commission. The unencumbered balance as of June 30, 2008, 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 2007 (Chs. 171 and 172, Stats. 2007)

LABOR AND WORKFORCE DEVELOPMENT AGENCY

7100-001-0001—For support of Employment Development Department, for payment to Item 7100-001-0870..... 25,418,000

Provisions:

1. (a) Of the funds appropriated in this item, \$2,559,000 is to support the development of the Automated Collection Enhancement System (ACES). These funds may not be used for any other purpose or for items outside the approved project scope. Changes in the project scope must receive approval using the established administrative and legislative reporting requirements.
- (b) The Director of Finance is authorized to increase this item to fund ACES implementation workload upon receipt of a new post-vendor procurement special project report. Notwithstanding any other provision of law, any augmentation under this provision shall be authorized 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. The ACES procurement process for the prime solution provider is in accordance with Chapter 556 of the Statutes of 2005.
- (c) The Department of Finance shall report to the Legislature the number of positions to be administratively established for the Employment Development Department.

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..... 14,700,000

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..... 71,209,000

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 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. Notwithstanding any other provision of law and sections of this act, the Director of Employment Development 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 Employment Development Department will notify the Department of Finance by October 1, 2008, 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.
4. Of the funds appropriated in this item, \$6,000 is to support the development of the Automated Collection Enhancement System. These funds may not be used for any other purpose or for items outside the approved project scope. Changes in the project scope must receive approval using the established administrative and legislative reporting requirements.

- 5. Subdivision (b) of Provision 1 of Item 7100-001-0001 also applies to this item.
- 6. The Employment Development Department shall notify the Department of Finance on the federal allocation for Unemployment Insurance program administration within 30 days of receipt. The Employment Development Department may request an increase to this item in support of the Unemployment Insurance program to the extent that federal funds are insufficient to maintain fiscal year 2007–08 service levels for the Unemployment Insurance program. Any increase approved shall not exceed the amount of available Contingent Fund. The Department of Finance shall approve or modify the request for an increase within 10 working days of receipt of the request. Any augmentation 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 augmentation.

7100-001-0514—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Training Fund..... 62,269,000

Provisions:

- 1. Upon order of the Director of Finance, funds disencumbered from Employment Training Fund training contracts during the 2008–09 fiscal year that have not reverted as of July 1, 2008, may be appropriated in augmentation of this item.
- 2. Notwithstanding subparagraph (B) of paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code, the Employment Training Panel’s administrative costs may exceed 15 percent of the amount appropriated in this item.
- 3. Of the funds appropriated in this item, \$6,000 is to support the development of the Automated Collection Enhancement System. These funds may not be used for any other purpose or for items outside the approved project scope. Changes in the project scope must receive approval using the established administrative and legislative reporting requirements.

4. Subdivision (b) of Provision 1 of Item 7100-001-0001 also applies to this item.
5. In keeping with their Strategic Workforce Plan, the Employment Training Panel shall prioritize training funding to industries and funding requests that have a green technology or green collar job aspect to them.

7100-001-0588—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Compensation Disability Fund..... 224,766,000
Provisions:

1. The Employment Development Department shall submit on October 1, 2008, and April 20, 2009, to the Department of Finance for its review and approval, an estimate of expenditures for both the current and budget year, 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. Of the funds appropriated in this item, \$239,000 is to support the development of the Automated Collection Enhancement System. These funds may not be used for any other purpose or for items outside the approved project scope. Changes in the project scope must receive approval using the established administrative and legislative reporting requirements.

3. Subdivision (b) of Provision 1 of Item 7100-001-0001 also applies to this item.

7100-001-0869—For support of state programs under the Workforce Investment Act (WIA), Employment Development Department, payable from the Consolidated Work Program Fund..... 158,018,000

Schedule:

- (1) 61.35-WIA Administration and Program Services..... 19,794,000
- (2) 61.40-WIA Growth Industries..... 7,409,000
- (3) 61.50-WIA Industries with a State-wide Need..... 13,200,000
- (4) 61.60-WIA Removing Barriers for Special Needs Populations..... 20,129,000
- (5) 61.70-WIA Rapid Response Activities..... 42,064,000
- (5.5) 61.80-WIA Special Grants..... 10,422,000
- (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, 2008, and April 20, 2009, to the Department of Finance for its review and approval an estimate of expenditures for both the current and prior 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 not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Commit-

tee, 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 of the Legislature, 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..... 517,676,000

Schedule:

(1) 10-Employment and Employment Related Services.....	167,810,000
(2) 21-Tax Collections and Benefit Payments.....	643,362,000
(3) 22-California Unemployment Insur- ance Appeals Board.....	72,694,000
(4) 30.01-General Administration.....	53,215,000
(5) 30.02-Distributed General Admin- istration.....	-51,004,000
(6) 50-Employment Training Panel.....	56,924,000
(7) Reimbursements.....	-22,916,000
(8) Amount payable from the General Fund (Item 7100-001-0001).....	-25,418,000
(9) Amount payable from the Employ- ment Development Department Benefit Audit Fund (Item 7100- 001-0184).....	-14,700,000
(10) Amount payable from the Employ- ment Development Contingent Fund (Item 7100-001-0185).....	-71,209,000
(11) Amount payable from the Employ- ment Training Fund (Item 7100- 001-0514).....	-62,269,000
(12) Amount payable from the Unem- ployment Compensation Disabil- ity Fund (Item 7100-001- 0588).....	-224,766,000
(12.5) Amount payable from the Unem- ployment Fund-Federal (Item 7100-001-0871).....	-3,122,000
(13) Amount payable from the School Employees Fund (Item 7100-001- 0908).....	-925,000

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.

Item Amount

7100-001-0871—For support of the Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Fund—Federal..... 3,122,000

7100-001-0908—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the School Employees Fund... 925,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 822 of the Unemployment Insurance Code.
2. 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..... (2,931,000)

Provisions:

1. The unencumbered balance in the Employment Development Department Benefit Audit Fund as of June 30, 2009, shall be transferred to the General Fund.

7100-011-0185—For transfer by the Controller from the Employment Development Department Contingent Fund, to the General Fund..... (23,773,000)

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 Department Contingent Fund as of June 30, 2009.

7100-011-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal..... (517,676,000)

7100-012-0890—For support of the Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund—Federal..... (3,122,000)

7100-021-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund..... (158,018,000)

7100-101-0588—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the Unemployment Compensation Disability Fund..... 4,806,430,000
Provisions:

1. Provision 1 of Item 7100-001-0588 also applies to this item.
2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.
3. Apart from the estimate of expenditures that the Employment Development Department provides to the Department of Finance on October 1 and April 20 of each year, the Department of Finance is authorized to approve requests for expenditure adjustments for this item 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 2008–09 fiscal year that are within or in excess of amounts appropriated in this act for that year. The Department of Finance shall approve or modify the request for change in expenditures within seven working days of receipt of the request. If the Department of Finance does not approve or modify the request, the Employment Development Department shall consider the assumptions and calculations approved as submitted. The Department of Finance shall notify the Legislature of any modifications to expenditures made pursuant to this provision.

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..... 320,616,000
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..... 6,673,206,000

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.
3. Provision 3 of Item 7100-101-0588 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..... (320,616,000)

7100-101-0908—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the School Employees Fund..... 146,998,000

Provisions:

1. Provision 1 of Item 7100-001-0588 also applies to this item.
2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code.
3. Provision 3 of Item 7100-101-0588 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..... (6,673,206,000)

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, 2009, 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..... 3,544,000

Schedule:

- (1) 10-California Workforce Investment Program..... 4,409,000
- (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..... 5,148,000

Schedule:

- (1) 10-Board Administration..... 2,174,000
- (2) 20-General Counsel Administration..... 2,974,000
- (3) 30.01-Administration Services..... 275,000
- (4) 30.02-Distributed Administration Services..... -275,000

7350-001-0001—For support of Department of Industrial Relations..... 67,719,000

Schedule:

- (1) 10-Self-Insurance Plans..... 3,907,000
- (2) 20-Mediation/Conciliation..... 2,162,000
- (3) 30-Division of Workers' Compensation..... 177,639,000
- (4) 36-Commission on Health and Safety and Workers' Compensation..... 3,439,000
- (5) 40-Division of Occupational Safety and Health..... 103,642,000
- (6) 50-Division of Labor Standards Enforcement..... 49,633,000
- (7) 60-Division of Apprenticeship Standards..... 13,051,000
- (8) 70-Division of Labor Statistics and Research..... 3,658,000
- (9) 80-Claims, Wages, and Contingencies..... 1,182,000
- (10) 94.01-Administration..... 32,530,000

(11) 94.02-Distributed Administration.....	-32,530,000
(13) Reimbursements.....	-2,068,000
(14) Reimbursements for Division of Workers' Compensation.....	-1,558,000
(15) Amount payable from the Farmworker Remedial Account (Item 7350-001-0023).....	-102,000
(16) Amount payable from the Cal-OSHA Targeted Inspection and Consultation Fund (Item 7350-001-0096).....	-9,379,000
(17) Amount payable from the Workers' Compensation Managed Care Fund (Item 7350-001-0132).....	-355,000
(18) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 7350-001-0216).....	-54,000
(19) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 7350-001-0223).....	-178,642,000
(20) Amount payable from the Asbestos Consultant Certification Account (Item 7350-001-0368).....	-348,000
(21) Amount payable from the Asbestos Training Approval Account (Item 7350-001-0369).....	-123,000
(22) Amount payable from the Self-Insurance Plans Fund (Item 7350-001-0396).....	-3,867,000
(23) Amount payable from the Elevator Safety Account (Item 7350-001-0452).....	-20,588,000
(24) Amount payable from the Pressure Vessel Account (Item 7350-001-0453).....	-5,103,000
(25) Amount payable from the Garment Manufacturers Special Account (Item 7350-001-0481).....	-500,000
(26) Amount payable from the Uninsured Employers' Account, Uninsured Employers Benefits Trust Fund (Item 7350-001-0571).....	-2,691,000

(27) Amount payable from the Employment Training Fund (Item 7350-001-0514).....	-3,318,000
(28) Amount payable from the Federal Trust Fund (Item 7350-001-0890).....	-29,959,000
(29) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 7350-001-0913).....	-3,196,000
(30) Amount payable from the Industrial Relations Unpaid Wage Fund (Section 96.6 of the Labor Code)....	-500,000
(31) Amount payable from the Electrician Certification Fund (Item 7350-001-3002).....	-2,736,000
(32) Amount payable from the Garment Industry Regulations Fund (Item 7350-001-3004).....	-3,052,000
(33) Amount payable from the Apprenticeship Training Contribution Fund (Item 7350-001-3022).....	-6,895,000
(34) Amount payable from the Workers' Occupational Safety and Health Education Fund (Item 7350-001-3030).....	-1,234,000
(35) Amount payable from the Workers' Compensation Return-to-Work Fund (Item 7350-001-3031).....	-499,000
(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).....	-193,000
(38) Amount payable from the Occupational Safety and Health Fund (Item 7350-001-3132).....	-13,518,000
(39) 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 Enforce-

ment Program and shall provide justification for its continuance by September 13, 2009.	
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 of 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.....	9,379,000
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.....	355,000
7350-001-0216—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Industrial Relations Construction Industry Enforcement Fund.....	54,000
7350-001-0223—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers' Compensation Administration Revolving Fund.....	178,642,000
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 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. 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. Notwithstanding Item 9840-001-0494, upon approval of the Director of Finance with concurrence of the State Chief Information Officer, the Director of Finance may augment this item not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. Any augmentation shall not exceed 10 percent of the total project costs as identified in the latest Special Project Report approved by the State Chief Information Officer. These funds may only be used for the purchase of licenses, additional equipment, or other expenditures necessary to increase and improve access to the Division of Workers' Compensation Electronic Adjudication Management System.

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7350-001-0368—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Consultant Certification Account..... 348,000

7350-001-0369—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Training Approval Account..... 123,000

7350-001-0396—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Self-Insurance Plans Fund..... 3,867,000

7350-001-0452—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Elevator Safety Account..... 20,588,000

7350-001-0453—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Pressure Vessel Account..... 5,103,000

- 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.

7350-001-0481—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..... 3,318,000

- 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, \$3,327,000 from the Employment Training Fund shall be transferred by the Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.

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7350-001-0571—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Uninsured Employers Benefits Trust Fund.....	2,691,000
Provisions:	
1. Notwithstanding any other provision of law, the amount available for expenditure in this appropriation may be used for the Underground Economy Enforcement Program.	
7350-001-0890—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Federal Trust Fund.....	29,959,000
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.....	3,196,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated in this item shall be expended by the Department of Industrial Relations and the Division of Labor Standards Enforcement to administer the following: (a) the Targeted Industries Partnership Program to increase enforcement and compliance in the agricultural, garment, and restaurant industries and (b) the Economic and Employment Enforcement Coalition (Underground Economy Enforcement 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.....	2,736,000
7350-001-3004—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Industry Regulations Fund.....	3,052,000
7350-001-3022—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Apprenticeship Training Contribution Fund.....	6,895,000

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7350-001-3030—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers’ Occupational Safety and Health Education Fund..... 1,234,000

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..... 499,000

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.

7350-001-3072—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Car Wash Worker Fund..... 193,000

7350-001-3121—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Occupational Safety and Health Fund..... 13,518,000

7350-001-8024—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Worker Safety Bilingual Investigative Support, Enforcement, and Training Account.... 36,000

Provisions:

1. Notwithstanding any other provision of law, upon approval of the Director of Finance, this item may be augmented if revenues become available.

7350-011-0913—For transfer by the Controller, upon order of the Director of Finance, from the Industrial Relations Unpaid Wage Fund to the General Fund.... (1,000)

Provisions:

1. Notwithstanding any other provision of law, the 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, 2008.

- 2. The Department of Industrial Relations shall provide an estimate of the transfer amount to the Department of Finance no later than April 15, 2008.

GENERAL GOVERNMENT

8120-001-0268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers’ Training Fund..... 15,765,000

Schedule:

- (1) 10-Standards..... 5,675,000
- (2) 20-Training..... 32,952,000
- (3) 30-Peace Officer Training..... 118,000
- (4) 40.01-Administration..... 6,484,000
- (5) 40.02-Distributed Administration.... -6,484,000
- (6) Reimbursements..... -1,259,000
- (7) Amount payable from the Peace Officers’ Training Fund (Item 8120-011-0268)..... -20,165,000
- (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..... 20,165,000

Provisions:

- 1. Funds appropriated in this item are to be used for contractual services in support of local training programs, pursuant to subdivision (c) of Section 13503 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. Funds appropriated in this item are to be used for contractual services in support 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 agen-

cies 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.

- 2. Funds may be transferred between this item and Item 8120-102-0268 to meet the needs of local and state agency training programs.

8120-101-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30-Peace Officer Training, for allocation to cities, counties, and cities and counties pursuant to Section 13523 of the Penal Code, payable from the Peace Officers' Training Fund..... 20,382,000
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-Peace Officer Training, payable from the Peace Officers' Training Fund..... 444,000
Provisions:

- 1. Funds appropriated in this item are to be used for allocation to cities, counties, and cities and counties for 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.
- 2. To the extent that funding is available from Provision 1, peace officers employed by state law enforcement or correctional agencies shall

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be eligible to attend this training and receive training reimbursement.

3. Funds may be transferred between this item and Item 8120-012-0268 to meet the needs of local and state agency training programs.

8140-001-0001—For support of State Public Defender.... 11,551,000

Schedule:

(1) 10-State Public Defender..... 11,551,000

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 Controller..... 1,000

Provisions:

1. It is the intent of the Legislature that counties that qualify for reimbursement of homicide trial costs pursuant to Chapter 3 (commencing with Section 15200) of Part 6 of Division 3 of Title 2 of the Government Code shall forward claims for payment to the Controller. Upon review and approval of those claims by the Controller, reimbursement for approved costs shall be provided to counties through the supplemental appropriation process.
2. By May 1, 2009, the Controller shall provide the Department of Finance and the committees in each house of the Legislature that consider the budget with copies of those claims approved for payment. Claims not approved for payment by that date shall be paid in the following fiscal year.

8260-001-0001—For support of California Arts Council..... 1,114,000

Schedule:

(1) 90-California Arts Council..... 3,159,000

(2) Reimbursements..... -197,000

(3) Amount payable from the Graphic Design License Plate Account (Item 8260-001-0078)..... -862,000

(4) Amount payable from the Federal Trust Fund (Item 8260-001-0890).... -986,000

Item Amount

8260-001-0078—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Graphic Design License Plate Account..... 862,000

8260-001-0890—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Federal Trust Fund..... 986,000

8260-101-0078—For local assistance, California Arts Council, payable from the Graphic Design License Plate Account..... 2,310,000

Provisions:

1. The funds appropriated in this item are to be expended for the purposes identified in Chapter 393 of the Statutes of 2004.

8260-101-0890—For local assistance, California Arts Council, payable from the Federal Trust Fund..... 100,000

8320-001-0001—For support of Public Employment Relations Board..... 6,264,000

Schedule:

(1) 11-Public Employment Relations.... 6,276,000

(2) Reimbursements..... -12,000

8380-001-0001—For support of Department of Personnel Administration..... 6,285,000

Schedule:

(1) 10-Classification and Compensation..... 5,299,000

(2) 20-Labor Relations..... 3,480,000

(3) 25-Legal..... 7,947,000

(4) 40.01-Administration..... 4,370,000

(5) 40.02-Distributed Administration.... -4,457,000

(6) 54-Benefits Administration..... 32,972,000

(7) Reimbursements..... -18,111,000

(8) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821)..... -1,183,000

(9) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-0915)..... -13,837,000

(10) Amount payable from the Vision Care Program for State Annuitants Fund (Item 8380-001-8049)..... -6,500,000

(11) Amount payable from the Central Service Cost Recovery Fund (Item 8380-001-9740)..... -3,695,000

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, \$350,000 may be spent by the Department of Personnel Administration to contract with one or more recruitment contractors to locate and develop a pool of prospective health care professionals for various state departments that employ medical, mental health, or dental professionals. It is the intent of the Legislature that these contracts will be structured on a performance basis with payments tied to the successful hiring of state staff. Should the Director of Finance, upon receiving a recommendation of the Director of the Department of Personnel Administration, determine that it would be in the interests of the state to expand the dollar amount committed to this project, he or she may submit to the Chairperson of the Joint Legislative Budget Committee and the Legislative Analyst a report describing the number of individuals who have been successfully hired to permanent positions in affected departments as a result of the recruitment contractors' work to date and the anticipated benefits (including funds that affected departments would revert to the State Treasury due to decreased overtime and contracted personnel costs) that would result from an expansion of the funds committed to this project. Not less than 30 days after submitting the report described above, the Director of Finance may augment this item by an amount not exceeding \$1,500,000 in order to increase health care personnel recruitment efforts.

8380-001-0821—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Flexelect Benefit Fund.....	1,183,000
8380-001-0915—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Deferred Compensation Plan Fund.....	13,837,000

Item	Amount
8380-001-8049—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Vision Care Program for State Annuitants Fund.....	6,500,000
8380-001-9740—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Central Service Cost Recovery Fund.....	3,695,000
8380-002-0001—For support of Department of Personnel Administration, for the Human Resources Modernization Project.....	2,739,000
Schedule:	
(1) 15-Human Resources Modernization Project.....	5,654,000
(2) Amount Payable from Other Unallocated Special Funds (Item 8380-002-0494).....	-1,604,000
(3) Amount Payable from Other Unallocated Bond Funds (Item 8380-002-0797).....	-349,000
(4) Amount Payable from Other Unallocated Nongovernmental Funds (Item 8380-002-0988).....	-962,000
8380-002-0494—For support of Department of Personnel Administration, for the Human Resources Modernization Project, for payment to Item 8380-002-0001, payable from Other Unallocated Special Funds.....	1,604,000
8380-002-0797—For support of Department of Personnel Administration, for the Human Resources Modernization Project, for payment to Item 8380-002-0001, payable from Other Unallocated Bond Funds.....	349,000
8380-002-0988—For support of Department of Personnel Administration, for the Human Resources Modernization Project, for payment to Item 8380-002-0001, payable from Other Unallocated Nongovernmental Funds.....	962,000
8380-004-0001—For support of Department of Personnel Administration.....	15,734,000
Schedule:	
(1) 54-Benefits Administration.....	15,734,000
Provisions:	
1. The funds appropriated in this item are available for expenditure until January 1, 2012.	
8380-490—Reappropriation, Department of Personnel Administration. Notwithstanding any other provision of law, as of June 30, 2008, the balance of the appropriation provided for in the following citation is re-	

appropriated for purposes provided in that appropriation and shall be available for encumbrance or expenditure until June 30, 2009:

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), Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), and Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

8385-001-0001—For support of California Citizens Compensation Commission, Program 10..... 14,000

8500-001-0152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund..... 3,639,000

Schedule:

(1) 10-Board of Chiropractic Examiners..... 3,683,000

(2) Reimbursements..... -44,000

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 any other provision of law, upon the request of the Department of Consumer Affairs and the State Board of Chiropractic Examiners, the Department of Finance may augment the amount available for expenditure to pay iLicensing project costs. The augmentation may be made no 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, 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 project cost increases approved by the office of the State Chief Information Officer based on its review and approval of the most recent iLicensing Special Project Report

to be submitted at the conclusion of procurement activities.

- 3. The State Board of Chiropractic Examiners shall report by March 1, 2009, and by every March 1 thereafter through 2013, to the chairpersons of the committees in each house of the Legislature that consider the budget and to the Legislative Analyst’s Office all of the following: (a) details regarding progress made toward addressing the recommendations of the March 2008 report by the State Auditor, and (b) investigative workload and projected workload data for each fiscal year from the 2007–08 fiscal year to the 2012–13 fiscal year, inclusive. Workload data shall include, at a minimum, the number of complaints processed, the number of cases investigated, the number of legal actions filed, and the timeline for disposition of the complaints.

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..... 2,494,000

Schedule:

- (1) 10.01-Support..... 1,131,000
- (2) 10.03-Training..... 1,363,000

Provisions:

- 1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

8550-001-0191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund.... 9,701,000

Schedule:

- (1) 10-California Horse Racing Board..... 11,116,000
- (2) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-0942)..... -1,415,000

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..... 1,415,000

8550-011-0942—Notwithstanding paragraph (1) of sub- division (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, 2009.....	(400,000)
8570-001-0001—For support of Department of Food and Agriculture.....	83,730,000
Schedule:	
(1) 11-Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services.....	128,861,000
(2) 21-Marketing, Commodities, and Agricultural Services.....	17,680,000
(3) 31-Assistance to Fairs and County Agricultural Activities.....	3,269,000
(4) 41.01-Executive, Management, and Administrative Services.....	17,910,000
(5) 41.02-Distributed Executive, Management, and Administrative Services.....	-16,672,000
(6) 51-General Agricultural Activi- ties.....	6,559,000
(7) Reimbursements.....	-9,918,000
(8) Amount payable from the Motor Vehicle Account, State Transporta- tion Fund (Item 8570-001-0044)....	-7,099,000
(9) Amount payable from the Depart- ment of Agriculture Account, De- partment of Agriculture Fund (Item 8570-001-0111).....	-15,848,000
(10) Amount payable from the Fair and Exposition Fund (Item 8570-001- 0191).....	-3,933,000
(11) Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-0516).....	-3,508,000
(12) Amount payable from the Agricul- ture Building Fund (Item 8570-001- 0601).....	-3,541,000
(13) Amount payable from the Federal Trust Fund (Item 8570-001- 0890).....	-28,999,000
(14) Amount payable from the Antiter- rorism Fund (Item 8570-001- 3034).....	-548,000

(15) Amount payable from the Satellite
Wagering Account (Item 8570-012-
0192)..... -483,000

Provisions:

1. The Secretary of Food and Agriculture shall furnish annual 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 (a) no other program funds are available to be used to detect or eradicate such pest or disease; and (b) the pest or disease is not considered established in California and the pest or disease infests or infects plants or animals of commercial or non-commercial agriculture, ornamental horticultural, or habitat of significance, to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee. The report shall specify the amount expended by funding source, 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.
2. Notwithstanding any other provision of law, \$1,500,000 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.
3. On or before January 10, 2011, the Department of Food and Agriculture shall submit to the office of the State Chief Information Officer 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.
4. Notwithstanding any other provision of law, \$338,000 of the funds appropriated in this item shall be made available for the implementation of the Global Warming Solutions Act of 2006. Funding made available in this provision to implement the act shall not result in a reduction of funding for county agricultural commissioners.
Of the amounts appropriated in this section to implement the Global Warming Solutions Act of 2006, expenditures shall only be used to de-

velop improved greenhouse gas emission reduction methods that are the maximum technology feasible and cost-effective while maintaining a viable food production system. Such methods shall be demonstrated as part of an agricultural system and may include, but are not limited to, energy efficiency improvements, manure management, animal husbandry practices, methane capture, conservation tillage practices, agricultural biomass recycling and reuse, water conservation and improved irrigation efficiency, increase integrated pest management activities, and improved cropping system.

- 5. Of the funds appropriated in this item, no funding shall be expended for aerial spraying for the Light Brown Apple Moth until toxicology studies on the long-term comprehensive health impacts of the synthetic pheromones used in spraying have been completed by the Office of Health and Hazard Assessment, State Department of Public Health, and the Department of Food and Agriculture and their results are reported to the Legislature through a letter to the Joint Legislative Budget Committee.
- 6. Of the funds appropriated in this item, \$2,000,000 is to fund, beginning July 1, 2008, 18.0 positions, each limited to 5-year terms, to provide support staffing and logistical support for the Light Brown Apple Moth Eradication Program.

8570-001-0044—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.....	7,099,000
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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.....	15,848,000
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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.

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.....	3,933,000
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Item	Amount
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.....	3,508,000
8570-001-0601—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Department of Agriculture Building Fund.....	3,541,000
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.....	28,999,000
8570-001-3034—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Antiterrorism Fund.....	548,000
8570-001-3101—For support of Department of Food and Agriculture, payable from the Analytical Laboratory Account, Department of Food and Agriculture Fund.....	513,000
8570-003-0001—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds.....	2,590,000
Schedule:	
(1) Base Rental and Fees.....	2,573,000
(2) Insurance.....	17,000
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..... 313,000

Schedule:

- (1) Base Rental..... 311,000
- (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..... 4,380,000

Provisions:

- 1. The funds appropriated in this item shall be deposited in the Pierce’s Disease Management Account in the Department of Food and Agriculture Fund and shall be available for expenditure for the purpose of combating Pierce’s disease and its vectors.

8570-011-0191—For transfer by the 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..... 15,665,000

Provisions:

- 1. The funds appropriated in this item shall be deposited in the Pierce’s Disease Management Account in the Department of Food and Agriculture 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..... 483,000

8570-101-0001—For local assistance, Department of Food and Agriculture..... 9,795,000

Schedule:

- (1) 11-Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services..... 11,128,000
- (2) Amount payable from the Fair and Exposition Fund (Item 8570-101-0191)..... -950,000
- (3) Amount payable from the General Fund (Item 8570-111-0001)..... -383,000

8570-101-0191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001, payable from the Fair and Exposition Fund..... 950,000

Provisions:

- 1. The funds appropriated in this item are for unemployment insurance at local fairs.
- 2. The funds appropriated in this item are for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.

8570-102-0001—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.

1948 Item	STATUTES OF 2008	[Ch. 268] Amount
8570-111-0001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001.....		383,000
Provisions:		
1. The funds appropriated in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.		
8570-301-0601—For capital outlay, Department of Food and Agriculture, payable from the Department of Agriculture Building Fund.....		2,300,000
Schedule:		
(1) 90.80.020-California Animal Health and Food Safety Laboratory: San Bernardino—Acquisition.....		2,300,000
Provisions:		
1. Purchase of the land occupied by the San Bernardino Veterinary Laboratory will be paid out of the Department of Agriculture Building Fund. These costs, including staff costs and interest, are to be repaid from the General Fund, subject to an appropriation for this purpose, to the Department of Agriculture Building Fund, beginning in the 2009–10 fiscal year, with payment in full to be made no later than June 30, 2019.		
8570-301-0660—For capital outlay, Department of Food and Agriculture, payable from the Public Buildings Construction Fund.....		44,937,000
Schedule:		
(1) 90.31.010-California Animal Health and Food Safety Laboratory: Tulare/Fresno: Laboratory Consolidation and Replacement—Working drawings, construction, and equipment.....		44,937,000
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 Department of Food and Agriculture 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 project.
3. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2010, except for appropriations for construction and equipment, which shall be available for expenditure until June 30, 2012. 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, 2010, shall revert as of that date to the fund from which the appropriation was made.
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 Government Code). This provision does not exempt the Department of Food and Agriculture from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

8570-401—For support of Department of Food and Agriculture: 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 (e) of Section 224 and other state allocations from Item 8570-101-0001. These funds are hereby appropriated to the Department of Food and Agriculture Item 8570-001-0001 for purposes of operating the pest detection/trapping programs in the counties.

8570-403—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 financ-

ing, 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.

8620-001-0001—For support of Fair Political Practices Commission..... 3,593,000
Schedule:
(1) 10.10-Local enforcement..... 1,822,000
(2) 10.20-Legal, technical assistance,
and state enforcement..... 1,771,000

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..... 2,745,000
Schedule:
(1) 10-Secretary of State..... 790,000
For transfer by the Controller to
Item 0890-001-0001 as follows:
(2) 20-Elections..... (790,000)
(2) 20-Franchise Tax Board..... 1,747,000
For transfer by the Controller to
Item 1730-001-0001 as follows:

- (3) 30-Political Re-
form Audit..... (1,747,000)
- (3) 30-Department of Justice..... 216,000
For transfer by the Controller to
Item 0820-001-0001 as follows:
 - (7) 40-Criminal Law.... (78,000)
 - (9) 50-Law Enforce-
ment..... (138,000)
- (4) 40-Fair Political Practices Commis-
sion..... (4,086,000)
- (5) Reimbursements..... -8,000
For transfer by the 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, 2009.
- 8660-001-0042—For support of Public Utilities Commis-
sion, for payment to Item 8660-001-0462, payable
from the State Highway Account, State Transporta-
tion Fund..... 3,202,000
 - 8660-001-0046—For support of Public Utilities Commis-
sion, for payment to Item 8660-001-0462, payable
from the Public Transportation Account, State
Transportation Fund..... 3,341,000
 - 8660-001-0412—For support of Public Utilities Commis-
sion, for payment to Item 8660-001-0462, payable
from the Transportation Rate Fund..... 2,634,000
 - 8660-001-0461—For support of Public Utilities Commis-
sion, for payment to Item 8660-001-0462, payable
from the Public Utilities Commission Transportation
Reimbursement Account..... 10,411,000
 - 8660-001-0462—For support of Public Utilities Commis-
sion, payable from the Public Utilities Commission
Utilities Reimbursement Account..... 75,146,000

Schedule:

- (1) 10-Regulation of Utilities..... 117,860,000
- (2) 15-Universal Service Telephone
Programs..... 663,655,000
- (3) 20-Regulation of Transportation.... 19,588,000
- (4) 30.01-Administration..... 29,123,000
- (5) 30.02-Distributed Administra-
tion..... -29,123,000
- (6) Reimbursements..... -14,874,000
- (6.5) Reimbursement to the Office of
Ratepayer Advocates..... -3,910,000

- (7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042).... -3,202,000
- (8) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046)..... -3,341,000
- (9) Amount payable from the Transportation Rate Fund (Item 8660-001-0412)..... -2,634,000
- (10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)..... -10,411,000
- (11) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464)..... -56,361,000
- (12) Amount payable from California High-Cost Fund-B Administrative Committee Fund (Item 8660-001-0470)..... -196,148,000
- (13) Amount payable from Universal Lifeline Telephone Service Trust Administrative Committee Fund (Item 8660-001-0471)..... -308,154,000
- (14) Amount payable from Deaf and Disabled Telecommunications Program Administrative Committee Fund (Item 8660-001-0483).... -69,046,000
- (15) Amount payable from Payphone Service Providers Committee Fund (Item 8660-001-0491)..... -495,000
- (16) Amount payable from California Teleconnect Fund Administrative Committee Fund (Item 8660-001-0493)..... -33,451,000
- (17) Amount payable from the Federal Trust Fund (Item 8660-001-0890)..... -1,272,000
- (18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089)..... -22,658,000

Provisions:

- 1. The Public Utilities Commission shall require any public utility requesting a merger to reim-

burse the commission for those necessary expenses that the commission incurs in its consideration of the proposed merger.

8660-001-0464—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the California High-Cost Fund-A Administrative Committee Fund..... 56,361,000

Provisions:

1. Of the amount appropriated in this item, up to \$360,000 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..... 196,148,000

Provisions:

1. Of the amount appropriated in this item, up to \$2,056,000 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..... 308,154,000

Provisions:

1. Of the amount appropriated in this item, up to \$4,124,000 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..... 69,046,000

Provisions:

1. Of the amount appropriated in this item, up to \$603,000 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..... 495,000

Provisions:

- 1. Of the amount appropriated in this item, up to \$495,000 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..... 33,451,000

Provisions:

- 1. Of the amount appropriated in this item, up to \$391,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the California Teleconnect Fund Administrative Committee Program.
- 2. Notwithstanding any other provision of law, upon request of the Public Utilities Commission, the Department of Finance may augment the amount available for expenditure in this item to pay claims made to the California Teleconnect Fund Administrative Committee Fund Program. The augmentation may be made no 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. 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 of the amount of claims received by the Public Utilities Commission from telecommunications carriers.
- 3. Notwithstanding any other provision of law, the amount appropriated in this item shall remain available for encumbrance or expenditure until June 30, 2010.

8660-001-0890—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Federal Trust Fund..... 1,272,000

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..... 22,658,000

Item

Amount

8660-003-0412—For support of Public Utilities Commission for rental payments on lease-revenue bonds, payable from the Transportation Rate Fund..... 152,000

Schedule:

- (1) Base Rental and Fees..... 150,000
- (2) Insurance..... 2,000

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule 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.

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..... 562,000

Schedule:

- (1) Base Rental and Fees..... 554,000
- (2) Insurance..... 8,000

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise 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..... 4,383,000

Schedule:

- (1) Base Rental and Fees..... 4,320,000
- (2) Insurance..... 63,000

Provisions:

1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided

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ed 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..... (22,868,000)
Provisions:

- 1. The Department 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 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, 2010:

0493—California Teleconnect Fund Administrative Committee Fund

- (1) Item 8660-001-0493, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 8660-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), and for the purposes specified by Chapter 870 of the Statutes of 2006.

8780-001-0001—For support of Milton Marks “Little Hoover” Commission on California State Government Organization and Economy..... 939,000
Schedule:

- (1) 10-Milton Marks Commission on California State Government Organization and Economy..... 941,000
- (2) Reimbursements..... -2,000

8820-001-0001—For support of Commission on the Status of Women..... 486,000
Schedule:

- (1) 10-Administration, Legislation, Research, and Information..... 488,000
- (2) Reimbursements..... -2,000

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8830-001-0001—For support of California Law Revision Commission..... 662,000

Schedule:

(1) 10-Law Revision Commission..... 677,000

(2) Reimbursements..... -15,000

8840-001-0001—For support of the California Commission on Uniform State Laws..... 148,000

8855-001-0001—For support of Bureau of State Audits, for transfer to the State Audit Fund..... 8,820,000

Schedule:

(1) 10-State Auditor..... 8,820,000

8855-001-9740—For support of the Bureau of State Audits, for transfer from the Central Service Cost Recovery Fund, payable to the State Audit Fund.... 7,455,000

8860-001-0001—For support of Department of Finance..... 16,243,000

Schedule:

(1) 10-Annual Financial Plan..... 22,767,000

(3) 20-Program and Information System Assessments..... 12,699,000

(4) 30-Supportive Data..... 12,603,000

(5) 40.01-Administration..... 5,595,000

(6) 40.02-Distributed Administration.... -5,595,000

(7) Reimbursements..... -15,129,000

(8) Amount payable from Unallocated Special Funds (Item 8860-011-0494)..... -547,000

(9) Amount payable from Unallocated Bond Funds—Select (Item 8860-011-0797)..... -120,000

(10) Amount payable from Other Unallocated Nongovernmental Cost Funds (Item 8860-011-0988)..... -327,000

(11) Amount payable from Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 8860-001-6065)..... -119,000

(12) Amount payable from Central Service Cost Recovery Fund (Item 8860-001-9740)..... -15,584,000

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 2008–09 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, 2008, 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’s Office—45 copies, the Office of the Legislative Counsel—six copies, offices of the Members of the Legislature—120 copies, the Rules Committees of the Assembly and Senate—5 copies each, 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, 131 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 129 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, 2009, for the purpose of providing continuity of services.

8860-001-6065—For support of Department of Finance, for payment to Item 8860-001-0001, payable from Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006.....	119,000
8860-001-9740—For support of Department of Finance, for payment to Item 8860-001-0001, payable from Central Service Cost Recovery Fund.....	15,584,000
8860-011-0494—For support of Department of Finance, for payment to Item 8860-001-0001, payable from Other Unallocated Special Funds.....	547,000
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

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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.	
8860-011-0797—For support of Department of Finance, for payment to Item 8860-001-0001, payable from Unallocated Bond Funds—Select.....	120,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of the amount appropriated in this item not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
8860-011-0988—For support of Department of Finance, for payment to Item 8860-001-0001, payable from Various Other Unallocated Nongovernmental Cost Funds.....	327,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of the amount appropriated in this item not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
8880-001-0001—For support of Financial Information System for California, for payment to Item 8880-001-9737.....	2,175,000
8880-001-9737—For support of Financial Information System for California, payable from the FISCAL Internal Service Fund.....	0
Schedule:	
(1) 15-Statewide Systems Development.....	2,175,000
(2) Amount payable from General Fund (Item 8880-001-0001).....	-2,175,000

Provisions:

1. The Department of Finance is authorized to approve and make expenditures from this item until the Office of the Financial Information System for California is established through legislation.
2. Control agency delegations for administrative services approved for the administrative services provider department to the Financial Information System for California (FI\$Cal) project shall be extended to the FI\$Cal project and the FI\$Cal Office until such time as the project and office obtain separate delegation approvals.
3. The Financial Information System for California (FI\$Cal) Project shall use the funds appropriated in this item to prepare an updated Special Project Report that includes the following analyses:
 - (a) A review of past and current California information technology projects with similar complexity or business requirements to those of FI\$Cal in order to identify factors that contributed to their success or failure and to document the lessons learned from these projects. This analysis shall examine how these lessons can be applied to the development of FI\$Cal in order to maximize its chance for success and mitigate risks as appropriate.
 - (b) A review of project scope and procurement strategies to determine which approaches provide the most opportunity for successful system implementation and user acceptance.
 - (c) A review of the FI\$Cal governance structure to identify improvements that would strengthen the project's executive management and sponsorship. This review shall include an evaluation of whether to increase the responsibility of the State Chief Information Officer with respect to project management or sponsorship.
 - (d) The development of an assessment strategy that will identify key decision points throughout the project and report them to the Legislature on a timely basis in addition to periodic reporting at predefined project milestones.

The findings and recommendations from these analyses shall be incorporated into an updated Special Project Report to be delivered to the Legislature on or before March 1, 2009. The Special Project Report shall also contain a complete analysis of the business case for, and a thorough risk assessment of, the preferred procurement approach, including any necessary revisions to the project schedule and cost.

8885-001-0001—For support of Commission on State Mandates..... 1,571,000

Schedule:

(1) 10-Commission on State Mandates..... 1,571,000

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, 2008, 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 Controller for claims for costs incurred in the 2005–06 and 2006–07 fiscal years..... 11,000,000

Schedule:

(1) For payment of the following mandate claims for costs incurred in 2005–06 and 2006–07 fiscal years..... 11,000,000

- (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)
- (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992; 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) Post Mortem Examinations (Ch. 284, Stats. 2000) (00-TC-18)
- (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (jj) Crime Victim's Domestic Violence Incident Reports (Ch. 1022, Stats. 1999) (99-TC-08)
- (kk) Peace Officer Personnel Records: Unfounded Complaints and Discovery (Ch. 630, Stats. 1978; Ch. 741, Stats. 1994) (00-TC-24)
- (ll) Domestic Violence Arrests and Victims Assistance (Chs. 698, 701, and 703, Stats. 1998) (98-TC-14)
- (mm) Post Conviction: DNA Court Proceedings (Ch. 943, Stats. 2001) (00-TC-21, 01-TC-08)
- (nn) DNA Database and Amendment to Post Mortem Examinations: Unidentified Bodies (Ch. 822, Stats. 2000; Ch. 467, Stats. 2001) (00-TC-27; 02-TC-39)

- (oo) Handicapped and Disabled Students II (Ch. 1128, Stats. 1994; Ch. 654, Stats. 1996) (02-TC-40; 02-TC-49)
- (2) For payment of mandate claims for the 2005–06 and 2006–07 fiscal years for the Public Safety Officers Procedural Bill of Rights Act (Ch. 675, Stats. 1990) (CSM-4499)..... 0
- (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 2008–09 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; 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. 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, in-

terest 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.

- 2. Notwithstanding any other provision of law, the payment of estimated reimbursement claims for the 2007–08 fiscal year shall not be made from this appropriation.
- 3. The 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.
- 4. Notwithstanding any other provision of law, accounts receivable for recoveries that result in savings as described in Provision 3 shall have no effect upon the positive balance of the General Fund. The savings may be used to pay claims for costs incurred to carry out the cited state mandates in this item and Item 8885-299-0001.

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.

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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 2008–09 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 Controller for claims for costs incurred in the 2005–06 and 2006–07 fiscal years.....

1,700,000

Schedule:

- (1) 98.00.146.089-Administrative License Suspension, Per Se (Ch. 1460, Stats. 1989) (98-TC-16)..... 1,700,000

Provisions:

1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior-year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.

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 Controller for claims for costs incurred in the 2005–06 and 2006–07 fiscal years..... 160,000

Schedule:

(1) 98.01.120.089-Pesticide Use Reports (Ch. 1200, Stats. 1989) (CSM-4420)..... 160,000

Provisions:

1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior-year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.

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 Controller..... 0

Schedule:

(1) For the third year of payment of mandate claims filed prior to July 1, 2004..... 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 au-

dited 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.....	1,485,000
Schedule:	
(1) 10-Regulatory Oversight.....	2,766,000
(2) Amount payable from the Central Service Cost Recovery Fund (Item 8910-001-9740).....	-1,281,000
8910-001-9740—For support of the Office of Administrative Law, for payment to Item 8910-001-0001, payable from the Central Service Cost Recovery Fund.....	1,281,000
8940-001-0001—For support of Military Department....	39,155,000
Schedule:	
(1) 10-Army National Guard.....	71,658,000
(2) 20-Air National Guard.....	20,821,000
(3) 30.01-Office of the Adjutant General.....	10,786,000
(4) 30.02-Distributed Office of the Adjutant General.....	-10,699,000
(5) 35-Military Support to Civil Authority.....	19,090,000
(6) 40-Military Retirement.....	3,035,000
(7) 50-California Cadet Corps.....	330,000
(8) 55-California State Military Reserve.....	456,000
(9) 65-California National Guard Youth Programs.....	16,592,000
(11) Reimbursements.....	-18,870,000
(12) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485).....	-150,000

- (13) Amount payable from the Federal Trust Fund (Item 8940-001-0890)..... -72,723,000
- (15) Amount payable from the Emergency Response Account (Item 8940-001-1014)..... -1,171,000

Provisions:

1. No expenditures shall be made from the funds appropriated in this item as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, that, in the absence of the expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the California State Military, or the California State Military Reserve from the federal government.
2. The funds appropriated in Schedule (6) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.
3. Of the funds appropriated in this item, \$604,000 shall be used to provide mandatory employee compensation increases for state active duty employees, as follows: (a) \$302,000 shall provide the remaining half-year funding needed for the compensation increase effective January 1, 2008; (b) \$302,000 shall provide half-year funding for a compensation increase effective January 1, 2009, and shall only be available for expenditure upon passage of a federal active duty compensation increase in the federal budget. The funds provided in this paragraph shall be expended pursuant to Sections 320 and 321 of the Military and Veterans Code, which requires state active duty employees to receive the same compensation increases as their counterparts on federal active duty. Any unspent funds pursuant to this paragraph shall revert to the General Fund.

8940-001-0485—For support of Military Department, for payment to Item 8940-001-0001, payable from the Armory Discretionary Improvement Account....	150,000
8940-001-0890—For support of Military Department, for payment to Item 8940-001-0001, payable from the Federal Trust Fund.....	72,723,000

Provisions:

- 1. Of the funds appropriated in this item, \$722,000 shall be used to provide mandatory employee compensation increases for state active duty employees, as follows: (a) \$361,000 shall provide the remaining half-year funding needed for the compensation increase effective January 1, 2008; (b) \$361,000 shall provide half-year funding needed for a compensation increase effective January 1, 2009, and shall only be available for expenditure upon passage of a federal active duty compensation increase in the federal budget. The funds provided in this paragraph shall be expended pursuant to Sections 320 and 321 of the Military and Veterans Code, which require state active duty employees to receive the same compensation increases as their counterparts on federal active duty.

8940-001-1014—For support of Military Department, for payment to Item 8940-001-0001, payable from the Emergency Response Account..... 1,171,000

8940-101-0001—For local assistance, Military Department..... 60,000

Schedule:

- (1) 30.01-Office of the Adjutant General..... 60,000

Provisions:

- 1. Funds appropriated in this item are for benefit payments related to the California National Guard Surviving Spouses and Children Relief Act of 2004 pursuant to Section 850 of the Military and Veterans Code.

8940-101-8022—For local assistance, 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..... 232,000

Schedule:

(2) 70.90.004-Minor Projects..... 232,000

Provisions:

3. Funds appropriated in Schedule (2) will be matched by \$347,000 in 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.

8955-001-0001—For support of Department of Veterans Affairs..... 168,753,000

Schedule:

(1) 10-Farm and Home Loans to Veterans..... 2,247,000

(2) 20-Veterans Claims and Rights..... 2,933,000

(3) 30.01-Headquarters..... 21,661,000

(4) 30.10-Veterans Home of California at Yountville..... 88,458,000

(5) 30.20-Veterans Home of California at Barstow..... 20,622,000

(6) 30.30-Veterans Home of California at Chula Vista..... 29,896,000

(7) 30.40-Veterans Home of California-Greater Los Angeles Ventura County (GLAVC)..... 6,776,000

(8) 30.50-Veterans Home of California at Redding..... 0

(9) 30.60-Veterans Home of California at Fresno..... 0

(10) 50.01-General Administration..... 22,784,000

(11) 50.02-Distributed General Administration..... -22,784,000

(12) Reimbursements..... -1,093,000

(13) Amount payable from the Veterans Service Office Fund (Item 8955-001-0083)..... -52,000

(14) Amount payable from the Northern California Veterans Cemetery Perpetual Maintenance Fund (Item 8955-001-0238)..... -50,000

(15) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 8955-001-0592)..... -2,247,000

- (16) Amount payable from the Federal Trust Fund (Item 8955-001-0890)..... -172,000
- (17) Amount payable from the Mental Health Services Fund (Item 8955-001-3085)..... -226,000

Provisions:

- 2. Of the funds appropriated in this item, \$2,000,000 shall be expended only for the replacement of equipment and furnishings directly related to the care of the members at Veterans Homes of California.
- 3. The Secretary of Veterans Affairs shall report annually on all expenditures pursuant to Provision 2 to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees of each house of the Legislature. The report shall specify the following: (a) the equipment purchased, (b) the amount expended, (c) the vendor from whom it was purchased, (d) the method of purchase, (e) the purpose and use of the equipment, (f) the location of the equipment by Home and Program Unit, and (g) the life expectancy of the equipment. The report shall also include planned expenditures of equipment as specified for the forthcoming five fiscal years.
- 4. Of the funds appropriated in Schedule (4), 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 administration 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.
- 5. Of the funds appropriated in Schedule (4), up to \$118,000 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.

6. Notwithstanding any other provision of law, the Department of Veterans Affairs is not required to comply with Chapter 615 of the Statutes of 2006 during the 2008–09 fiscal year because no appropriation has been provided to support the activities required by Chapter 615 of the Statutes of 2006.	
8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund.....	52,000
8955-001-0238—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Cemetery Perpetual Maintenance Fund.....	50,000
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.....	2,247,000
8955-001-0701—For support of Department of Veterans Affairs, payable from the Veterans’ Home Fund....	281,000
8955-001-0890—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Federal Trust Fund.....	172,000
8955-001-3085—For support of the Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Mental Health Services Fund.....	226,000
8955-001-8037—For support of Department of Veterans Affairs, Veterans’ Quality of Life Fund.....	110,000
8955-003-0001—For support of the Department of Veterans Affairs, for rental payments on lease-revenue bonds.....	2,743,000
Schedule:	
(1) Base Rental and Fees-Barstow.....	1,205,000
(2) Base Rental and Fees-Chula Vista.....	1,385,000
(3) Insurance-Chula Vista.....	22,000
(4) Insurance-Barstow.....	131,000
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 report-	

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ed to the Joint Legislative Budget Committee pursuant to Control Section 4.30.		
8955-017-0001—For support of Department of Veterans Affairs, for implementation of the Health Insurance Portability and Accountability Act.....		125,000
Schedule:		
(1) 30.01-Headquarters.....	125,000	
8955-101-0001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veterans services offices, to be expended in accordance with Section 972 and following of the Military and Veterans Code.....		2,600,000
Schedule:		
(1) 20-Veterans Claims and Rights.....	3,438,000	
(2) Reimbursements.....	-838,000	
8955-101-0083—For local assistance, Department of Veterans Affairs, county veterans services offices, payable from the Veterans Service Office Fund.....		554,000
8955-101-3085—For local assistance, Department of Veterans Affairs, payable from the Mental Health Services Fund.....		270,000
8955-301-0001—For capital outlay, Department of Veterans Affairs.....		627,000
Schedule:		
(1) 80.20.500-Yountville: Upgrade Fire Alarm System—Preliminary plans and working drawings.....	339,000	
(2) 80.20.511-Yountville: Wastewater System Study.....	199,000	
(3) 80.60.220-Barstow: Emergency Generator and Improve Kitchen Cooling System—Working drawings.....	89,000	
Provisions:		
1. The project funded in Schedule (3) of this item shall be the same project that was originally funded in Schedules (1) and (2) of Item 8965-301-0001 in the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).		
8955-496—Reversion, Department of Veterans Affairs. As of June 30, 2008, the unencumbered balances of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made:		
0001—General Fund		

- (1) Item 8965-301-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
 - (1) 80.40.220-Emergency Generator—Preliminary plans, working drawings, and construction
 - (2) 80.40.260-Improve Kitchen Cooling System—Preliminary plans, working drawings, and construction
- 9100-101-0001—For local assistance, Tax Relief..... 693,885,000

Schedule:

- (1) 10-Senior Citizens' Property Tax Assistance..... 40,562,000
- (2) 20-Senior Citizens' Property Tax Deferral Program..... 25,800,000
- (3) 30-Senior Citizen Renters' Tax Assistance..... 150,318,000
- (4) 50-Homeowners' Property Tax Relief..... 442,465,000
- (5) 60-Subventions for Open Space.... 34,740,000

Provisions:

- 1. Schedule (2) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). The appropriation made in that 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 and Postponement Law (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 in that 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 in that schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code. The Controller shall allocate these funds in accordance with Section 16144 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 and Postponement 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).

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, 2010. These funds

shall be used to supplement and not supplant existing services.

9210-103-0001—For local assistance, Local Government Financing..... 789,000

Provisions:

1. For disaster relief associated with reimbursement to local taxing authorities for property tax revenue losses, pursuant to Chapters 222, 223, and 224, Statutes of 2007.

9210-106-0001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the Controller..... 500,000

Provisions:

1. The appropriation made in this item shall be in lieu of any appropriation required pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code.
2. The Controller shall allocate funds appropriated in this item to redevelopment agencies that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and have demonstrated that gross tax increment revenues allocated to them in the 2007–08 fiscal year (as reported for inclusion in the Controller’s “Annual Report of Financial Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 2007–08”), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 2008, would be insufficient to cover their maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged. The amount allocated to any redevelopment agency shall not exceed the lesser of: (a) the amount that the redevelopment agency would otherwise be entitled to receive pursuant to paragraph (3) of subdivision (c) of Section 16111 of the Government Code, or (b) the amount required by the redevelopment agency to cover its maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged, plus any reserve requirement deficiency existing as of December 31, 2008, less the amount of

gross tax increment revenues allocated to it in the 2007–08 fiscal year, less housing set-aside amounts not available for debt service.

- 3.5. Notwithstanding any other provision of law, the Director of Finance may authorize an expenditure in excess of the amount appropriated in this item, to the extent necessary to fund all allocations required by Provision 2, 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 committee, or his or her designee, may in each instance determine.
- 4. Notwithstanding Section 2.00, the Controller shall allocate up to 50 percent of the appropriation in this item on or before December 31, 2008, and up to the remaining amount of the appropriation in this item on or before July 31, 2009. Expenditure of the amount to be allocated on July 31, 2009, shall be accounted by the Controller as an expenditure of the 2009–10 fiscal year.

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 chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee not more than 30 days after such authorization.

9620-001-0001—For payment of interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan..... 50,000,000
Provisions:

1. The Director of Finance, the Controller, and the 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.

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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 2008–09 fiscal year from loans made previously.....	7,785,000
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.....	30,000,000
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.....	1,000,000
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 addition-	

al 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 chairpersons of the fiscal committees in each house of the Legislature.

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..... 1,164,392,000

Schedule:

- (1) Health benefit premiums..... 1,130,021,000
- (2) Dental care premiums..... 70,934,000
- (3) Amount payable from the Public Employees' Contingency Reserve Fund (Item 9650-001-0950)..... -36,563,000

Provisions:

1. The maximum transfer amounts specified in subdivision (c) of Section 26.00 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 2008–09 fiscal year, shall

not be enrolled in a basic health benefits plan during the 2008–09 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 \$478 for a single enrollee, \$909 for an enrollee and one dependent, and \$1,167 for an enrollee and two or more dependents for 2008. The maximum monthly contribution shall be adjusted based on Section 22871 of the Government Code to reflect the health benefit plan premium rates approved by the Board of Administration of the Public Employees’ Retirement System for 2009.

9650-001-0950—For support of the Health and Dental Benefits for Annuitants, for payment to Item 9650-001-0001, payable from the Public Employees’ Contingency Reserve Fund..... 36,563,000

Provisions:

- 1. The maximum transfer amounts specified in subdivision (c) of Section 26.00 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 2008–09 fiscal year, shall not be enrolled in a basic health benefits plan during the 2008–09 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 \$478 for a single enrollee, \$909 for an enrollee and one dependent, and \$1,167 for an enrollee and two or more dependents.

- 4. Notwithstanding any other provision of law, this amount shall be reduced by the Director of Finance if he or she determines that all available funds in the Account for Retiree Drug Subsidy Payments in the Public Employees' Contingency Reserve Fund by the end of the 2008–09 fiscal year will be less than the amount listed in this item after providing within the account for the portion of the expenditures provided for in Provision 2 of Item 1900-001-0950 that will be paid from the account plus an administrative reserve equal to no more than 5 percent of state government and California State University Medicare Drug Subsidy revenues expected to be received as a result of applications for subsidies related to the 2008 calendar year.
- 5. Funds payable to Item 9650-001-0001 as a result of this item shall be used in lieu of the amounts that otherwise would have been paid by the General Fund for health and dental benefits for annuitants in order to reduce state government's General Fund contributions toward health benefits for annuitants, including prescription drug benefits for annuitants, consistent with Section 22910.5 of the Government Code.

9650-495—Reversion, Health and Dental Benefits for Annuitants. As of June 30, 2008, the unencumbered balance of the appropriation in Item 9650-001-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), shall revert 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.....

Provisions:

- 1. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settle-

ments, 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..... 124,111,000
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.
3. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are not included in Item 9800 in the 2009–10 Budget Act, given that this is the item where the funds to implement comprehensive statewide compensation policies, including those adopted pursuant to collective bargaining, are considered. This provision shall not apply to augmentations for increased employee compensation costs resulting from mandatory judicial orders to raise pay for any group of employees or augmentations for increased compensation costs, or approvals for departments to provide increased employee compensation levels, that

are included in bills separate from the Budget Act.

- 4. The funds appropriated by this item and any other item may not be used or expended to fund any compensation proposal in the last, best, and final offer made by the state employer to State Bargaining Unit 6 implemented on September 18, 2007. Nothing in this act shall be construed as legislative approval for the expenditure of funds in accordance with that state employer's last, best, and final offer, as required by subdivision (b) of Section 3517.8 of the Government Code.
- 5. This item contains funds estimated to be necessary to implement side letters, appendices, or other addenda to a memorandum of understanding (collectively referred to as "pending agreements") that have been determined by the Joint Legislative Budget Committee to require legislative approval prior to their implementation, but which may not have been approved in separate legislation as of the date of the passage of this act. In the event that the Legislature does not approve separate legislation to authorize implementation of any of the pending agreements, the Department of Finance shall not allocate any funds related to those pending agreements pursuant to Provision 2, and the expenditure of funds for those pending agreements shall not be deemed to have been approved by the Legislature.

9800-001-0494—For Augmentation for Employee Compensation, payable from other unallocated special funds..... 135,800,000

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 this item and Item 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. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are not included in Item 9800 in the 2009–10 Budget Act, given that this is the item where the funds to implement comprehensive statewide compensation policies, including those adopted pursuant to collective bargaining, are considered. This provision shall not apply to augmentations for increased employee compensation costs resulting from mandatory judicial orders to raise pay for any group of employees or augmentations for increased compensation costs, or approvals for departments to provide increased employee compensation levels, that are included in bills separate from the Budget Act.
 5. The funds appropriated by this item and any other item may not be used or expended to fund any compensation proposal in the last, best, and final offer made by the state employer to State Bargaining Unit 6 implemented on September 18, 2007. Nothing in this act shall be construed as legislative approval for the expenditure of funds in accordance with that state employer's

last, best, and final offer, as required by subdivision (b) of Section 3517.8 of the Government Code.

- 6. This item contains funds estimated to be necessary to implement side letters, appendices, or other addenda to a memorandum of understanding (collectively referred to as “pending agreements”) that have been determined by the Joint Legislative Budget Committee to require legislative approval prior to their implementation, but which may not have been approved in separate legislation as of the date of the passage of this act. In the event that the Legislature does not approve separate legislation to authorize implementation of any of the pending agreements, the Department of Finance shall not allocate any funds related to those pending agreements pursuant to Provision 2, and the expenditure of funds for those pending agreements shall not be deemed to have been approved by the Legislature.

9800-001-0988—For Augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds..... 66,886,000
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 Item 9800-001-0494 and this item 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. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are not included in Item 9800 in the 2009–10 Budget Act, given that this is the item where the funds to implement comprehensive statewide compensation policies, including those adopted pursuant to collective bargaining, are considered. This provision shall not apply to augmentations for increased employee compensation costs resulting from mandatory judicial orders to raise pay for any group of employees or augmentations for increased compensation costs, or approvals for departments to provide increased employee compensation levels, that are included in bills separate from the Budget Act.
 5. The funds appropriated by this item and any other item may not be used or expended to fund any compensation proposal in the last, best, and final offer made by the state employer to State Bargaining Unit 6 implemented on September 18, 2007. Nothing in this act shall be construed as legislative approval for the expenditure of funds in accordance with that state employer's last, best, and final offer, as required by subdivision (b) of Section 3517.8 of the Government Code.
 6. This item contains funds estimated to be necessary to implement side letters, appendices, or other addenda to a memorandum of understanding (collectively referred to as "pending agreements") that have been determined by the Joint Legislative Budget Committee to require legislative approval prior to their implementation, but

which may not have been approved in separate legislation as of the date of the passage of this act. In the event that the Legislature does not approve separate legislation to authorize implementation of any of the pending agreements, the Department of Finance shall not allocate any funds related to those pending agreements pursuant to Provision 2, and the expenditure of funds for those pending agreements shall not be deemed to have been approved by the Legislature.

9840-001-0001—For Augmentation for Contingencies or Emergencies..... 44,100,000

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 2008–09 fiscal year under an existing program that is funded by that item of appropriation, but only in a case of actual necessity as determined by the Director of Finance. For purposes of this item, an “existing program” is one that is authorized by law.
2. The Director of Finance may not approve a transfer under this item, nor may any funds appropriated in augmentation of this item be allocated, to fund any of the following: (a) capital outlay, (b) any expense attributable to a prior fiscal year, (c) any expense related to legislation enacted without an appropriation, (d) startup costs of programs not yet authorized by the Legislature, (e) costs that the 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 fiscal committees in each house of the Legislature, 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 2008–09 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 fiscal committees in each house of the Legislature, 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 fiscal committees in each house of the Legislature, 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.

1996 Item	STATUTES OF 2008	[Ch. 268] Amount
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 2009–10 or 2010–11 Governor’s Budget or 2009–10 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, 2008, 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 moneys, 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 2008-09," submitted by the Governor to the Legislature at the 2008 portion of the 2007-08 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 22601 and 22602 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 2008–09 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.....	16.574%
Miscellaneous, Second Tier.....	16.470%
State Industrial.....	17.236%
State Safety.....	18.411%
Peace Officer/Firefighter.....	26.064%
Highway Patrol.....	32.149%

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 2008–09 fiscal year retirement benefits to achieve the percentages specified in this subdivision.

(b) Notwithstanding any other provision of law, the Director of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other provision of law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed to be the amounts remaining after the adjustments required by subdivisions (a) and (b) are made.

SEC. 4.01. (a) Notwithstanding any other provision of law, the Director of Finance shall reduce items of appropriation in this act to reflect savings achieved pursuant to the Alternate Retirement Program (Chapter 214 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 collective 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. 4.07. (a) The Director of Finance shall reduce General Fund appropriations in the 2008–09 fiscal year by a total of \$50,000,000. To the extent practical, these reductions shall capture savings in departmental personal services budgets resulting from position vacancies that, in the aggregate, exceed those estimated for purposes of salary savings in each applicable appropriation item. The reductions may include, but are not limited to, savings related to the elimination of vacant positions in the 2008–09 fiscal year or in other fiscal years pursuant to Section 12439 of the Government Code.

(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 affect program needs as provided for in this act or current law, and provided that the affected entity or the state official responsible for that expenditure concurs with the reduction.

(c) 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.

(d) Not later than February 15, 2009, 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 the amount of reductions made in each item of appropriation pursuant to this section. The report shall include at least the following: the total dollar amount of vacancy-related reductions by department and agency; the savings achieved related to positions abolished by Section 12439 of the Government Code; the savings from position vacancies unrelated to Section 12439 of the Government Code; the positions and the amount of savings that the Administration proposes as permanent, if any; a description of any major programmatic effects relating

to the reductions; and any other description necessary to fully disclose the reduction's impact.

(e) If reductions related to position vacancies are not sufficient to reduce General Fund appropriations by a total of \$50,000,000, the Director of Finance shall make reductions that are not related to position vacancies in order to achieve the total reduction required in subdivision (a). In the report described in subdivision (d), the Director of Finance shall include a description of each reduction by department, agency, and program; whether those reductions are proposed to be one-time or ongoing; a description of any major programmatic effects related to those reductions; and any other description necessary to fully disclose the impact of those reductions.

(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 this section 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 this section by more than 5 percent.

SEC. 4.11. All new positions approved in this act shall be established effective July 1, 2008, unless otherwise approved by the Department of Finance. Before the end of each month, the 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 Section 12439 of the Government Code as a result of the position being vacant for 6 consecutive pay periods at the end of the immediately preceding month. The report provided by the 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 0.450 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 2008–09 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. 4.70. (a) Notwithstanding any other provision of law, the Department of General Services (DGS) shall recover the Architecture Revolving Fund (ARF) deficit beginning in the 2008–09 fiscal year. DGS shall work with the Department of Finance to allocate and collect at least half of the \$27,200,000 deficit incurred by client agencies as identified by DGS over the 2008–09, 2009–10, 2010–11, 2011–12, and 2012–13 fiscal years. DGS shall also assess a surcharge to specified new ARF projects during those fiscal years sufficient to recover the remainder of the ARF deficit.

(b) DGS shall provide to the chairpersons of the budget committees of each house of the Legislature and to the Legislative Analyst an annual written update on the following: DGS progress towards recovering the ARF deficit; the rate of the surcharge imposed on new ARF projects; ARF project management training and accountability enhancements; and any unfunded project costs incurred through June 30, 2013.

(c) In implementing this section, DGS may not establish a reserve in the ARF.

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.
- (10) Item 3940—State Water Resources Control Board.
- (11) 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 Bay-Delta 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, 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 2007–08 fiscal year and ongoing or new costs for the 2008–09 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 been 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 chairpersons of the committees in each house of the Legislature which consider 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 2008–09 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 2008. 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, 50, or 84 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, 50, or 84 funds is in excess of \$25,000,000.

(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 2008–09 fiscal year that results, in the aggregate, in an increase in the budgeted cost of the project exceeding \$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 \$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 \$79,808,000,000 for the 2008–09 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the “appropriations limit” for the 2008–09 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 2008–09 Final Change Book for the 2008–09 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 chairpersons of the committees in each house of the Legislature that consider 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 Division 3 of Title 2 of the Education Code, the total appropriations for Proposition 98 for the 2008–09 fiscal year are \$43,157,117,000 or 42.5 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for school districts are \$38,657,420,000 or 38.1 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for community college districts are \$4,393,349,000 or 4.3 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for other state agencies that provide direct elementary and secondary level education, as defined in Section 41302.5 of the Education Code, are \$106,348,000 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 local 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 fiscal year. Notwithstanding any other provision of law, for the 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 Division 1 of Title 1 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, 6110-209-0001, 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 local educational agency from each of Items 6110-111-0001, 6110-122-0001, 6110-124-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-209-0001, and 6110-224-0001 may be expended by that recipient for programs in Items 6110-119-0001, 6110-128-0001, and 6110-203-0001 so that the total expended does not exceed 115 percent of the state funding for the programs in Items 6110-119-0001, 6110-128-0001, and 6110-203-0001 for the 2008–09 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 of each year, on any amounts shifted between these programs pursuant to the flexibility provided in subdivision (a). The State 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, and the Department of Finance by February 1 of each year.

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, 6110-113-0001, 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 Committee on Rules.

(b) Notwithstanding any other provision of law, the unencumbered balances as of June 30, 2009, 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, 2010, 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 of Section 2.00 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 assignment 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 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 of Consumer Affairs 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 are sufficient moneys 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 2008–09 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 2008–09 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 are sufficient moneys 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 2008–09 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 Consumer Affairs shall provide a report by March 1, 2009, 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 Consumer Affairs shall provide written notification to the Joint Legislative Budget Committee if either (1) any loan from any one fund exceeds \$200,000 or (2) the aggregate amount of loans from any one fund exceeds \$200,000.

SEC. 15.25. (a) Notwithstanding any other provision of law, the Director of Finance may adjust amounts in any item of appropriation in Section 2.00 resulting from changes in rates for data center services approved by the Technology Services Board in the 2008 or 2009 calendar year.

(b) The aggregate amount of General Fund appropriation increases provided under this section during the fiscal year may not exceed the aggregate amount of General Fund appropriation decreases.

(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. 17.00. The Budget Act of 2008 includes \$68,105,000 (\$17,374,000 from the General Fund, \$45,972,000 from federal funds, \$930,000 from special funds, and \$3,829,000 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	2,555,000
Reimbursements	867,000
Public Employees' Retirement System	
Special Funds	247,000
Office of Statewide Health Planning and Development	
Special Funds	111,000
Department of Aging	
General Fund	12,000
Reimbursements	12,000
Department of Alcohol and Drug Programs	
General Fund	783,000
Reimbursements	916,000
Department of Health Care Services	
General Fund	11,803,000
Federal Funds	45,912,000
Reimbursements	26,000
Department of Public Health	
Special Funds	551,000
Managed Risk Medical Insurance Board	
General Fund	27,000
Special Funds	21,000
Federal Funds	60,000

Department of Developmental Services	
General Fund	957,000
Reimbursements	869,000
Department of Mental Health	
General Fund	1,112,000
Reimbursements	1,139,000
Department of Veterans Affairs	
General Fund	125,000

SEC. 24.00. For each fiscal year, the donations and oil and mineral revenues from federal lands that are deposited in the State School Fund shall be divided between Sections A and 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 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, 8.50, 28.00, 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 paragraphs (3) and (5) of Section 300.8(c) of Title 34 of the Code of Federal Regulations, 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 \$1,626,000 received by the Driver Training Penalty Assessment Fund for the 2008–09 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 \$8,000,000 to the Peace Officers’ Training Fund. Any remaining unallocated moneys in the Driver Training Penalty Assessment Fund shall be transferred to the General Fund.

SEC. 24.30. Notwithstanding any other provision of law, the Controller, upon the order of the Director of Finance, shall transfer sale and lease revenues received pursuant to Sections 17089 and 17089.2 of the Education Code, in an amount determined by the Department of Finance, from the State School Building Aid Fund to the General Fund.

SEC. 24.60. 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. 24.85. (a) Notwithstanding any other provision of law, the Director of Finance is authorized to reimburse General Fund expenditures for the purpose of offsetting the costs of the Home-to-School Transportation Program for the 2008–09 fiscal year from the Public Transportation Account. A sum not to exceed \$271,545,000 from the Public Transportation Account may be used to reimburse General Fund expenditures for the Home-to-School Transportation Program. The total reimbursement shall not reduce the balance in the Public Transportation Account below a prudent reserve as determined by the Director of Finance.

(b) It is not the intent of the Legislature in enacting this section to provide additional expenditure authority to state programs.

(c) Funds provided from the Public Transportation Account for this purpose are derived from the sales tax on fuels and are dedicated to mass transportation purposes pursuant to Section 99310.5 of the Public Utilities Code. The Legislature hereby finds that transporting students to schools is a component of the state's mass transportation program.

SEC. 25.25. Notwithstanding any other provision of law, a sum not to exceed \$16,446,000 is appropriated from various special and nongovernmental cost funds and reimbursements to the 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 Section 12432 of the Government Code. 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 2008–09 fiscal year shall not exceed the total expenditures incurred by the Controller for the 21st Century Project that are attributable to those funds in the 2008–09 fiscal year.

SEC. 25.50. Notwithstanding any other provision of law, an amount not to exceed \$834,000 is hereby appropriated from various funds to the Controller, as specified below, for reimbursement of costs for the ongoing maintenance and support of the Apportionment Payment System:

0046 Public Transportation Account	\$ 18,000
0062 Highway Users Tax Account	286,000
0064 Motor Vehicle License Fee Account	16,000
0330 Local Revenue Fund	94,000
0877 DMV Local Agency Collection Fund	2,000
0932 Trial Court Trust Fund	164,000
0965 Timber Tax Fund	1,000
0969 Public Safety Account	253,000
Total, All Funds	\$834,000

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 2008–09 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 2008–09 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 thereof 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. Specifically, augmentations for items which the administration had knowledge to include in its 2008–09 budget plan should not be submitted through the process provided by this section. Augmentations for items which can be deferred to 2009–10 should be included in the administration’s 2009–10 budget proposals.

(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 2008–09 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 2008–09 fiscal year.

(c) In order to receive consideration for an augmentation, an agency shall either (1) notify the director within 45 days of receiving official notice of the availability of additional, unanticipated funds, or (2) explain in writing to the director why that notification was infeasible or impractical. In either case, the recipient agency shall provide the director a copy of the official notice of fund availability.

(d) The director 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.

(e) Any augmentation or reduction that exceeds either (1) \$400,000 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 that the augmentation meets each of the requirements set forth in subdivisions (b) and (c). This notification shall include the date that the recipient department received official notice of the additional funds, and a copy of the agency's written explanation if a 45-day notice was not provided to the director. 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).

(f) 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, 2009.

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 2008–09 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 2008–09 fiscal year that exceeds \$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 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. 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.

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, 2009, 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, 2009.

(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 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 Department of Finance shall, for a period of not less than two years, keep and preserve documentation concerning (1) the authorization of any position not authorized for that fiscal year by the Legislature and (2) any reclassification to a position with a minimum step per month of \$6,808, which is equivalent to the top step of the Staff Services Manager II (Managerial) classification as of July 1, 2008. The department may use electronic means to keep and preserve this documentation.

(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 2008–09 fiscal year shall terminate on June 30, 2009, except for those positions that have been (1) approved by the Legislature as part of the regular budget process for the 2009–10 fiscal year as new positions, or (2) approved by the Department of Finance after the 2009–10 Governor’s Budget submission to the Legislature and subsequently reported to the Legislature prior to July 1, 2009. The positions identified in (2) above may be reestablished by the Department of Finance during the 2009–10 fiscal year, provided that these

positions are shown in the Governor's Budget for the 2010–11 fiscal year as submitted to the Legislature, and provided that these positions do not result in the reestablishment of positions deleted by the Legislature through the budget process for the 2009–10 fiscal year. The Department of Finance will notify the Legislature within 30 days of the reestablishment of positions approved in the 2009–10 fiscal year pursuant to (2) above.

(e) Moneys appropriated in the 2008–09 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 2009–10 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 chairpersons of the committees in each house of the Legislature that consider 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 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, the State Department of Health Care Services, or the State Department of Public Health; (2) that expenditure

is incurred no sooner than 30 days after the Director of Finance provides written notification of its necessity to 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 before any transfer to the Budget Stabilization Account.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, "all appropriations from the General Fund for that fiscal year" shall not include any transfer to the Budget Stabilization Account to retire Economic Recovery Bonds because that amount is reflected in the "amount of any General Fund moneys transferred to the Budget Stabilization Account."

(c) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2008–09 fiscal year pursuant to this act, as passed by the Legislature, is \$107,711,233,000.

(d) 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 before any transfer to the Budget Stabilization Account, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

SEC. 35.60. (a) Whenever the Director of Finance determines that there is a shortfall in the General Fund reserve, the director shall order the transfer from the Budget Stabilization Account to the General Fund

the amount determined by the Director of Finance to be sufficient to ensure there is a prudent General Fund reserve. Upon receipt of the order from the Director of Finance, the Controller shall make the transfer in the amount ordered.

(b) The Director of Finance shall notify 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 15 days after ordering the transfer pursuant to this section.

SEC. 35.80. (a) Notwithstanding Sections 84320, 84321, and 84321.5 of the Education Code and any other provisions of law that cover the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, payment of apportionments to districts pursuant to Sections 84320, 84321, and 84321.5 of the Education Code for January, February, and March shall be deferred to April, May, and June, respectively. The total amount of these apportionment payments deferred for the months of January, February, and March combined shall be \$245,000,000.

(b) Notwithstanding any other provision of law, the state shall defer \$2,800,000,000 in disbursements for K–12 local educational agencies from February to April. The disbursement changes shall be made in the following manner:

(1) Notwithstanding paragraph (3) of subdivision (a) of Section 14041 of the Education Code, one half of the payment to be made in February pursuant to paragraph (3) of subdivision (a) of Section 14041 of the Education Code shall be made in February, with the other half paid in April.

(2) The remaining deferral shall be made from Item 6110-234-0001 of Section 2.00. The deferred funds from that item shall be allocated no sooner than April 20, 2009.

(c) The Director of Finance may exempt from a payment deferral made pursuant to subdivision (a) or (b) an entity that submits documentation to the Director of Finance establishing to his or her satisfaction that the entity would experience a resulting hardship. The entity shall submit documentation to the Department of Finance not later than November 1, 2008.

(d) This section shall apply to payments in the 2008–09 fiscal year only.

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 2008–09 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, 2008. It is therefore necessary that this act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

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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
Alfred E. Alquist Seismic Safety Commission.....	1690
Alternative Energy and Advanced Transportation Financing Authority, California.....	0971
Arts Council, California.....	8260
Assembly.....	0120
Audits, Bureau of State.....	8855
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Baldwin Hills Conservancy.....	3835
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Child Support Services, Department of.....	5175
Chiropractic Examiners, Board of.....	8500

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Coachella Valley Mountains Conservancy.....	3850
Coastal Commission, California.....	3720
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Colorado River Board of California.....	3460
Community Colleges, Board of Governors of the California.....	6870
Community Services and Development, Department of.....	4700
Conservation, Department of.....	3480
Conservation Corps, California.....	3340
Consumer Affairs-Bureaus, Programs, and Divisions, Department of.....	1111
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Corporations, Department of.....	2180
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Delta Protection Commission.....	3840
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Developmental Services, Department of.....	4300

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Education, Office of the Secretary for.....	0558
Electricity Oversight Board.....	8770
Emergency Medical Services Authority.....	4120
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Department	Organization Code
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Energy Resources Conservation and Develop- ment Commission.....	3360
Environmental Health Hazard Assessment, Office of.....	3980
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Equalization, State Board of.....	0860
Equity Claims of California Victim Compensa- tion and Government Claims Board and Set- tlements and Judgments by Department of Justice.....	9670

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Fair Employment and Housing Commission....	1705
Fair Employment and Housing, Department of.....	1700
Fair Political Practices Commission.....	8620
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Financial Information System for California....	8880
Financial Institutions, Department of.....	2150
Fish and Game, Department of.....	3600
Food and Agriculture, Department of.....	8570
Forestry and Fire Protection, Department of....	3540
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“G”

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Department	Organization Code
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San Francisco Bay Conservation and Development Commission.....	3820
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San Joaquin River Conservancy.....	3830
Santa Monica Mountains Conservancy.....	3810
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INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and identify restrictions concerning the appropriations contained in this act.

- 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
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- 14.00 Special Fund Loans Between Boards of the Department of Consumer Affairs
 - 15.25 Data Center Rate Adjustment
 - 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
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CHAPTER 269

An act to amend and supplement the Budget Act of 2008 by amending Items 0250-001-0159, 0650-001-0001, 0690-001-0001, 0690-001-0890, 0690-002-0001, 0690-101-0890, 0690-102-0001, 0820-001-0001, 0840-001-0001, 0855-111-0367, 0890-001-0001, 0950-001-0001, 1760-001-0666, 1880-001-0001, 1955-001-9730, 2640-101-0046, 2660-001-0042, 2660-104-6059, 2660-304-6059, 2660-492, 3540-001-0001, 3790-490, 3900-001-0044, 4260-101-0001, 4260-101-0890, 4260-111-0001, 4260-111-0890, 4300-101-0001, 4440-101-0001, 5180-101-0001, 5180-101-0890, 5180-111-0001, 5180-141-0001, 5180-141-0890, 5180-151-0001, 5180-151-0890, 5225-001-0001, 5225-002-0001, 5225-101-0001, 5225-301-0001, 5225-301-0660, 6110-001-0001, 6110-001-0890, 6110-101-0349, 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001, 6110-119-0001, 6110-122-0001, 6110-123-0890, 6110-124-0001, 6110-125-0001, 6110-126-0890, 6110-128-0001, 6110-130-0001, 6110-134-0890, 6110-136-0890, 6110-140-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-198-0001, 6110-201-0890, 6110-202-0001, 6110-203-0001, 6110-204-0001, 6110-209-0001, 6110-211-0001, 6110-224-0001, 6110-228-0001, 6110-232-0001, 6110-234-0001, 6110-240-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-488, 6120-011-6029, 6440-001-0001, 6440-302-6041, 6440-304-6048, 6870-101-0001, 7980-001-0001, 7980-001-0890, 7980-101-0001, 7980-101-0890, 8380-001-0001, 8660-001-0042, 8660-001-0046, 8660-001-0412, 8660-001-0461, 8660-001-0462, 8860-001-0001, 8880-001-9737, 8940-001-0001, and 9210-101-0001 of, by adding Items 0820-012-0378, 0820-495, 3790-494, 6440-301-0660, 6610-301-0660, 6610-491, 8660-011-0470, 8660-011-0471, 8660-011-0483, 9210-105-0001, and 9350-104-6065 to, and by repealing Items 0690-001-1014, 3540-001-1014, and 6110-135-0890 of, Section 2.00 of, and by amending Sections 4.07, 12.32, 24.85, and 35.50 of, and by adding Section 35.20 to, that act, relating to the State Budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 23, 2008. Filed with
Secretary of State September 23, 2008.]

I object to the following appropriations contained in Assembly Bill 88.

Item 0690-001-0001—For support of Office of Emergency Services.

I am sustaining Provision 4, which suspends the Government Code Section 8581.5 requirement for the biennial report on emergency preparedness for catastrophic disasters, which was scheduled to be published in 2008-09. However, I am directing the Office of Emergency Services to prepare this report to the extent possible using existing resources.

Item 0690-102-0001—For local assistance, Office of Emergency Services. I revise this item by deleting Provisions 3 and 5.

Provision 3 requires the Office of Emergency Services to allocate \$800,000 to the Central Coast Rural Crime Prevention Program. Funding for this program was reduced by 10 percent, but this language was not amended to reflect the reduced amount. This technical veto is necessary to ensure that all grant recipients receive the same level of reduction. Therefore, I am directing the Office of Emergency Services to allocate the grant funding in a manner consistent with this budget language adjusted for the 10 percent reduction.

Provision 5 would require the Office of Emergency Services to use a competitive grant process for allocating funds to California Multijurisdictional Methamphetamine Enforcement Teams, and would create limitations on the minimum and maximum amounts of grants awarded under this program. This language is unnecessarily restrictive; therefore, I am vetoing this provision.

Item 2640-101-0046—For local assistance, State Transit Assistance. I reduce this item from \$406,434,000 to \$306,434,000.

I am reducing this item by \$100,000,000 for the State Transit Assistance program so that sufficient funding will be available in the Public Transportation Account to provide full reimbursement of the General Fund for its Home-to-School Transportation costs. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

With the \$5 billion in transit and intercity rail funding provided in Proposition 1B, this will allow a substantial increase in the capacity, safety, and reliability of public transportation throughout the state. The amount I am retaining in this item also continues program funding at a sustainable level.

Item 2660-001-0042—For support of Department of Transportation.

I am sustaining the Legislature's funding for capital outlay support. In the May Revision, I proposed a reduction in positions and dollars for engineering, design, environmental studies, and other work. For the declining amount of ongoing work, I proposed to use an increased share of contractual services, consistent with the provisions of Proposition 35, approved by the voters in 2000.

The Legislature, however, funded 90 percent state staff and 10 percent contract staff. Because it will take a year or more to hire and train state staff as existing staff leave, I am

concerned that this action will delay projects by a year or more and end up costing more than using contractual services. Moreover, because the funding from Proposition 1B is one-time and will be exhausted over the next four years, the hiring of new permanent state staff could lead to the need for future layoffs. An appropriate balance between state staff and contract staff will enable the state to improve its highways, roads, bridges, and railroad crossings immediately. Therefore, I am directing the Director of the Department of Transportation to take all steps necessary to deliver these projects as quickly as possible, including an increased use of contractual services beyond the level reflected in the budget action, but within the funding level the Legislature has provided.

Item 3540-001-0001—For support of Department of Forestry and Fire Protection. I reduce this item from \$560,045,000 to \$557,896,000 by reducing:

- (3) 12-Resource Management from \$62,597,000 to \$60,448,000;
- (4) 20.01-Administration from \$67,198,000 to \$66,911,000; and
- (5) 20.02-Distributed Administration from -\$66,536,000 to -\$66,249,000.

I am reducing this item by \$2,149,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance --- I am taking the difficult but necessary action reflected in this veto to further control state spending.

However, I am sustaining \$1,093,000 and 10.0 positions in the Resource Management program to fund vegetation management efforts because fuel reduction projects are a cost-effective way to reduce the number and size of catastrophic wildfires.

Item 3900-001-0044—For support of State Air Resources Board. I revise this item by reducing:

- (2) 25-Stationary Source from \$57,232,000 to \$55,232,000.
- (6) Amount payable from the General Fund (Item 3900-001-0001) from -\$2,189,000 to -\$189,000

I am revising this item to conform to the action I have taken in Item 3900-001-0001.

Item 4260-101-0001—For local assistance, Department of Health Care Services. I revise this item by reducing:

- (1) 20.10.010-Eligibility (County Administration) from \$2,697,119,000 to \$2,689,743,000,
 - (8) Amount payable from the Federal Trust Fund (Item 4260-101-0890) from -\$21,448,993,000 to -\$21,441,617,000;
- and by deleting Provision 14.

I am revising this item to conform to the action I have taken in Item 4260-101-0890.

I am also deleting Provision 14 from this item, which directs the Department of Health Care Services to provide the Legislature with specific options for improving the Medi-Cal fee-for-service program. While I share the Legislature's interest in improving the coordination of care for Medi-Cal beneficiaries and believe that such efforts will better serve clients and

reduce costs, I am deleting the provision as it would limit my discretion in developing a budget proposal.

Item 4260-101-0890—For local assistance, Department of Health Services. I reduce this item from \$21,448,993,000 to \$21,441,617,000.

I am reducing this item by \$7,376,000 to conform to my action in Items 4170-101-0001, 4200-001-0001, 4265-111-0001, 4440-001-0001, and 5180-001-0001.

Item 4300-101-0001—For local assistance, Developmental Services. I reduce this item from \$2,384,027,000 to \$2,382,799,000 by reducing:

- (2) 10.10.020-Purchase of Services from \$3,372,900,000 to \$3,370,854,000, and
- (4) Reimbursements from -\$1,308,405,000 to -\$1,307,587,000.

I am reducing this item by \$2,046,000 (\$1,228,000 General Fund and -\$818,000 Reimbursements). This technical veto is consistent with the pass through of the January 1, 2009 federal Supplemental Security Income cost of living adjustment.

Item 4440-101-0001—For local assistance, Department of Mental Health. I reduce this item from \$480,163,000 to \$480,111,000 by reducing:

- (5) 10.97-Community Services—Healthy Families from \$24,805,000 to \$24,653,000, and
- (6) Reimbursements from -\$1,208,165,000 to -\$1,208,065,000.

I am reducing this item by \$152,000 (\$52,000 General Fund and \$100,000 Reimbursements) for the Healthy Families program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 5180-101-0001—For local assistance, Department of Social Services. I reduce this item from \$2,808,386,000 to \$2,738,386,000 by reducing:

- (1) 16.30-CalWORKs from \$5,290,712,000 to \$5,220,712,000.

I am reducing this item by \$70,000,000 for the CalWORKs program. This funding would have been available to counties as part of their single allocation, which can be used for county administration, employment services, and child care. Even with this reduction in funding, the single allocation provided to counties still increases from 2007-08 to 2008-09. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 5180-141-0001—For local assistance, Department of Social Services. I reduce this item from \$480,516,000 to \$478,478,000 by reducing:

(1) 16.75-County Administration and Automation Projects from \$1,194,774,000 to \$1,192,736,000.

I am reducing this item by \$2,038,000 for the Work Incentive Nutritional Supplement program. By eliminating this funding, I am delaying implementation of this program for one year. This will allow the Department of Social Services to study this program and ensure it is consistent with federal rules. Further, while this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 5180-151-0001—For local assistance, Department of Social Services. I reduce this item from \$757,135,000 to \$750,727,000 by reducing:

(1) 25.30-Children and Adult Services and Licensing from \$2,151,082,000 to \$2,139,650,000;

(2) 25.35-Special Programs from \$22,682,000 to \$22,101,000;

(3) Reimbursements from -\$143,894,000 to -\$138,589,000; and

(6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from -\$1,263,716,000 to -\$1,263,416,000.

I am reducing this item by \$11,432,000 (\$6,127,000 General Fund) for the Adult Protective Services program, and by \$581,000 (\$281,000 General Fund) for the Deaf Access program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 5180-151-0890—For local assistance, Department of Social Services. I reduce this item from \$1,263,716,000 to \$1,263,416,000.

I am reducing this item to conform to the action I have taken in 5180-151-0001 related to the Deaf Access program.

Item 5225-001-0001—For support of the California Department of Corrections and Rehabilitation. I reduce this item from \$7,173,074,000 to \$7,145,074,000 by reducing:

(8) 25-Adult Corrections and Rehabilitation Operations from \$4,974,568,000 to \$4,946,568,000.

I am directing the Secretary of the California Department of Corrections and Rehabilitation to implement a Parole Decision-Making Instrument (PDMI) that provides guidelines on how

to respond to technical parole violations based on the risk-to-reoffend level of the offender and the seriousness of the violation. I believe that the use of the PDMI by parole agents will facilitate the reintegration into society of low-risk parolees by providing community-based sanctions and programs. By providing alternatives to incarceration for parolees who commit minor technical parole violations, the Department will be able to reduce prison overcrowding. Consistent with this direction, I am reducing \$22,000,000 from this item to reflect lower adult inmate population levels.

I am also reducing this item by an additional \$6,000,000 to reflect a delay in the activation of Female Rehabilitative Community Correctional Center beds that resulted from the state's late budget.

Item 6110-001-0001—For support of Department of Education. I revise this item by reducing:

- (2) 20-Instruction Support from \$174,201,000 to \$173,909,000;
- (3) 30-Special Programs from \$54,659,000 to \$54,351,000; and
- (9) Amount payable from Federal Trust Fund (Item 6110-001-0890) from -\$171,015,000 to -\$170,415,000.

I am revising this item to conform to the action I have taken in Item 6110-001-0890.

Item 6110-001-0890—For support of Department of Education. I reduce this item from \$171,015,000 to \$170,415,000.

I am deleting the legislative augmentation of \$600,000 federal Title I funds to enhance an evaluation of the Migrant Education program. The Budget Act of 2007 provided \$800,000 for completing a comprehensive needs assessment, developing the state educational agencies service delivery plan, and contracting for an evaluation to meet federal requirements. The appropriation provided in 2007 should be sufficient for producing a useful program evaluation.

I am deleting Provision 30 to conform to this action.

I am deleting provisional language that would appropriate \$1,200,000 of Title III funds proposed for unspecified English learner state level activities (state operations) in 2009-10 as it is premature to appropriate funds for 2009-10, for projects that have not been developed or justified.

I am deleting provision 34 to conform to this action.

Item 6110-130-0001—For support of the Department of Education, Instructional Support. I reduce this item from \$9,035,000 to \$8,131,000.

I am reducing this item by \$904,000 for the Advancement Via Individual Determination program. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am revising Provision 1 to conform to this action as follows:

“1. Of the funds appropriated, ~~\$1,300,000~~\$1,170,000 is available for administration of the Advancement Via Individual Determination (AVID) centers.”

Item 6110-196-0001—For local assistance, Department of Education. I revise this item by deleting Provisions 4(e) and 9(b).

I am deleting Provision 4(e), which would specify principles for the State Department of Education (SDE) to follow when developing the 2008-09 expenditure plan for state and local activities to improve child care. The language is unnecessary and does not specify any clear priorities for development of the expenditure plan.

I am deleting Provision 9(b), which would restrict the start point on the family fee schedule to 40 percent of the State Median Income as adjusted for family size. This Provision is inconsistent with the prior agreement reached between the Administration and the Legislature that families currently paying fees continue to do so as income eligibility is adjusted. Additionally, this language would result in lower fee revenues, increased costs in child care programs, and reduced capacity to serve children.

I am sustaining Provision 2(b), which would provide details for the expenditures of the appropriation and specify the rate limits for alternative payment and other voucher-based programs based on the 85th percentile of the 2007 Regional Market Rate Survey with an effective date of March 1, 2009. While I must sustain this provision because a statute would otherwise control the appropriation and drive the rates, I am concerned that this language will drive considerably higher costs per case in the future, similar to the rate increases experienced in 2007-08.

I am also sustaining Provision 14, which specifies intent to fully fund the third stage (Stage 3) of child care for former CalWORKS families. This intent statement duplicates statutory intent language and, while it reflects a goal to provide sufficient funds, I want to be clear that inclusion of this language in the budget bill is not a commitment to fund any deficiency that might occur.

Item 6110-202-0001—For local assistance, Department of Education. I reduce this item from \$11,742,000 to \$10,880,000 by reducing:

(1) 30.20.010-Child Nutrition Programs from \$11,742,000 to \$10,880,000.

I am reducing this item by \$862,000. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state's structural budget deficit going forward. At the same time, constitutional requirements, federal law, and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

Item 6110-488—Reappropriation, Proposition 98, Department of Education. I revise this item from \$163,051,000 to \$146,651,000, and by deleting:

I am deleting the \$16,400,000 augmentation to Stage 2 child care to align expenditures with updated caseload estimates. With this reduction, a total of \$516,611,000 still remains in the budget to support the CalWORKs Stage 2 program which should be sufficient for the estimated caseload under the authorized eligibility, copayment, and subsidy policies.

I am revising Provision 3 to conform to this action.

“3. The sum of ~~\$163,951,000~~ \$146,651,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 2 child care. The amount reappropriated pursuant to this provision is for use in the 2008-09 fiscal year.”

I am deleting the one-time legislative augmentation of \$295,000 for assessments of the Oakland Unified, Vallejo City Unified, and West Fresno Elementary School Districts. Current law specifies that these emergency loan districts are responsible for the costs of these reports. Therefore, I am eliminating this augmentation.

I am deleting Provision 2 to conform to this action.

Item 6440-001-0001—For support of University of California. I reduce this item from \$3,000,920,000 to \$2,995,520,000 by decreasing:

(1) Support from \$3,123,516,000 to \$3,118,116,000,

and by revising Provisions 14 and 24 and by deleting Provision 16.

I am reducing this item by \$5,400,000 to eliminate funding that supports research on labor and employment and labor education. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state’s structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also revising Provision 24 of this item to conform as follows:

“24. Of the funds appropriated in Schedule (1), ~~\$5,400,000~~ \$0 is 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.~~”

Further, while I am sustaining the Legislature’s action to earmark funding for student academic preparation and education programs (SAPEP), I am vetoing the language requiring the university to report on its use of funds for SAPEP activities. This reporting requirement would result in an expenditure increase without regard to the availability of revenues. Nevertheless, in recognition of the Legislature’s desire to obtain this information, I am instructing the President of the University of California to comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the university’s ability to perform its essential functions.

I am revising Provision 14 to conform as follows:

“14. Of the funds appropriated in Schedule (1), \$19,300,000 is 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 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.”

Finally, I am deleting the legislative redirection of \$15,000,000 from funds budgeted for administrator compensation to support salary increases and a step pay system for low-wage service employees. Given the 10 percent reduction to the university’s institutional support budget that was adopted by the Legislature, the University should be provided the flexibility to allocate its resources to preserve core administrative functions. Further, employee salaries should be negotiated in collective bargaining agreements between the University and its service employees.

I am deleting Provision 16 to conform to this action.

Item 7980-001-0001—For support of California Student Aid Commission. I reduce this item from \$14,206,000 to \$13,527,000 by decreasing:

- (1.5) 50-California Loan Program from \$1,000,000 to \$500,000;
- (3.5) 97.20.001 Unallocated Reduction from -789,000 to -1,468,000;
- (4.5) Amount payable from the Student Loan Operating Fund (7980-001-0784) from -\$1,000,000 to -\$500,000;

and by revising Provision 4.

I am reducing this item by \$679,000. However, I am sustaining the remaining \$111,000 legislative augmentation for the purpose of funding additional ongoing telephone system and Department of Technology Services costs that were identified after the January budget proposal. While this budget bill provides for a modest reserve in 2008-09, it fails to make the necessary statutory spending reductions and revenue increases needed to eliminate the state’s structural budget deficit going forward. At the same time, constitutional requirements, federal law and court required payments drive the majority of the spending in any budget, and limit my ability to reduce spending. As a result, I have an obligation to reduce spending when my veto power is adequate to do so. Consequently -- and in order to further ensure that this budget remains in balance -- I am taking the difficult but necessary action reflected in this veto to further control state spending.

I am also revising Provision 4 of this item to conform to the action I have taken in

Item 7980-001-0784 as follows:

“4. (a) This item reflects ~~\$1,000,000~~ \$500,000 payable from the Student Loan Operating Fund for the purpose of funding, on a limited-term basis, 6.0 positions in the Federal Policy and Programs Division. Those positions shall be continued until a sale or other authorized transaction is completed pursuant to Chapter 182 of the Statutes of 2007, which is anticipated to occur in-the 2009-10 fiscal year.

(b) Additionally, this item reflects an increase of \$1,010,000 available on a one-time basis for necessary moving costs, furnishings, and equipment associated with relocation of the Student Aid Commission. Not later than August 1, 2008, the commission shall detail and submit for approval to the Department of Finance, and for informational purposes to the

Chairperson of the Joint Legislative Budget Committee, all one-time costs estimated to be necessary for relocation of the commission. Any funds remaining shall be available for any expenses that may be necessary or convenient to further the intent of the sale or other authorized transaction of EdFund pursuant to Chapter 182 of the Statutes of 2007 upon the written approval of the Department of Finance.”

Item 7980-101-0001—For support of California Student Aid Commission. I revise this item by revising Provision 1.

I am deleting the legislative augmentation to Provision 1(d), which increased the number of Assumption Program of Loans for Education (APLE) awards by 800. The remaining amount of authorized awards in the budget is 7,200. I proposed fewer APLE awards to curb the growth in required APLE payments in the context of budget balancing reductions and because the Student Aid Commission has historically not utilized all the awards. This reduction is necessary to limit future ongoing expenditures in line with ongoing resources as we work towards resolving the structural budget imbalance.

I am revising Provision 1 as follows:

“1. Funds appropriated in Schedule (1) are for 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 Division 5 of Title 3 of the Education Code.

(b) Grants under the Law Enforcement Personnel Dependents Scholarship Program pursuant to 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 Division 5 of Title 3 of the Education Code.

(d) The purchase of loan assumptions under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. The Student Aid Commission shall issue ~~8,000~~7,200 new warrants.

(e) The purchase of loan assumptions under the Graduate Assumption Program of Loans for Education pursuant to Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.

(f) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) Employees of State Facilities Program pursuant to Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.

(g) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.

(h) The Student Aid Commission shall report by April 1, 2009, on the State Nursing Assumption Program of Loans for Education, pursuant to the reporting requirements of Section 70108 of the Education Code.

(i) Of the amount appropriated in Schedule (1), \$297,000 is provided for loan assumption payments to participants in the National Guard Assumption Program of Loans for Education

pursuant to Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42 of the Education Code.

(j) Notwithstanding subdivision (c) of Section 69613.8 of the Education Code, any Assumption Program of Loans for Education participant who meets the requirements of subdivision (a) or (b) of Section 69613.8 of the Education Code may receive the additional loan assumption benefits authorized by those subdivisions.”

Item 8380-001-0001—For support of Department of Personnel Administration.

I am revising this item in order to correct a technical error in the Budget Bill:

- (1) 10-Classification and Compensation from \$6,442,000 to \$6,414,000;
- (2) 20-Labor Relations from \$3,480,000 to \$3,464,000;
- (3) 25-Legal from \$7,947,000 to \$7,919,000;
- (5) 40.02-Distributed Administration from -\$4,457,000 to -\$4,370,000; and
- (6) 54-Benefits Administration from \$32,972,000 to \$32,957,000.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 88.

Schwarzenegger, Arnold

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

SECTION 1. Item 0250-001-0159 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-001-0159—For support of Judicial Branch, payable from the Trial Court Improvement Fund..... 9,266,000
 Provisions:

- 1. Notwithstanding any other provision of law, upon approval by the Administrative Director of the Courts, the Controller shall increase this item up to \$18,673,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
- 2. Notwithstanding any other provision of law, upon approval by the Administrative Director 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 \$2,801,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the com-

mittees 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 committee or his or her designee may determine.

SEC. 2. Item 0650-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0650-001-0001—For support of Office of Planning and Research.....	3,983,000
Schedule:	
(1) 11-State Planning and Policy Development.....	5,486,000
(2) 21-California Volunteers.....	6,967,000
(3) Reimbursements.....	-3,518,000
(4) Amount payable from the Federal Trust Fund (Item 0650-001-0890).....	-2,942,000
(5) Amount payable from the Central Service Cost Recovery Fund (Item 0650-001-9740).....	-2,010,000

SEC. 3. Item 0690-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-001-0001—For support of Office of Emergency Services.....	36,988,000
Schedule:	
(1) 15-Mutual Aid Response.....	21,230,000
(2) 35-Plans and Preparedness.....	31,059,000
(3) 45-Disaster Assistance.....	29,477,000
(4) 55.01-Administration and Executive.....	7,972,000
(5) 55.02-Distributed Administration and Executive.....	-7,972,000
(6) Reimbursements.....	-4,176,000
(7) Amount payable from the Unified Program Account (Item 0690-001-0028)....	-816,000
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029).....	-1,175,000

- (9) Amount payable from the Federal Trust Fund (Item 0690-001-0890)..... -38,508,000
- (10) Amount payable from the Antiterrorism Fund (Item 0690-015-3034)..... -103,000

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.
- 4. Notwithstanding Section 8581.5 of the Government Code, the California Emergency Council shall not be required to publish a biennial report on the state of emergency preparedness for catastrophic disasters, as specified, during the 2008–09 fiscal year.

SEC. 4. Item 0690-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund..... 38,508,000

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, 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.

SEC. 5. Item 0690-001-1014 of Section 2.00 of the Budget Act of 2008 is repealed.

SEC. 6. Item 0690-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-002-0001—For support of Office of Emergency Services.....	10,882,000
Schedule:	
(1) 50-Criminal Justice Projects.....	15,174,000
(2) 51-State Terrorism Threat Assessment Center.....	6,369,000
(3) Reimbursements.....	-20,000
(4) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 0690-002-0241)....	-80,000
(5) Amount payable from the Victim-Witness Assistance Fund (Item 0690-002-0425).....	-1,282,000
(6) Amount payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund (Item 0690-002-0597).....	-621,000
(7) Amount payable from the Federal Trust Fund (Item 0690-002-0890).....	-8,658,000

Provisions:

1. The funds appropriated in Schedule (2) shall be used to continue and expand funding for the State Terrorism Threat Assessment 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.

SEC. 7. Item 0690-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-101-0890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund..... 552,826,000

Schedule:

(1) 35-Plans and Preparedness..... 18,100,000

(2) 45-Disaster Assistance..... 534,726,000

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.

SEC. 8. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services..... 48,794,000

Schedule:

(1) 50.20-Victim Services..... 3,916,000

(2) 50.30-Public Safety..... 44,878,000

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), \$800,000 shall be provided for grants to counties, consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003. The funds shall be distributed only to counties

for planning, or for implementation of the program in those counties that have completed the planning process, consistent with Chapter 18 of the Statutes of 2003. In no case shall a grant exceed \$300,000.

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.
5. Of the funding appropriated in Schedule (2), \$19,500,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams (Cal-MMET) Programs. The Office of Emergency Services (OES) shall establish and administer a competitive grant program on a three-year cycle for eligible California counties that have established, participate in, or that propose to establish methamphetamine task forces for the purpose of implementing a comprehensive strategy to reduce the incidences of methamphetamine trafficking and manufacturing and, in particular, to target large-scale methamphetamine trafficking and manufacturing operations. Up to 3 percent of the funds appropriated for this program may be transferred to Item 0690-002-0001 for expenditure as necessary for OES to administer the competitive grant program. Funding for the methamphetamine task force shall not supplant available federal funding. The distribution of funds by OES shall be based on a competitive process whereby those counties receiving funds demonstrate the greatest need and the most reasonable solutions for addressing the local methamphetamine problem. No grant shall be greater than \$2,500,000, and no grant shall be less than \$200,000.

SEC. 9. Item 0820-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0820-001-0001—For support of Department of Justice.....	364,325,000
Schedule:	
(1) 11.01-Directorate—Administration.....	94,900,000
(2) 11.02-Distributed Directorate—Admin- istration.....	-94,900,000
(3) 30-Civil Law.....	147,017,000
(4) 40-Criminal Law.....	123,711,000
(5) 45-Public Rights.....	92,352,000
(6) 50-Law Enforcement.....	250,266,000
(7) 60-California Justice Information Ser- vices.....	165,960,000
(7.5) Unallocated Reduction.....	346,000
(8) Reimbursements.....	-39,204,000
(9) Amount payable from the Attorney General Antitrust Account (Item 0820- 001-0012).....	-1,329,000
(10) Amount payable from the Fingerprint Fees Account (Item 0820-001- 0017).....	-69,123,000
(11) Amount payable from the Firearm Safety Account (Item 0820-001- 0032).....	-331,000
(12) Amount payable from the Motor Vehi- cle Account, State Transportation Fund (Item 0820-001-0044).....	-24,840,000
(13) Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142).....	-2,317,000
(14) Amount payable from the Travel Seller Fund (Item 0820-001-0158).....	-1,344,000
(15) Amount payable from the Restitution Fund (Item 0820-001-0214).....	-339,000
(16) Amount payable from the Sexual Predator Public Information Account (Item 0820-001-0256).....	-199,000
(17) Amount payable from the Indian Gaming Special Distribution Fund (Item 0820-001-0367).....	-15,225,000
(18) Amount payable from the False Claims Act Fund (Item 0820-001-0378).....	-10,533,000

(19) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460).....	-11,640,000
(20) Amount payable from the Department of Justice Child Abuse Fund (Item 0820-001-0566).....	-359,000
(21) Amount payable from the Gambling Control Fund (Item 0820-001-0567)....	-8,093,000
(22) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569).....	-46,000
(23) Amount payable from the Federal Trust Fund (Item 0820-001-0890)....	-42,242,000
(24) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942).....	-1,508,000
(25) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942).....	-578,000
(26) Amount payable from the Firearms Safety and Enforcement Special Fund (Item 0820-001-1008).....	-3,164,000
(27) Amount payable from the Missing Persons DNA Data Base Fund (Item 0820-001-3016).....	-4,638,000
(28) Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820-001-3053).....	-5,997,000
(29) Amount payable from the Ratepayer Relief Fund (Item 0820-001-3061).....	-7,198,000
(30) Amount payable from the DNA Identification Fund (Item 0820-001-3086).....	-31,161,000
(31) Amount payable from the Unfair Competition Law Fund (Item 0820-001-3087).....	-3,565,000
(32) Amount payable from the Registry of Charitable Trusts Fund (Item 0820-001-3088).....	-2,898,000
(33) Amount payable from the Legal Services Revolving Fund (Item 0820-001-9731).....	-124,000,000

(34) Amount payable from the Central Service Cost Recovery Fund (Item 0820-001-9740)..... -3,456,000

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 (3), \$2,912,000 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, 2009, shall revert immediately to the General Fund.
4. Of the funds appropriated in this item, \$16,763,000 is available solely for the Correctional Law Section that handles only workload related to Department of Corrections and Rehabilitation cases.
5. Notwithstanding any other provision of law, of the funds appropriated in Schedule (6), \$1,258,000 is payable from the Dealers’ Record of Sale Special Account and may be used to update the Automated Firearms Systems (AFS) database as part of the ongoing project to redesign the Criminal Justice Information System (CJIS). These funds may not be expended until the office of the State Chief Information Officer approves a special project report for the CJIS project following the completion of CJIS procurement. The Department of Justice shall notify the Joint Legislative Budget Committee that a special project report has been approved within 30 days of the report’s approval by the office of the State Chief Information Officer, and shall include with the notification a copy of the approved special project report.
6. The Department of Justice may use funds appropriated in Schedule (6) to fund the Gang Suppression Enforce-

ment Teams Program and the California Methamphetamine Strategy Program.

SEC. 10. Item 0820-012-0378 is added to Section 2.00 of the Budget Act of 2008, to read:

0820-012-0378—For transfer by the Controller, upon order of the Director of Finance, from the False Claims Act Fund, to the General Fund..... (11,137,000)

SEC. 11. Item 0820-495 is added to Section 2.00 of the Budget Act of 2008, to read:

0820-495—Reversion, Department of Justice. As of June 30, 2008, 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:
 0001—General Fund
 (1) Item 0820-001-0001, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).... 17,000,000

SEC. 12. Item 0840-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0840-001-0001—For support of the Controller..... 57,876,000
 Schedule:
 (1) 100000-Personal Services..... 107,366,000
 (2) 300000-Operating Expenses and Equipment..... 70,358,000
 (3) Amount payable from various special and nongovernmental cost funds (Section 25.25)..... -13,500,000
 (4) Reimbursements..... -44,837,000
 (5) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)..... -4,095,000
 (6) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)..... -1,162,000
 (7) Amount payable from the Local Revenue Fund (Item 0840-001-0330)..... -591,000
 (8) Amount payable from the Federal Trust Fund (Item 0840-001-0890)..... -1,410,000

(9) Amount payable from the Public Employees' Health Care Fund (Item 0840-001-0822).....	-199,000
(10) Amount payable from the State Penalty Fund (Item 0840-001-0903).....	-1,317,000
(11) Amount payable from the Unclaimed Property Fund (Item 0840-001-0970).....	-26,103,000
(12) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988).....	-242,000
(13) Amount payable from the 2006 State School Facilities Fund (Item 0840-001-6057).....	-968,000
(13.5) Amount payable from the Central Service Cost Recovery Fund (Item 0840-001-9740).....	-23,971,000
(14) Amount payable from other unallocated special funds (Item 0840-011-0494).....	-73,000
(15) Amount payable from unallocated bond funds (Item 0840-011-0797).....	-478,000
(16) Amount payable from various other unallocated nongovernmental cost funds (Item 0840-011-0988).....	-68,000
(17) Amount payable from the Public Transportation Account, State Transportation Fund (Section 25.50).....	-18,000
(18) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Section 25.50).....	-286,000
(19) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Section 25.50).....	-16,000
(20) Amount payable from the DMV Local Agency Collection Fund (Section 25.50).....	-2,000
(21) Amount payable from the Trial Court Trust Fund (Section 25.50).....	-164,000
(22) Amount payable from the Timber Tax Fund (Section 25.50).....	-1,000

- (23) Amount payable from the Public Safety Account, Local Public Safety Fund (Section 25.50)..... -253,000
- (24) Amount payable from the Local Revenue Fund (Section 25.50)..... -94,000

Provisions:

1. The funding provided in Item 0840-001-0970 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 Article 6 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2 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. 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.

4. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Con-

troller 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 by the Code of Civil Procedure).
- 5. 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.
 - 6. 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.

7. 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 2008–09 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and release of the report, audit, analysis, or evaluation.
8. 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.
9. 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.
10. 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.
11. 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 June 30, 2009, and will cover the fourth quarter of the 2007–08 fiscal year and the first three quarters of the 2008–09 fiscal year.
12. To the extent authorized by existing law, the Controller shall recoup the amount of any unallowable mandate claim costs resulting from desk or field audits of such claims.
 13. 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 Public Employees’ Retirement System to estimate state pension obligations; and (b) alternative calculations of the state’s liability for other 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.
 14. The funds appropriated to the Controller in this item may not be expended on additional actuarial valuations, beyond the annual actuarial valuation, for other postemployment benefits, prior to obtaining concurrence in writing from the Department of Finance. The additional actuarial valuations shall only be performed to the extent resources exist, or if funds are provided by the requesting agency.
 15. Notwithstanding any other provision of law, the Director of Finance may authorize increases or decreases in expenditures for this item to reflect the final lease costs for the Cannery Business Park location and lease costs associated with the federal injunction on the Unclaimed Property Program of the Controller. The

Director of Finance may authorize expenditure adjustments per this provision 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 committee, or his or her designee, may in each instance determine.

16. The Controller shall provide the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature a report on the Human Resources Management System specifying the dollars expended on the program in the previous fiscal year and over the life of the program and any known savings that have occurred in the prior fiscal year, to be submitted annually but no later than August 30 of each year. The report should compare the known savings with the most recent estimate of projected savings and explain the methodology by which the savings were calculated.
17. The Controller shall deliver yearend financial data as specified by the Department of Finance, for the fiscal year just ended, in hard copy and electronic format, by October 15 of each year and periodically as requested by the Department of Finance. This information is necessary for the Department of Finance to determine the proper beginning balance of the current fiscal year for budgetary purposes. To ensure timely completion of the yearend financial data, the Controller should enforce provisions in Section 12461.2 of the Government Code and emphasize in its regulation the deadline the yearend financial statements are due from the operating departments to the Controller.
18. Notwithstanding any other provision of law, the Controller may not expend funds for system integration vendor costs related to the Human Resources Management System (HRMS), also known as the 21st Century Project, after July 31, 2008, beyond the Design Phase Payment Deliverables for the 21st Century Project as set forth in Amendment 1 to Agreement No. 22191025, until the office of the State Chief Information Officer certifies the Controller has entered into a contract or

contract amendment with a system integration vendor that is consistent with the most recently approved Special Project Report for HRMS.

- 19. Funding for system integration vendor costs shall not exceed the estimates in the most recently approved Special Project Report for Human Resources Management System (HRMS), also known as the 21st Century Project, unless in the course of contract negotiations the state and the vendor mutually agree that additional functionality is necessary for the successful implementation of the HRMS and these changes are approved by the office of the State Chief Information Officer. However, a contract or contract amendment shall not be executed until 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.
- 20. Notwithstanding the provisions of Item 9840, the Department of Finance may adjust the amounts authorized under Item 0840-001-0001 and Section 25.25, consistent with the funding schedule included in the most recently approved Special Project Report for the Human Resources Management System, also known as the 21st Century Project. No adjustments shall be made pursuant to this provision prior to a 30-day notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house of the Legislature that consider appropriations.

SEC. 13. Item 0855-111-0367 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... (50,000,000)

Provisions:

- 1. The amount of any transfer ordered by the Director of Finance pursuant to this item shall be the minimum amount necessary to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments

described in Section 12012.90 of the Government Code and meet its other expenditure requirements. Any remaining portion of the amount authorized to be transferred pursuant to this item shall remain in the Indian Gaming Special Distribution Fund.

- 2. The Legislature finds and declares that the amount authorized in this item is expected to be sufficient to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year. Accordingly, the California Gambling Control Commission, acting for this purpose as the state gaming agency under various tribal-state compacts, shall not direct any funds to the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.1(l) of the amended tribal-state compacts with the Morongo Band of Mission Indians, the Pechanga Band of Luiseño Indians, the San Manuel Band of Mission Indians, and the Sycuan Band of the Kumeyaay Nation and similar sections of any compacts or amended compacts ratified by the Legislature in the 2008–09 fiscal year.
- 3. The Chairperson of the California Gambling Control Commission shall immediately submit a report to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst if he or she determines that the Indian Gaming Revenue Sharing Trust Fund will not have sufficient funds to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2008–09 fiscal year after consideration of the funds authorized for transfer by this item. No earlier than 15 days after submission of that report, the California Gambling Control Commission may direct funds to the Indian Gaming Revenue Sharing Trust Fund, notwithstanding the requirements of Provision 2.

SEC. 13.5. Item 0890-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0890-001-0001—For support of Secretary of State.....	36,380,000
Schedule:	
(1) 10-Filings and Registrations.....	49,025,000

(2) 20-Elections.....	66,483,000
(3) 30-Archives.....	10,499,000
(4) 50.01-Administration and Technology.....	23,590,000
(5) 50.02-Distributed Administration and Technology.....	-23,590,000
(6) Reimbursements.....	-7,339,000
(7) Amount payable from the Secretary of State's Business Fees Fund (Item 0890-001-0228).....	-38,936,000
(8) Amount payable from the Federal Trust Fund (Item 0890-001-0890).....	-41,674,000
(9) Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042).....	-1,678,000

Provisions:

1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 which 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, \$41,674,000 shall be used for operational costs associated with implementation of the Help America Vote Act of 2002 (42 U.S.C. Sec. 15301 et seq.).
3. Of the amount appropriated in this item, \$5,000,000 shall be used for costs associated with the November 4, 2008, statewide general election.

SEC. 14. Item 0950-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0950-001-0001—For support of the Treasurer.....	4,667,000
Schedule:	
(1) 100000-Personal Services.....	21,467,000
(2) 300000-Operating Expenses and Equipment.....	6,381,000
(2.5) Unallocated Reduction.....	-506,000
(3) Reimbursements.....	-20,586,000
(5) Amount payable from the Central Service Cost Recovery Fund (Item 0950-001-9740).....	-2,089,000

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 (3) to the 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 shall 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.
 - (e) At the end of the two-month term of the loan, the Treasurer’s office shall notify the Chairperson of the Joint Legislative Budget Committee whether the Treasurer’s office has repaid the loan pursuant to subdivision (b).

SEC. 15. Item 1760-001-0666 of Section 2.00 of the Budget Act of 2008 is amended to read:

1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund.....	501,882,000
Schedule:	
(1) Program support.....	1,085,822,000
(2) Distributed services.....	-11,145,000
(3) Reimbursements—Lease revenue.....	-43,000
(4) Reimbursements—FI\$Cal.....	-2,380,000
(5) Amount payable from the General Fund (Item 1760-001-0001).....	-9,833,000
(6) Amount payable from the General Fund (Item 1760-002-0001).....	-346,000

(7) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002).....	-3,247,000
(8) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003).....	-2,404,000
(9) Amount payable from the State Emergency Telephone Number Account (Item 1760-001-0022).....	-2,471,000
(10) Amount payable from the State Motor Vehicle Insurance Account (Item 1760-001-0026).....	-6,066,000
(11) Amount payable from the Seismic Gas Valve Certification Fee Account (Item 1760-001-0450).....	-75,000
(12) Amount payable from the Energy Resources Programs Account (Item 1760-001-0465).....	-1,659,000
(13) Amount payable from the Architecture Revolving Fund (Item 1760-001-0602).....	-43,632,000
(14) Amount payable from the State School Building Aid Fund (Item 1760-001-0739).....	-297,000
(15) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961).....	-159,000
(16) Amount payable from the 2006 State School Facilities Fund (Item 1760-001-6057).....	-14,253,000
(17) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-002-0003).....	-1,102,000
(18) Amount payable from the Service Revolving Fund (Item 1760-002-0666).....	-156,455,000
(19) Amount payable from the Service Revolving Fund (Item 1760-003-0666).....	-14,498,000
(20) Amount payable from the Service Revolving Fund (Item 1760-004-0666).....	-313,875,000

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 carrying out 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 2008–09 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 1760-001-0003 and 1760-001-0026 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 Manage-

ment, the Office of Fleet Administration, the Energy Services Program, and the Office of Public Safety Radio Services to provide competitive services to their customers (including local government entities or the federal government) and may be made only if the office has sufficient operating reserves available to fund the augmentation. If the Director of General Services proposes to augment either of the items in this provision, the director shall notify the Department of Finance, the chairpersons of the fiscal committees of each house 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 Director of Finance is authorized to increase this item for purposes of funding tenant improvement projects to facilitate the backfill of vacant space within stand-alone Department of General Services (DGS) bond-funded office buildings. This provision shall only be used to augment expenditure authority for DGS stand-alone individual rate office buildings where a \$0.03 tenant improvement surcharge has been approved by the Department of Finance and is included in the monthly rental rate. Department of Finance approval is contingent upon justification for the proposed tenant improvement projects to be provided by the DGS including an analysis of cost impacts and how the tenant improvements will improve the state's utilization of the facility. Any augmentation made in accordance with this provision shall not result in an increase in any rate charged to other departments for services without the prior written consent of the Department of Finance. Any augmentation made pursuant to this provision may be authorized 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.
10. Notwithstanding subdivision (c) of Section 34 of Chapter 127 of the Statutes of 2000, the Department of General Services is authorized to pay Hearn Construction Company of Vacaville, California, up to \$498,000 for claims arising from the renovation of the Lincoln Theater in Yountville, California.

SEC. 16. Item 1880-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

1880-001-0001—For support of State Personnel Board.....	1,936,000
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Schedule:

(1) 10-Merit System Administration.....	20,365,000
(2) 40-Local Government Services.....	2,937,000
(3) 50.01-Administration Services.....	4,042,298
(4) 50.02-Distributed Administration Services.....	-1,959,298
(5) Reimbursements.....	-20,064,000
(6) Amount payable from the Central Service Cost Recovery Fund (Item 1880-001-9740).....	-3,385,000

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, 2009.
 - (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.

SEC. 17. Item 1955-001-9730 of Section 2.00 of the Budget Act of 2008 is amended to read:

1955-001-9730—For support of Department of Technology Services, payable from the Department of Technology Services Revolving Fund.....	278,223,000
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Schedule:

- (1) 10-Administration of Technology Services..... 278,582,000
- (2) Reimbursements..... -359,000

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 joint 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 office of the State Chief Information Officer 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.
3. The Department of General Services, with the consent of the Department of Technology Services, may enter into a lease, lease-purchase agreement, or lease with an option to purchase for a build-to-suit facility to develop a data center in the central valley, subject to Department of Finance approval of the terms and conditions of the agreement. At least 30 days prior to entering into any agreement, the Department of General Services shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Joint Legislative Budget Committee of the terms and conditions of the agreement. This notification shall include an analysis of the associated rate impact to customer department invoices. If the Joint Legislative Budget Committee does not express any opposition, the Department of General Services may proceed with the agreement after 30 days

from when the Department of General Services gave notice to the chairpersons.

SEC. 18. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:

2640-101-0046—For local assistance, State Transit Assistance, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund..... 406,434,000
Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$60,397 of the amount appropriated in this item shall be used to reimburse the Controller for expenditures of administration of State Transit Assistance funds.

SEC. 19. Item 2660-001-0042 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 2,545,975,000
Schedule:

- (1) 10-Aeronautics..... 3,636,000
- (2) 20.10-Highway Transportation—
Capital Outlay Support..... 1,657,615,000
- (3) 20.30-Highway Transportation— Local
Assistance..... 43,964,000
- (4) 20.40-Highway Transportation— Pro-
gram Development..... 76,077,000
- (5) 20.65-Highway Transportation— Le-
gal..... 79,744,000
- (6) 20.70-Highway Transportation— Op-
erations..... 200,891,000
- (7) 20.80-Highway Transportation—
Maintenance..... 1,194,216,000
- (8) 30-Mass Transportation..... 130,033,000
- (9) 40-Transportation Planning..... 110,543,000
- (10) 50.00-Administration..... 421,974,000
- (11) 60.10-Equipment Service Program
Costs..... 215,429,000

(11.5) 60.20-Distributed Equipment Service Program Costs.....	-215,429,000
(12) Reimbursements.....	-341,778,000
(13) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041).....	-3,596,000
(14) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045).....	-10,000
(15) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046).....	-149,775,000
(16) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365).....	-1,590,000
(16.5) Amount payable from the Seismic Retrofit Bond Fund of 1996 (Section 8879.3 of the Government Code)....	-5,331,000
(17) Amount payable from the Federal Trust Fund (Item 2660-001-0890)....	-524,280,000
(18) Amount payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund (Item 2660-001-6801).....	-784,000
(18.5) Amount payable from the Transportation Investment Fund (Item 2660-002-3008).....	-236,007,000
(19) Amount payable from the State Route 99 Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6072).....	-4,487,000
(21) Amount payable from the Corridor Mobility Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6055).....	-23,190,000
(22) Amount payable from the Trade Corridors Improvement Fund (Item 2660-004-6056).....	-3,511,000

- (23) Amount payable from the Transportation Facilities Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6058)..... -55,726,000
- (24) Amount payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6059).... -1,303,000
- (24.5) Amount payable from the State-Local Partnership Program Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6060)..... -496,000
- (26) Amount payable from the Local Bridge Seismic Retrofit Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6062)..... -91,000
- (27) Amount payable from the Highway-Railroad Crossing Safety Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6063)..... -621,000
- (28) Amount payable from the Highway Safety, Rehabilitation, and Preservation Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 2660-004-6064)..... -20,142,000

Provisions:

1. 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 of Transportation 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.

2. 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 of Transportation-owned office buildings. Any transfer will require the prior approval of the Department of Finance.
3. 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.
4. 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.
5. 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 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 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 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.

6. 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.
7. Of the funds appropriated in this item, \$214,000,000 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.
8. Of the funds appropriated in Schedule (5), \$48,556,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unencumbered as of April 1, 2009, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.
9. Of the funds appropriated in this item, transfers shall be available to Items 2660-004-6055, 2660-004-6056, 2660-004-6058, 2660-004-6059, 2660-004-6060, 2660-004-6062, 2660-004-6063, 2660-004-6064, and 2660-004-6072. The Department 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.
10. Of the funds appropriated in Schedule (7), \$5,000,000 shall be used to implement a parolee employment program to pick up and remove litter along state highways. The Department of Transportation will evaluate the effectiveness of the parolee program and present its findings to the Joint Legislative Budget Committee by July 1, 2010. The report shall also include a summary and evaluation of the overall litter program, including information and enforcement activities, which the Department of Transportation shall compile in coordination with the Department of the California Highway Patrol.
11. Of the funds appropriated in Schedule (7), \$2,301,000 shall be used to purchase three Balsi Beam systems and three barrier guard systems to increase worker safety.

- 12. Of the funds appropriated in Schedule (7), \$809,000 shall be used for traffic control operations for the opening of the first segment of the managed lanes project on I-15 in San Diego County.

SEC. 20. Item 2660-104-6059 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-104-6059—For local assistance, Department of Transportation, payable from the Public Transportation Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 1,000

Schedule:

(1) 30-Mass Transportation..... 1,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-304-6059. These transfers require the prior approval of the Department of Finance.
- 3. (a) Funds made available in this item for capital improvements to the state’s intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of the State of California.
- (b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation by the Legislature, for intercity rail improvements “including the procurement of additional intercity railcars and locomotives.”
- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and

expeditiously to enhance the state’s intercity rail service.

- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.
- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

SEC. 21. Item 2660-304-6059 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-304-6059—For capital outlay, Department of Transportation, payable from the Public Transportation, Modernization, Improvement, and Service Enhancement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 70,999,000

Schedule:

(1) 30-Mass Transportation..... 70,999,000

Provisions:

- 1. These funds shall be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2014.
- 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-104-6059 upon the prior approval of the Department of Finance.
- 4. (a) Funds made available in this item for capital improvements to the state’s intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of California.
- (b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006,

paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation by the Legislature, for intercity rail improvements “including the procurement of additional intercity railcars and locomotives.”

- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state’s intercity rail service.
- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.
- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

SEC. 22. Item 2660-492 of Section 2.00 of the Budget Act of 2008 is amended to read:

2660-492—Reappropriation, Department of Transportation. The amounts specified in the following citations are reappropriated for the purposes provided for in the appropriations and are available for encumbrance or expenditure until June 30, 2009:

0042—State Highway Account, State Transportation Fund

- (1) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 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 (Chs. 38 and 39, Stats. 2005), Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Management System.

- (2) Item 2660-001-0042, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), 20.10-Highway Transportation—Capital Outlay Support, up to \$4,515,000 shall be available for the Project Resourcing and Schedule Management System.
- (3) Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$186,999,000 shall be available.
- (4) Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), up to \$1,000 shall be available.

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in Schedule (1) or (2) may be increased by up to \$5,000,000 upon approval of the Director of Finance.
2. The funds available in Schedules (3) and (4) may be available for allocation by the California Transportation Commission until June 30, 2010, and available for encumbrance and liquidation until June 30, 2013. Provision 3 of Item 2660-304-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), and Provision 3 of Item 2660-104-6059, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), shall not apply to the reappropriated funds.
3. Notwithstanding any other provision of law, funds appropriated in Schedule (3) may be transferred to Item 2660-104-6059 upon approval of the Department of Finance.
4. Notwithstanding any other provision of law, funds appropriated in Schedule (4) may be transferred to Item 2660-304-6059 upon approval of the Department of Finance.
5. (a) Funds made available in this item for capital improvements to the state's intercity rail program, including the purchase of new rolling stock, are necessary to implement a specific provision of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, as that act was approved by the voters of the State of California.
(b) From the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006,

paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code makes funds available, upon appropriation by the Legislature, for intercity rail improvements “including the procurement of additional intercity railcars and locomotives.”

- (c) It is the intent of the Legislature that funds appropriated for this purpose be spent prudently and expeditiously to enhance the state’s intercity rail service.
- (d) It is further the intent of the Legislature that during the 2008–09 fiscal year, and not later than June 30, 2009, the Department of Transportation shall release a Request for Proposal for the procurement of rolling stock equipment as provided for in paragraph (2) of subdivision (f) of Section 8879.23 of the Government Code.
- (e) No later than January 1, 2009, the department shall provide a report to the Joint Legislative Budget Committee, describing the activities the department has undertaken to allocate the funds made available to it in this item.

SEC. 23. Item 3540-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

3540-001-0001—For support of Department of Forestry and	
Fire Protection.....	560,045,000
Schedule:	
(1) 10-Office of the State Fire Marshal.....	20,442,000
(2) 11-Fire Protection.....	880,623,000
(3) 12-Resource Management.....	62,597,000
(3.5) Board of Forestry.....	449,000
(4) 20.01-Administration.....	67,198,000
(5) 20.02-Distributed Administration.....	-66,536,000
(6) Reimbursements.....	-259,797,000
(7) Less funding provided by capital outlay.....	-14,209,000
(8) Amount payable from the General Fund (Item 3540-006-0001).....	-69,090,000
(9) Amount payable from the State Emergency Telephone Number Account (Item 3540-001-0022).....	-2,393,000

(10) Amount payable from the Unified Program Account (Item 3540-001-0028)....	-353,000
(11) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 3540-001-0102).....	-2,715,000
(12) Amount payable from the California Environmental License Plate Fund (Item 3540-001-0140).....	-504,000
(13) Amount payable from the California Fire and Arson Training Fund (Item 3540-001-0198).....	-2,449,000
(14) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 3540-001-0209).....	-3,059,000
(16) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235).....	-419,000
(17) Amount payable from the Professional Forester Registration Fund (Item 3540-001-0300).....	-220,000
(18) Amount payable from the Federal Trust Fund (Item 3540-001-0890)....	-31,410,000
(19) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928).....	-7,504,000
(20) Amount payable from the Timber Tax Fund (Item 3540-001-0965).....	-34,000
(22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3540-001-6029).....	-8,750,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3540-001-6031).....	-368,000
(24) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3540-001-6051).....	-1,454,000

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 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 Department of Forestry and Fire Protection, 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 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 that the chairperson of the joint committee, or his or her designee, may determine.

SEC. 24. Item 3540-001-1014 of Section 2.00 of the Budget Act of 2008 is repealed.

SEC. 25. Item 3790-490 of Section 2.00 of the Budget Act of 2008 is amended to read:

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citations is extended to June 30, 2009:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (5) Murray-Hayden Grants
 - (c) City of Richmond: Richmond Natatorium, to enable seismic retrofit of the Natatorium
 - (p) City of Los Angeles, Juntos Park: outdoor development at a recently acquired parcel to serve as a new park
 - (x) City of Anaheim: Maxwell Park Expansion Project from 15 to 21 acres
 - (ix) Santa Monica Mountains Conservancy: Arroyo Seco/Confluence Park
 - (vx) YMCA of San Diego County: Border View Expansion
 - (ey) Concerned Citizens of South Central Los Angeles: Acquisition and construction of Antes Columbus Youth Center, soccer field and pocket park, as amended by SB 1681, Section 12 of Chapter 672 of the Statutes of 2000
- (2) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (6c) Soccer and baseball fields
 - (r) City of Los Angeles, Boyle Heights Sports Center for development of sports fields for both soccer and baseball as amended by SB 1681, Section 12 of Chapter 672, Statutes of 2000
- (3) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), (a) 80.25-Recreational Grants, (1) Competitive grants (nonproject specific)
 - (c) Nonmotorized Trail Grants. This appropriation is limited to a \$200,000 grant to the San Dieguito River Park Joint Powers Authority.
- (4) Item 3790-103-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), Grants (per capita), County of San Diego for the \$1,855,000 grant for the Otay Valley Regional Park

SEC. 26. Item 3790-494 is added to Section 2.00 of the Budget Act of 2008, to read:

3790-494—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances in the following citation is extended to June 30, 2009:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

- (1) Subdivision (b) of Section 2 of Chapter 1126 of Statutes of 2002, for the \$333,333 grant to the City of San Jose for the development of Japantown.

SEC. 27. Item 3900-001-0044 of Section 2.00 of the Budget Act of 2008 is amended to read:

3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund.....	111,261,000
Schedule:	
(1) 15-Mobile Source.....	558,652,000
(2) 25-Stationary Source.....	57,232,000
(3) 30.01-Program Direction and Support....	14,941,000
(4) 30.02-Distributed Program Direction and Support.....	-14,941,000
(5) Reimbursements.....	-5,460,000
(6) Amount payable from the General Fund (Item 3900-001-0001).....	-2,189,000
(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-164,758,000
(8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421).....	-14,271,000
(9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-936,000
(10) Amount payable from the Federal Trust Fund (Item 3900-001-0890)....	-14,924,000
(11) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070).....	-1,514,000
(12) Amount payable from the Air Quality Improvement Fund (Item 3900-001-3119).....	-50,440,000

- (13) Amount payable from the California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 3900-001-6054)..... -250,131,000

Provisions:

- 1. Of the funds appropriated pursuant to this item, \$6,000,000 shall be expended pursuant to Section 7(a)(1), (c), (d)(1), (e), and (g) 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, 2011.
- 2. The State Air Resources Board shall provide to the Legislature an update of the report identified in subsection (f) of Section 7 of Chapter 91 of the Statutes of 2005 by February 1, 2009.

SEC. 28. Item 4260-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-101-0001—For local assistance, Department of Health Care Services, Medical Assistance Program, payable from the Health Care Deposit Fund (0912) after transfer from the General Fund..... 14,042,203,000

Schedule:

- (1) 20.10.010-Eligibility (County Administration)..... 2,697,119,000
- (2) 20.10.020-Fiscal Intermediary Management..... 268,647,000
- (3) 20.10.030-Benefits (Medical Care and Services)..... 32,765,590,000
- (4) Reimbursements..... -203,216,000
- (5) Amount payable from Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080)..... -160,000
- (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)..... -21,448,993,000

Provisions:

- 1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2008–09 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 Care 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. Additionally, any rule or regulation adopted by the State Department of Health Care Services and any communication that increases costs in the Medi-Cal program shall be effective only 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. The semiannual estimates of Medi-Cal expenditures provided to the Legislature in January and May may constitute the notification required by this provision.
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 of the Legislature and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such lesser time as the chairperson of the joint committee, or his or her designee, may designate. The semiannual estimates of Medi-Cal expenditures provided 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 Care 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, 4260-111-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or for which funds are being reduced.
11. Notwithstanding any other provision of law and Section 26.00, the Department of Finance may authorize the 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.

12. If a federal grant that provides 75 percent federal financial participation to allow individuals in nursing homes to voluntarily move into a community setting and still receive the same amount of funding for services is awarded to the State Department of Health Care Services during the 2008–09 fiscal year, then, notwithstanding any other provision of law, the department may count expenditures from the appropriation made to this item as state matching funds for that grant.
13. Of the funds appropriated in this item, up to \$9,150,000 may be utilized to resolve the deferral issue by the federal Centers for Medicare and Medicaid Services (Deferral No. CA/2006/3/E/15/MAP) related to the Fresno County Intergovernmental Transfer transaction.
14. The State Department of Health Care Services (DHCS) shall, by January 10, 2009, provide the Legislature with options to enhance the health care delivery system under the Medi-Cal Program for adults with disabilities or complex chronic conditions who are eligible for full-scope Medi-Cal benefits without a share-of-cost and who choose not to enroll in the Medi-Cal Managed Care Program or who do not have this option available for enrollment in their community.

The options shall provide enrollees with the ability to select a medical home that provides primary and preventive care as well as comprehensive and coordinated care management, and ensures that care is provided in a timely and accessible manner in the least restrictive and most appropriate setting.

Any options provided to the Legislature by the DHCS shall, at a minimum, include the following specific components:

- (a) Description of the health care delivery system
- (b) Method for determining eligibility and protocols for enrollment for services
- (c) Description of health care networks, or any medical home or interdisciplinary care team to be

- used for preventive and primary care services and case management
- (d) Description of access to out-of-network services, where applicable
- (e) Protocols for referral practices, including specialty care services, tertiary care services, durable medical equipment and pharmaceuticals
- (f) Protocols for communication access, including provision of content through methods that are understandable and usable by this population
- (g) Description of benefit management oversight and monitoring processes
- (h) Referral processes to other publicly funded programs, including those administered by the State Departments of Mental Health, Social Services, Developmental Services, Public Health, and Health Care Services
- (i) Role of advisory groups, including stakeholders who historically represent this population, professional organizations, community-based organizations, foundation consultants or applicable others, in actively designing any components to potential options
- (j) Training for providers on disability competency and clinical components
- (k) Descriptions of any Medi-Cal eligible beneficiary outreach, health care educational information, or related methods for engagement in health care awareness and participation
- (l) Criteria and assumptions used to calculate any short-term and longer-term health care measurements and outcomes, as well as fiscal estimates, pertaining to any options.

SEC. 28.5. Item 4260-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-101-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund..... 21,448,993,000

Provisions:

1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.

SEC. 29. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-111-0001—For local assistance, Department of Health

Care Services.....		202,957,000
Schedule:		
(1) 20.25-Children’s Medical Services.....	352,614,000	
(2) 20.35-Primary and Rural Health.....	50,389,000	
(3) Reimbursements.....	-55,353,000	
(4) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	-24,000	
(5) Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	-774,000	
(6) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236).....	-13,081,000	
(7) Amount payable from the Federal Trust Fund (Item 4260-111-0890).....	-130,814,000	
Provisions:		
1. Program 20.25-Children’s Medical Services: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the California Children’s Services Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.		
2. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, 4260-113-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such 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. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer		

amount, and any potential fiscal effects on the program from which funds are being transferred or reduced.

SEC. 30. Item 4260-111-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

4260-111-0890—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund..... 130,814,000

Provisions:

- 1. Of the funds appropriated in this item, \$408,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00, the State Department of Health Care Services shall report under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project.

SEC. 31. Item 4300-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers..... 2,384,027,000
Schedule:

- (1) 10.10.010-Operations..... 527,816,000
- (2) 10.10.020-Purchase of Services..... 3,372,900,000
- (3) 10.10.060-Early Intervention Programs..... 20,095,000
- (4) Reimbursements..... -1,308,405,000
- (5) Amount payable from the Public Transportation Account, State Transportation Fund (Item 4300-101-0046)..... -138,275,000
- (6) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172)..... -1,147,000
- (7) Amount payable from Federal Trust Fund (Item 4300-101-0890)..... -88,957,000

Provisions:

- 1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the

chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.

2. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of \$160,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.
3. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition Program.
4. \$1,826,000 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.
5. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to more accurately reflect expenditures in the Early Intervention federal grant program (Part C of the Individuals with Disabilities Education Act).
6. It is the intent of the Legislature for the State Department of Health Care Services and the State Department of Developmental Services to collaboratively work with stakeholders, including providers and diverse constituency groups as deemed appropriate, regarding the bundling of rates for the reimbursement of interme-

diated care facilities for the developmentally disabled, including habilitative and nursing facilities. It is the intent of the Legislature that any changes made by the state shall be seamless to the providers of services affected by the changes, as well as to the consumers and their families that are provided services through the Regional Center system. The integrity of the individual program plan process described in the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) shall be maintained throughout this process and shall not be affected by any changes made to implement the bundled rates.

7. Of the funds appropriated in Schedule (2), the amount identified by the State Department of Developmental Services for self-directed services shall be available for encumbrance until June 30, 2010, and for liquidation until June 30, 2011.
8. Upon the order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-103-0001 in order to effectively administer the Self-Directed Services Risk Pool Fund.
9. It is the intent of the Legislature for the California Children and Families Commission to utilize at least \$5,000,000 in funds from any of its accounts for information, services, and supports provided under the Early Start Program as administered by the State Department of Developmental Services. This language is not intended to affect any contingencies or emergencies of which the Department of Finance may choose to notify the Legislature in the 2008–09 fiscal year.

SEC. 31.5. Item 4440-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4440-101-0001—For local assistance, Department of Mental Health.....	480,163,000
Schedule:	
(1) 10.25-Community Services—Other Treatment.....	639,172,000
(2) 10.30-Community Services—EPSDT.....	984,001,000

(3) 10.47-Community Services—Children’s Mental Health Services.....	350,000
(4) 10.85-Community Services—AIDS.....	0
(5) 10.97-Community Services—Healthy Families Program.....	24,805,000
(5.5) 10.98-Community Services—Contin- ued Implementation of the MHSA.....	40,000,000
(6) Reimbursements.....	-1,208,165,000

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.
3. Of the amount appropriated in this item, \$750,000 shall be used to provide a supplemental payment to Community Treatment Facilities for the 2008–09 fiscal year.
4. Of the amount appropriated in this item, a portion is for costs and claims incurred by the San Mateo Pharmacy and Laboratory Services Program in the 2004–05 and 2005–06 fiscal years.
5. It is the intent of the Legislature for counties to consider ways to provide services similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program using Mental Health Services Act Funds, as referenced in Section 5813.5 of the Welfare and Institutions Code and as appropriate under this act.

SEC. 32. Item 5180-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-101-0001—For local assistance, Department of Social Services.....	2,808,386,000
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Schedule:

(1) 16.30-CalWORKs.....	5,290,712,000
(2) 16.65-Other Assistance Payments....	1,360,039,000
(3) Reimbursements.....	-3,990,000
(4) Amount payable from the Emergency Food Assistance Program Fund (Item 5180-101-0122).....	-449,000
(5) Amount payable from the Employment Training Fund (Item 5180-101- 0514).....	-35,000,000
(6) Amount payable from the Federal Trust Fund (Item 5180-101- 0890).....	-3,791,897,000
(7) Amount payable from the Child Sup- port Collections Recovery Fund (Item 5180-101-8004).....	-11,029,000

Provisions:

1. (a) No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the State 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.
- (b) Notwithstanding Sections 28.00 and 28.50, 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 (1) specifically required as a result of the enactment of a federal or state law or (2) 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 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 joint 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 or programs 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. (a) 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 2008–09 fiscal year that are within or in excess of amounts appropriated in this act for that year.
 - (b) 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 appropriation made in this item 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. 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 this item 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 State 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 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 appropriation made by this item 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 18260 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. The Department of Finance shall increase this item up to \$20,613,000 to the extent that unspent county performance and fraud recovery incentive funds available as of June 30, 2008, are less than \$20,613,000. The increase shall be made not sooner than 30 days after written notification of the increase is given 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 may determine.
- 11. Notwithstanding any other provision of law, upon request of the Department of Social Services, the Department of Finance may increase the expenditure authority in this item for the purpose of funding a supplemental payment to foster parents and families receiving adoption assistance payments for children served by both regional centers and child welfare agencies pursuant to Section 11464 of the Welfare and Institutions Code, as amended by Chapter 177 of the Statutes of 2007.

SEC. 33. Item 5180-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund.....	3,791,897,000
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Provisions:

1. Provisions 1, 4, 6, 7, 9, 10, and 11 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. 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 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. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with Child Care and Development Fund or TANF funds, or both.
4. Upon request of the State Department of Social Services, the Director 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 5180-101-8004. 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.

SEC. 34. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-111-0001—For local assistance, Department of Social	
Services.....	5,562,733,000
Schedule:	
(1) 16.70-SSI/SSP.....	3,751,938,000
(2) 25.15-IHSS.....	5,330,297,000

- (3) 25.20-Recipient Supplementary Payment..... 44,176,000
- (4) Reimbursements..... -3,563,678,000

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 \$240,000,000 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 In-Home Supportive Services (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 In-Home Supportive Services 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 and the number of positions to be established

by the State Department of Social Services. The transfer shall be authorized at the time the report is made. The State Department of Social Services shall review the workload associated with the Conlan v. Shewry decision during the 2008–09 fiscal year and may administratively establish positions as the workload requires.

- 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 In-Home Supportive Services 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.

SEC. 35. Item 5180-141-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-141-0001—For local assistance, Department of Social Services.....	480,516,000
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Schedule:

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|--|---------------|
| (1) 16.75-County Administration and Automation Projects..... | 1,194,774,000 |
| (2) Reimbursements..... | -59,427,000 |
| (3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)..... | -654,831,000 |

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 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 respon-

sibility 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 appropriation made by this item 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 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. 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 18260 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.

SEC. 36. Item 5180-141-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 654,831,000

Provisions:

1. Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.

SEC. 37. Item 5180-151-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-151-0001—For local assistance, Department of Social Services..... 757,135,000

Schedule:

- (1) 25.30-Children and Adult Services and Licensing..... 2,151,082,000
- (2) 25.35-Special Programs..... 22,682,000
- (3) Reimbursements..... -143,894,000
- (4) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)..... -1,264,000
- (5) Amount payable from the State Children’s Trust Fund (Item 5180-151-0803)..... -3,755,000
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890)..... -1,263,716,000
- (7) Amount payable from the Child Welfare Services Program Improvement Fund (Item 5180-151-8023)..... -4,000,000

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 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 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. (a) Of the amount appropriated in this item, \$57,836,000 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 provi-

sion. 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.

- (b) 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. 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 18260 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.

SEC. 38. Item 5180-151-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-151-0890—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund.....	1,263,716,000
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Provisions:

1. Provisions 1, 3, 5, 6, and 8 of Item 5180-151-0001 also apply to this item.

SEC. 39. Item 5225-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-001-0001—For support of Department of Corrections and Rehabilitation..... 7,173,074,000

Schedule:

(1) 10-Corrections and Rehabilitation Administration.....	461,796,000
(3) 15-Corrections Standards Authority.....	11,794,000
(4) 20-Juvenile Operations.....	263,488,000
(5) 21-Juvenile Education, Vocations, and Offender Programs.....	5,529,000
(6) 22-Juvenile Paroles.....	34,098,000
(7) 23-Juvenile Health Care.....	112,786,000
(8) 25-Adult Corrections and Rehabilitation Operations.....	4,974,568,000
(9) 30-Parole Operations—Adult.....	841,685,000
(10) 35-Board of Parole Hearings.....	105,982,000
(11) 40-Community Partnerships.....	15,030,000
(12) 45-Education, Vocations, and Offender Programs—Adult.....	548,331,000
(13) Reimbursements.....	-126,998,000
(14) Amount payable from the Corrections Training Fund (Item 5225-001-0170)....	-2,608,000
(15) Amount payable from the Federal Trust Fund (Item 5225-001-0890).....	-7,332,000
(16) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917).....	-65,075,000

Provisions:

1. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
2. 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.

3. Notwithstanding any other provision of law, but subject to providing 30 days' prior notification to the Joint Legislative Budget Committee, funds appropriated in Schedule (8) or (9), 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.
4. 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.
5. Not later than February 17, 2009, 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) year-end expenditures by program for each institution in the 2007-08 fiscal year, (b) allotments and projected expenditures by program for each institution in the 2008-09 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 2008-09 fiscal year.
6. 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.

7. Of the amount appropriated in this item, \$87,341,000 is available for the Consolidated Information Technology Infrastructure Project. Upon determination of the project costs that can be financed using GS \$mart, any balance in excess of the amounts needed for 2008–09 payments shall revert to the General Fund upon order of the Director of Finance. Up to \$45,856,000 may be reverted.
8. The Director of Finance may augment this item by up to \$15,000,000 upon approval of a Feasibility Study Report or a Special Project Report by the office of the State Chief Information Officer that identifies a gap and a need for an information technology solution between the development of the Strategic Offender Management System, the Disability and Effective Communication System, and the requirements of the *Armstrong v. Schwarzenegger* court orders. Any augmentation shall be authorized no sooner than 30 days after notification in writing 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.
9. Notwithstanding any other provision of law, upon order of the Director of Finance, funds appropriated in Schedules (8) and (12) may be transferred between each other for the sole purpose of reconciling expenditures in the Division of Adult Institutions with expenditures in the Division of Adult Education, Vocation, and Offender Programs in order to comply with the April 3, 2007, court order, in the case of *Valdivia v. Schwarzenegger*. Transfers between Schedules (8) and (12) shall occur no sooner than 30 days after notification to the Joint Legislative Budget Committee of actual utilization of In-Custody Treatment Program beds by parole region and how this utilization necessitates the transfer of funds.
10. The Department of Corrections and Rehabilitation (DCR) shall continue its efforts in consultation with legislative staff and the Department of Finance to create a more accurate and transparent population budget request for caseload-related funding. In partic-

ular, DCR shall identify appropriate funding formulas to use to estimate staffing levels and funding associated with changes in the projected inmate population. These formulas shall be presented to the Legislature no later than January 10, 2009, so as to be considered during budget deliberations. If approved, these formulas shall be incorporated into DCR's budget request the following year.

11. Of the amount appropriated in Schedule (1), \$3,270,000 is for contract costs to provide employees of the Department of Corrections and Rehabilitation with tuberculosis testing and Hepatitis B vaccinations. Any funds not expended for this purpose by June 30, 2009, shall revert to the General Fund. The Department of Corrections and Rehabilitation shall report actual contract expenditures to the Department of Finance.
12. The process to award local jail bond funding, authorized pursuant to Chapter 7 of the Statutes of 2007, shall be finalized by the Corrections Standard Authority prior to the activation of the Northern California Reentry Facility.
13. The Department of Corrections and Rehabilitation shall establish and implement a system for ensuring consistent reporting of the utilization of funding provided in this item for aftercare rehabilitation services. This information shall be reported to the Legislature in the Governor's 2009–10 January budget proposal.
14. (a) The funds appropriated in this item are restricted for use by the Department of Corrections and Rehabilitation for the specific programmatic and operational purposes specified in the Supplemental Report of the Budget Act of 2008. The department shall provide two reports identifying its progress toward expending these funds during the 2008–09 fiscal year to the fiscal committees of both houses of the Legislature beginning on October 1, 2008. The first report shall be due February 1, 2009, and shall separately detail the activities of the first two quarters of the 2008–09 fiscal year. The second report shall be due May 1, 2009, and shall display the activities for the third quarter of the 2008–09 fiscal year. The funds identified in the Supplemental Report of the Budget Act of

2008 shall be utilized for the purposes specified, and any unspent funds shall revert to the General Fund.

- (b) In situations where fluctuations in population result in lower expenditure levels as identified in the department’s population budget change proposals, these savings shall be captured in the population funding estimates and may be used to offset other population-related expenditure increases.
- (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.

SEC. 40. Item 5225-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-002-0001—For support of Department of Corrections and Rehabilitation..... 2,341,135,000
 Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 8,314,000
- (2) 25-Adult Corrections and Rehabilitation operations..... 285,922,000
- (3) 50.10-Medical Services—Adult..... 1,343,233,000
- (4) 50.20-Dental Services—Adult..... 117,552,000
- (5) 50.30-Mental Health Services—Adult..... 311,658,000
- (6) 50.40-Ancillary Health Care Services—Adult..... 215,839,000
- (7) 50.50-Dental and Mental Health Services Administration—Adult..... 60,818,000
- (8) Reimbursements..... -2,201,000

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 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 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 the Division of Correctional Health Care Services of the Department of Corrections and Rehabilitation is to administer this item to the extent directed by the Receiver.

2. 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.
3. 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 therefor as a result of complying with the directions of the Receiver or orders of the United States District Court in *Plata v. Schwarzenegger*.
4. The amounts appropriated in Schedules (3) and (6) are available for expenditure by the Receiver appointed by the *Plata v. Schwarzenegger* court to carry out its mission to deliver constitutionally adequate medical care to inmates.
5. The amounts appropriated in Schedules (4), (5), and (7) are available for expenditure by the Department of Corrections and Rehabilitation to provide mental health and dental services only.
6. Of the funds appropriated for the Receiver in Schedules (2), (3), and (6), \$253,807,000 is available for expenditure only for the purposes identified below and any unexpended funds shall revert to the General Fund:
 - (a) Health Care Access Units: \$110,020,000
 - (b) Health Care Guarding and Transportation: \$89,328,000
 - (c) Central Fill Pharmacy: \$8,621,000
 - (d) Pharmaceuticals and Medical Supplies: \$45,838,000
7. (a) The funds appropriated in this item are restricted for use by the Department of Corrections and Rehabilitation for the specific programmatic and

operational purposes specified in the Supplemental Report of the Budget Act of 2008. The department shall provide two reports identifying its progress toward expending these funds during the 2008–09 fiscal year to the fiscal committees of both houses of the Legislature beginning on October 1, 2008. The first report shall be due February 1, 2009, and shall separately detail the activities of the first two quarters of the 2008–09 fiscal year. The second report shall be due May 1, 2009, and shall display the activities for the third quarter of the 2008–09 fiscal year. The funds identified in the Supplemental Report of the Budget Act of 2008 shall be utilized for the purposes specified, and any unspent funds shall revert to the General Fund.

- (b) In situations where fluctuations in population result in lower expenditure levels as identified in the department’s population budget change proposals, these savings shall be captured in the population funding estimates and may be used to offset other population-related expenditure increases.
 - (c) After providing a 30-day notification period to the Joint Legislative Budget Committee, the department may expend funds identified in the Supplemental Report of the Budget Act of 2008 on other identified needs.
8. The Department of Corrections and Rehabilitation is required to submit a Budget Change Proposal to request funding to support positions authorized in the Mental Health Staffing Workload Study.

SEC. 41. Item 5225-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation.....	246,671,000
Schedule:	
(1) 15-Corrections Standards Authority....	182,107,000
(2) 20-Juvenile Operations.....	78,000
(3) 22-Juvenile Paroles.....	1,403,000

- (4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates..... 278,000
- (5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives..... 2,593,000
- (6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges..... 16,480,000
- (7) 30-Parole Operations—Adult..... 43,732,000

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 11190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
 - (b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller’s receipt is issued. Claims filed by local jurisdictions

directly with the Controller may be paid by the Controller.

- (c) To pay 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 \$77.17 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 (8) or (9), or both, of Item 5225-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of

holding parole violators in local jails or for the auditing or monitoring of local assistance costs.

- 3. 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.

SEC. 42. Item 5225-301-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-301-0001—For capital outlay, Department of Corrections and Rehabilitation, payable from the General Fund.....	58,319,000
Schedule:	
(.6) 60.26.011-O.H. Close Youth Correctional Facility, Stockton: Inyo Behavioral Treatment Program Space—Construction.....	516,000
(.7) 60.26.268-O.H. Close Youth Correctional Facility, Stockton: Humboldt Specialized Counseling Program Building—Construction.....	517,000

(1)	60.26.269-N. A. Chaderjian Youth Correctional Facility, Stockton: Sexual Behavior Treatment Program Counseling Building No. 1—Construction.....	419,000
(2)	60.26.270-N. A. Chaderjian Youth Correctional Facility, Stockton: Sexual Behavior Treatment Program Counseling Building No. 2—Construction.....	517,000
(3)	61.01.001-Statewide: Budget Packages and Advance Planning—Study.....	3,000,000
(4)	61.01.203-Statewide: Small Management Exercise Yards—Preliminary plans, working drawings, and construction.....	25,407,000
(5)	61.05.038-Correctional Training Facility, Soledad: Solid Cell Fronts—Working drawings.....	498,000
(7)	61.07.107-Folsom State Prison, Represa: Renovate Branch Circuit Wiring, Building No. 5—Working drawings and construction.....	1,876,000
(8)	61.09.038-California Medical Facility, Vacaville: Solid Cell Fronts—Construction.....	6,688,000
(9)	61.13.016-California Institution for Women, Frontera: 20-Bed Psychiatric Services Unit—Preliminary plans and working drawings.....	747,000
(10)	61.14.030-Minor Projects.....	5,538,000
(11)	61.15.035-California Rehabilitation Center, Norco: Replace Men’s Dorms—Working drawings.....	343,000
(12)	61.15.039-California Rehabilitation Center, Norco: Install Bar Screen—Preliminary plans and working drawings.....	113,000
(13)	61.16.023-Sierra Conservation Center, Jamestown: Filtration/Sedimentation Structure—Construction.....	2,579,000
(14)	61.18.008-Mule Creek State Prison, Ione: Wastewater Treatment Plant Improvements—Working drawings.....	542,000

- (16) 61.34.004-Ironwood State Prison, Blythe: Heating, Ventilation, and Air Conditioning System—Preliminary plans..... 5,758,000
- (17) 61.35.014-Salinas Valley State Prison, Soledad: 180 Housing Unit Conversion and Addition to the Mental Health Services Building—Preliminary plans..... 1,694,000
- (18) 61.35.016-Salinas Valley State Prison, Soledad: Intermediate Care Facility Treatment Space—Preliminary plans and working drawings..... 399,000
- (19) 61.47.007-California State Prison-Sacramento, Represa: Enhanced Outpatient Program, Facility B Program, Treatment, and Office Space—Preliminary plans..... 1,168,000

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 2009–10 or 2010–11 Budget Act, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2009–10 and 2010–11 Budget Acts, respectively. Upon approval by the Department of Finance, these funds may also be used to develop scope and cost information for projects authorized by Section 15819.40 of the Government Code. These funds may be used for all of the following: budget package development, environmental services, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for 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. The unexpended portion of funds appropriated in Schedules (9), (17), and (18) shall be reverted if the projects for which they are appropriated are removed from the mental health bed plan, as approved by the Coleman Court, and are no longer necessary to meet the mental health space needs required by the Coleman Court.
4. The Department of Corrections and Rehabilitation shall report to, 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 by May 1, 2009, on the reconciliation of the funds appropriated in Schedule (10).
5. Notwithstanding any other provision of law, the funds appropriated in Schedule (4) shall be subject to the following:
 - (a) Upon approval of the Department of Finance, the funds appropriated in Schedule (4) may be augmented by up to \$8,593,000 if doing so will enable the Department of Corrections and Rehabilitation to comply with the order in *Coleman v. Wilson* requiring completion of this project by June 30, 2009. No such augmentation shall be approved until the Department of Finance has certified that bids have been received and that approving an augmentation will enable the Department of Corrections and Rehabilitation to comply with the court order. Upon making such a finding, the Department of Finance shall provide written notification to the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature at least 30

days prior to State Public Works Board approval of the augmentation, or any lesser time the chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

- (b) In order to expedite the design and construction of the project, the Department of Corrections and Rehabilitation is authorized to perform any work to be done on this project using day labor, negotiated contract, contract made upon informal bids, or a combination thereof without the necessity of complying with the State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code) or any part thereof.
- (c) Entities may be selected by the Department of Corrections and Rehabilitation subject to all of the following criteria:
 - (1) The Department of Corrections and Rehabilitation shall utilize, as the primary selection criteria, the demonstrated competence and qualifications for the design, developing, construction, rebuilding, improvement, or repair, or any combination thereof, of the project.
 - (2) The Department of Corrections and Rehabilitation shall ensure that the construction of the project is delivered under contracts entered into pursuant to this section at a fair and reasonable price.
- (d) If an augmentation pursuant to subdivision (a) is not approved, these funds shall be available for augmentation by the State Public Works Board, pursuant to subdivision (e) and (g) of Section 13332.11 of the Government Code. No other provision of Section 13332.11 of the Government Code shall apply.
- (e) All plans and specifications for the project shall comply with all applicable building codes for state owned facilities.
- (f) Notwithstanding the provisions of Section 3247 of the Civil Code, the contractor under any contract made under this chapter need not provide a payment bond before the commencement of the

work but must provide a payment bond as otherwise required by law prior to payment under the contract.

- (g) Other than as provided in this provision, private sector methods may be used to deliver the project. Specifically, the design, procurement and contracting of the project is not subject to the State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code), Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, or any other provision of California law governing public procurement or public works projects.
- (h) The provisions of Section 7003 of the Penal Code shall not apply to the project.

SEC. 43. Item 5225-301-0660 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 198,630,000
 Schedule:

- (.3) 61.07.029-Folsom State Prison, Represa: Convert Officer and Guards Building to Office Space—Construction..... 6,768,000
- (.5) 61.10.101-California Men’s Colony, San Luis Obispo: Central Kitchen Replacement—Working drawings and construction..... 15,263,000
- (1) 61.12.027-San Quentin State Prison: Condemned Inmate Complex—Working drawings and construction..... 136,275,000
- (2) 61.15.035-California Rehabilitation Center, Norco: Replace Men’s Dorms—Construction..... 14,993,000
- (3) 61.22.006-Chuckwalla Valley State Prison, Blythe: Wastewater Treatment Plant Improvements—Construction..... 25,331,000

Provisions:

- 1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to

Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the projects authorized by this item.

- 2. The Department of Corrections and Rehabilitation 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 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.
- 4. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure during the 2008–09 fiscal year, except appropriations for acquisitions which shall be available for expenditure until June 30, 2011, appropriations for working drawings which shall be available for expenditure until June 30, 2010, and appropriations for construction which shall be available for expenditure until June 30, 2013. In addition, the balance of the 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, 2011, shall revert as of that date to the fund from which the appropriation was made.

SEC. 44. Item 6110-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-001-0001—For support of Department of Education.....	42,307,000
Schedule:	
(2) 20-Instructional Support.....	174,201,000
(3) 30-Special Programs.....	54,659,000

(4) 40-Executive Management and Special Services.....	9,801,000
(6) 42.01-Department Management and Special Services.....	33,345,000
(7) 42.02-Distributed Department Management and Special Services.....	-33,345,000
(8) Reimbursements.....	-19,511,000
(8.5) Unallocated Reduction.....	-5,121,000
(9) Amount payable from Federal Trust Fund (Item 6110-001-0890).....	-171,015,000
(10) Amount payable from Mental Health Services Fund (Item 6110-001-3085)....	-707,000

Provisions:

1. Notwithstanding Section 33190 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of student performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer pupils.
2. 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.

3. The funds appropriated in this item may not be expended for any REACH program.
4. 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.
5. 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.
6. Of the funds appropriated in this item, no less than \$2,420,000 is available for support of child care services, including state preschool.
7. Of the funds appropriated in this item, \$164,000 is provided solely for the purpose of funding existing positions from within the State Department of Education to provide the Curriculum Development and Supplemental Materials Commission with subject matter specialists.
8. Of the funds appropriated in this item, \$200,000 is available for a review of proposals submitted by school districts that wish to participate in the Mathematics and Reading Professional Development Program. The selection of the reviewer shall be subject to the approval of the State Board of Education.
9. Of the funds appropriated in this item, \$939,000, as subsequently adjusted for employee compensation, shall be available for costs associated with the administration of the High Priority Schools Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code and the Immediate Inter-

vention/Underperforming Schools Program pursuant to Article 3 (commencing with Section 52053) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.

10. By October 31 of each year, the State Department of Education (SDE) shall provide to the Department of Finance a file of all charter school average daily attendance (ADA) and state and local revenue associated with charter school general purpose entitlements as part of the P2 Revenue Limit File. By March 1, 2008, 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.
11. On or before April 15, 2008, 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.
12. 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.
13. 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 Public Health.
14. 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.
15. 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.

16. Of the funds appropriated in this item, \$2,000,000 is provided on a one-time basis for legal representation from the office of the Attorney General in litigation related to the California 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, 2008, and every four months thereafter, with the final report due on June 30, 2009. 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.
 - (a) Of the funds in this provision, up to \$767,000 may be used for one-time costs related to the implementation of Chapter 751 of the Statutes of 2006.
17. Of the funds appropriated in this item, \$175,000 shall only be available to support a \$175,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
18. Of the amount appropriated in this item, \$139,000 from reimbursement funds may be expended for administering the Education Technology K–12 Voucher Program pursuant to the Microsoft settlement.
19. Of the funds appropriated in this item, up to \$1,011,000 is for dispute resolution services, including

mediation and fair hearing services, provided through contract for special education programs.

20. Of the reimbursement funds appropriated in this item, \$422,000 shall be available to the State Department of Education to contract for assistance in developing an approved listing of food and beverage items that comply with the nutrition standards of Chapters 235 and 237 of the Statutes of 2005. In order to fund the development and maintenance of the approved product listing, the State Department of Education shall collect a fee, as it deems appropriate, from vendors seeking to have their product reviewed for potential placement on the approved product listing. Reimbursements collected in the 2008–09 fiscal year may be used to offset costs incurred in the 2006–07 and 2007–08 fiscal years.
23. Within 30 days after the enactment of this act, the State Department of Education (SDE) shall report to the fiscal committees of the Legislature and the Legislative Analyst’s Office regarding the reductions in positions and appropriations that were taken as a result of the unallocated reduction in this item. The report from the SDE shall include information regarding the division, position description, and position level of all position reductions. The SDE also shall identify the program supported by each position reduction. For every division experiencing a reduction, the SDE shall provide data on the total number of remaining positions, by position level and program supported. The SDE also shall provide a list of the divisions not experiencing any reductions.

New SDE positions authorized by this act shall be filled for the purposes stated in this act and shall not be used to offset the unallocated reduction in this item.

24. Of the funds appropriated in Schedule (2), up to \$536,000 is for transfer by the Controller to the State Instructional Materials Fund for allocation during the 2008–09 fiscal year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of Division 4 of Title 2 of the Education Code.

These funds shall be transferred in amounts claimed by the State Department of Education (SDE), for direct

disbursement by the SDE from the Instructional Materials Fund.

- 25. Of the reimbursement funds appropriated in Schedule (8), \$500,000 is for the support of “Green” California Partnership Academies pursuant to legislation enacted in the 2007–08 Regular Session. These funds shall be available for expenditure until June 30, 2011.

SEC. 45. Item 6110-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund..... 171,015,000

Provisions:

- 1. The funds appropriated in this item include federal Carl D. Perkins Vocational and Technical Education Act of 2006 funds for the 2007–08 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 career technical 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, \$426,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11431 et seq.). The State Department of Education shall consult with the Department of Community Services and Development, the State Department of Mental Health, the Department of Housing and Community Development, and the Commission for 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 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. (a) Of the funds appropriated in this item, \$11,779,000 is from the Child Care and Development Block Grant Fund and is available for support of child care services. Of this amount, \$1,547,000 is for 13.0 positions to address compliance monitoring and overpayments, which may contribute to early detection of fraud. This includes 7.0 new positions in the 2008–09 fiscal year to audit all federally subsidized child care agencies pursuant to new federal regulations per Part 98 of Title 45 of the Code of Federal Regulations. 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), every alternative payment agency and subsidized general child care agency will be audited each year using sufficient sampling of provider records of the following: (1) family fee determinations, (2) income eligibility, (3) rate limits, and (4) 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 the Legislature no later than April 15.
7. Of the funds appropriated in this item, \$1,066,000 shall be used for administration of the federal Enhancing Education Through Technology Grant Program. Of this amount:

- (a) \$150,000 is available only for contracted technical support and evaluation services.
8. 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 programs. The State Department of Education shall ensure the quarterly reports that the contractor submits on the results of its dispute resolution services include the same information as required by Provision 9 of Item 6110-001-0890 of Chapters 47 and 48 of the Statutes of 2006 and Section 56504.5 of the Education Code and reflect year-to-date data and final yearend data.
 9. 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.
 10. 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, 2008. 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.
 11. Of the funds appropriated in this item, \$500,000 is for the State Department of Education to contract for an-

nual evaluations of Reading First program effectiveness.

12. 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 non-public, nonsectarian schools.
13. 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 mental health services required by an individualized education plan pursuant to Chapter 493 of the Statutes of 2004.
14. Of the funds appropriated in this item, \$1,874,000 is available on a one-time basis to implement the Child Nutrition Information and Payment System.
15. Of the funds appropriated in this item, \$2,506,000 shall be used for the administration of the 21st Century Community Learning Centers Program.
16. Of the funds appropriated in this item, \$109,000 shall be made available to the Office of the Secretary for Education for state operation costs associated with federal and state accountability activities.
17. Of the funds appropriated in this item, \$175,000 in federal Carl D. Perkins Vocational and Technical Education Act of 2006 funding shall only be available to support a \$175,000 interagency agreement with the California Career Resource Network to provide continuing support for the operations of that organization.
18. 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.
19. Of the funds appropriated in this item, \$1,244,000 is available on a one-time basis from federal Title II funds for the State Department of Education to extend 1.0 limited-term position authorized in 2007 and fund 2.0 additional limited-term positions through June 30, 2009, and other costs associated with the development of the California Longitudinal Teacher Integrated Data Education System (CALTIDES). Of this amount, \$398,000 is available for an interagency agreement

with the Commission on Teacher Credentialing to extend 2.5 limited-term positions through June 30, 2009, and support other costs associated with the development of CALTIDES.

20. Of the funds appropriated in this item, \$945,000 of federal Title II funds is for the Compliance Monitoring, Intervention, and Sanctions (CMIS) Program. This program is designed to help school districts meet the highly qualified teacher requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). By April 1, 2009, the State Department of Education shall submit a report on the CMIS Program to the budget and policy committees of the Legislature. The report shall identify (a) the number of school districts that received CMIS support in the 2008–09 fiscal year, and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report also shall provide longitudinal data on the number and percent of teachers who are and are not highly qualified. At a minimum, the 2008–09 report shall include finalized data for the 2007–08 fiscal year and initial data for the 2008–09 fiscal year. The report shall provide data separately for high- and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.
21. The State Department of Education shall submit an independent evaluation of the Statewide System of School Support to the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance no later than April 1, 2009.
22. The following funds appropriated in this item are for the development of a comprehensive strategy to address data reporting requirements and the development of the California Longitudinal Pupil Achievement Data System (CALPADS) to meet the requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110) and Chapter 1002 of the Statutes of 2002:

- (a) \$730,000 and 5.0 positions to support state operations for a comprehensive strategy to address data reporting requirements.
 - (b) \$2,544,000 and 1.0 position to support state operations related to the development of CALPADS. Up to \$1,114,000 may be used to support the involvement of California School Information Services staff in the development of CALPADS.
 - (c) \$606,000 from the Statewide Longitudinal Data System Grant for use in the development of CALPADS.
 - (d) \$115,000 and 1.0 position to support workload associated with coordinating data collection and sharing for CALPADS and for the federal Education Data Exchange Network.
 - (e) \$2,181,000 in one-time funding for hardware purchases, data center services, and software licensing to develop CALPADS.
 - (f) \$3,225,000 is reserved for costs in the 2009–10 fiscal year associated with the development of CALPADS.
 - (g) Of the funds appropriated in paragraphs (a) to (f), inclusive, \$4,913,000 is provided in one-time federal Title VI carryover funds.
 - (h) Subject to an approved special project report, \$5,336,000 in one-time federal Title VI funds is available for the California Longitudinal Pupil Achievement Data System. Of this amount, \$5,111,000 is for vendor contract costs and \$225,000 is for data center costs.
23. Of the funds appropriated in this item, \$1,250,000 is to develop and implement a standardized, evidence-based assessment, pursuant to legislation, to allow eligible pupils with disabilities to demonstrate the competence necessary to pass the California High School Exit Examination.
24. Of the funds appropriated in this item, \$378,000 and 4.0 positions are provided to support workload for federal school improvement in accordance with legislation enacted in the 2007–08 Regular Session related to federal school improvement.
25. Of the funds appropriated in this item, \$385,000 is available to the State Department of Education on a

- one-time basis for the cost of translating state prototype documents into languages other than English. The department shall contract with appropriate translators or translator services to translate these documents. The department shall post all documents translated pursuant to this provision on its existing Internet-based electronic clearinghouse system of state and locally translated parental notification documents.
26. Of the funds appropriated in this item, \$600,000 is one-time federal Title I Migrant Education Program carryover funds available to augment the contract for a three-year program evaluation to meet federal Title I Migrant Education Program requirements.
 29. Of the funds appropriated in this item, \$285,000 is available from the Child Care and Development Block Grant Fund on a one-time basis to develop a request for proposals to seek a solution for replacement of the Provider Accounting and Reporting Information System (PARI\$), and to contract for project management and oversight. The State Department of Education (SDE) shall require the vendor to propose a cost-effective solution in which interim functions that are duplicative of the Financial Information System for California (FI\$Cal) will be decommissioned when FI\$Cal is fully implemented. The SDE shall also require the vendor to address any modifications to the child care contracting process that may be implemented through legislation enacted during the current legislative session or through regulations deemed necessary to more fully utilize available appropriations in the solution to rewrite PARI\$.
 30. Of the funds appropriated in this item, \$308,000 is available from Title II funds for an interagency agreement with the Commission on Teacher Credentialing to support teacher misassignment monitoring activities.
 31. Of the funds appropriated in this item, \$109,000 is provided in federal Title III funds to make permanent 1.0 existing limited-term position to support the English language learner component of the Mathematics and Reading Professional Development Program.
 32. Of the funds appropriated in this item, \$500,000 in one-time federal Title III carryover funds is available

- to augment an evaluation of the English Language Learner Acquisition and Development Pilot Program as previously authorized in Provision 48 of Item 6110-001-0890 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007). Prior to the release of the request for applications for the evaluation required pursuant to subdivision (h) of Section 420 of the Education Code, the State Department of Education shall consult with the Department of Finance, the Legislative Analyst's Office, and the appropriate legislative policy and fiscal staff to discuss the scope of the evaluation.
33. Of the funds appropriated in this item, \$1,600,000 in one-time federal Title III carryover funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for specialized English language learner instructional training and technical assistance in county court and Division of Juvenile Justice schools. This funding shall supplement, and not supplant, English language learner services.
 34. Of the funds appropriated in this item, \$1,200,000 in one-time federal Title III carryover funds is set aside for Title III state-level activities in the 2009–10 fiscal year.
 35. Of the funds appropriated in this item, \$1,250,000 in one-time federal special education carryover funds is available during the 2008–09, 2009–10, and 2010–11 fiscal years to contract with a county office of education or institution of higher education for special education instructional training and technical assistance in county court schools. This funding shall supplement, and not supplant, existing special education services.
 36. Of the funds appropriated in this item, \$334,000 is available on a one-time basis to fund the first year of a three-year, independent evaluation as set forth in legislation enacted in the 2007–08 Regular Session related to federal school improvement.

SEC. 46. Item 6110-101-0349 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 9,125,000

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 2007–08 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.
3. Of the amount appropriated in this item, \$7,900,000 is for districts that have not previously participated in CSIS or the CSIS Best Practices Cohort project. Funds shall be allocated pursuant to Section 49084 of the Education Code and consistent with the existing CSIS Best Practices Cohort Implementation Plan.

SEC. 47. Item 6110-103-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 13,350,000

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 \$5.06 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 of each year on the amount of funds expended for, and the hours of related and supplemental instruction offered in, the apprenticeship program during the prior 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 prior and current 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 Division 1 of Title 1 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. An additional \$6,227,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
- 7. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 8. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 48. Item 6110-104-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 330,672,000

Schedule:

- (1) 10.10.011.008-School Apportionments, for Supplemental Instruction, Remedial, Grades 7–12 for the purposes of Section 37252 of the Education Code..... 200,234,000
- (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.... 48,365,000
- (3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR-Grades 2–6 for the purposes of Section 37252.8 of the Education Code..... 16,491,000
- (4) 10.10.011.011-School Apportionments, for Supplemental Instruction, Core Academic K–12 for the purposes of Section 37253 of the Education Code.... 65,582,000

Provisions:

- 1. Notwithstanding any other provision of law, for the fiscal year, the Superintendent of Public Instruction shall allocate a minimum of \$8,900 for supplemental summer school programs in each school district for

which the prior fiscal year enrollment was less than 500 and that, in the 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 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 fiscal year.
3. Notwithstanding any other provision of law, the rate of reimbursement shall be \$4.08 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, \$0 is provided for the purpose of a cost-of-living adjustment.
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 mandate 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 following fiscal year.
8. Rates or hours shall be adjusted in voluntary programs as necessary to fully meet demand in mandatory programs and remain within the amount provided for this purpose in the annual Budget Act.

SEC. 49. Item 6110-105-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-105-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-Instruction, 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 Division 4 of Title 2 of the Education Code.... 443,355,000
Schedule:

- (1) 10.10.004-Instruction Program—
School Apportionments, Regional Occupational Centers and Programs..... 450,672,000
- (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 current 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 Division 4 of Title 2 of the Education Code.
- 2. 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.
- 3. 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.
- 4. 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.

- 5. The funds appropriated in this item reflect a reduction to the base funding of 0.55 percent for a statewide decline in 11th and 12th grade average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.
- 6. An additional \$39,630,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 50. Item 6110-107-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight..... 11,438,000

Schedule:

- (1) 10.10.002-COE Oversight..... 5,450,000
- (2) 10.10.005-FCMAT..... 3,798,000
- (3) 10.10.012-FCMAT: CSIS..... 238,000
- (4) 10.10.013-Audit Appeal Panel..... 53,000
- (5) 10.10.015-Interim Reporting..... 1,001,000
- (6) 10.10.016-Staff Development..... 1,140,000
- (7) Amount payable from the Educational Telecommunication Fund (Item 6110-107-0349)..... -242,000

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 an-

- nually 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) \$3,054,000 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) \$278,000 shall be available to develop and implement the activities of regional teams of fiscal experts to assist districts in fiscal distress.
 - (c) \$466,000 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), \$238,000 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) \$143,000 shall be available for no more than a 25-percent state reimbursement to county offices of education for fiscal oversight of school districts with audit exceptions, districts with qualified or negative interim reports, districts that may be unable to meet financial obligations for the current or subsequent fiscal years, or districts with disapproved budgets.
 - (b) Up to \$858,000 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 2008–09 and 2009–10 fiscal years. Any unexpended balance as of September 1, 2009, shall be available until July 30, 2010, 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) \$813,000 is for the purpose of providing staff development to local educational 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) \$327,000 of the funds appropriated in Schedule (6) is for the purpose of providing training that shall be developed and facilitated pursuant to Section 42127.8 of the Education Code to increase school district and school-level capacity to implement and manage site-based budgeting and decisionmaking governance structures.
 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 sub-

division (a) of Section 42127.8 of the Education Code to oversee the 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 allocations 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 of each year.

SEC. 51. Item 6110-108-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-108-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support, the Supplemental School Counseling Program, established pursuant to Article 4.5 (commencing with Section 52378) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 209,060,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 52. Item 6110-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-111-0001—For local assistance, Department of Education (Proposition 98), Program 10-Instruction, 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 Division 3 of Title 2 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 Division 3 of Title 2 of the Education Code..... 566,131,000

Schedule:

- (1) 10.10.006-Pupil Transportation..... 560,045,000
- (2) 10.10.008-Small School District Bus Replacement..... 6,086,000

Provisions:

- 1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
- 2. An additional \$52,583,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.
- 3. Notwithstanding any other provision of law, of the funds appropriated in this item and the funds deferred for this program as reflected in Provision 2, an amount equal to the amount of reimbursement to the General Fund pursuant to Section 24.85 shall be used to provide mass transportation services for pupils enrolled in school districts that receive these funds.

SEC. 53. Item 6110-119-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 18,891,000

Provisions:

- 1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 54. Item 6110-122-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 4 of Title 2 of the Education Code..... 6,122,000

Provisions:

1. Of the funds appropriated in this item, \$1,500,000 shall be allocated to Specialized Secondary Programs established prior to the 1991–92 fiscal year that operate in conjunction with the California State University.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 55. Item 6110-123-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-123-0890—For local assistance, Department of Education, Program 20.60.030.035-Innovative Programs, Title V-ES-EA, payable from the Federal Trust Fund..... 6,000,000

Provisions:

1. The funds appropriated in this item are one-time funds for local educational agencies to implement existing innovative programs pursuant to Section 5131 of Title V of Part A of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). No funding shall be provided to any new programs and no commitments shall be made beyond September 30, 2009.

SEC. 56. Item 6110-124-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 4 of Title 2 of the Education Code..... 51,051,000

Provisions:

1. An additional \$4,294,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year.
2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 57. Item 6110-125-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-125-0001—For local assistance, Department of Education (Proposition 98)..... 63,263,000

Schedule:

- (1) 10.40.030.004-Refugee Children School Grant Program..... 1,649,000
- (2) 20.10.006-English Language Acquisition Program, pursuant to Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of the Education Code..... 63,263,000
- (3) Reimbursements..... -1,649,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 58. Item 6110-126-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 57,433,000

Provisions:

1. The funds appropriated in this item are for Reading First programs pursuant to Article 1 (commencing with Section 51700) of Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code. It is the intent of the Legislature that all participating school districts receive funding at the rates established in paragraph (3) of subdivision (c) of Section 51700 of the Education Code for six years. A participating school district shall not receive funding from this item for more than six years.
2. Of the funds appropriated in this item, \$3,658,000 shall be available for Reading First’s statewide and regional infrastructure, including its six regional technical assistance centers.
3. By May 1, 2009, 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.
4. By May 1, 2009, the State Department of Education 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 to 2006–07, inclusive, 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 Division 4 of Title 2 of the Education Code.

SEC. 59. Item 6110-128-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code..... 994,279,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 60. Item 6110-130-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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.

SEC. 61. Item 6110-134-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-134-0890—For local assistance, Department of Education, payable from the Federal Trust Fund..... 1,820,750,000
Schedule:

- (1) 10.30.006-Statewide System of School Support..... 10,000,000
- (7) 10.30.009-Title I, Corrective Action—Local Educational Agencies..... 101,872,000
- (8) 10.30.004-School Improvement Grants, Corrective Action..... 78,082,000
- (9) 10.30.060-Title I—ESEA..... 1,630,796,000

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 of 1999, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of Division 4 of Title 2 of the Edu-

cation Code, so that duplication of effort is minimized at the local level.

2. The funds appropriated in Schedule (1) shall be available for the purposes established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.
4. The State Department of Education shall provide to the Legislature, the Legislative Analyst's Office, and the Department of Finance, a letter by April 15, 2009, reporting expenditures and anticipated savings for each schedule, based on available information.
6. The funds appropriated in Schedules (7) and (8) shall be available for meeting requirements specified in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) for local educational agencies that enter corrective action. The funds shall be programmed pursuant to legislation enacted in the 2007–08 Regular Session related to federal school improvement.
11. Of the funds appropriated in Schedule (7), \$47,000,000 is provided in one-time carryover funds.
12. Of the funds appropriated in Schedule (8), \$16,620,000 is provided in one-time carryover funds.
13. Of the funds appropriated in Schedules (7) and (8), the State Department of Education shall, no later than September 15, 2008, issue grant awards totaling \$25,000,000 to local educational agencies identified for corrective action. The grants shall be awarded to local educational agencies consistent with legislation enacted in the 2007–08 Regular Session related to federal school improvement. Local educational agencies shall have until November 1, 2008, to apply for the remainder of their grant.
14. Of the funds appropriated in Schedule (9), \$19,252,000 is provided in one-time carryover funds to support the existing program.
15. 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 claims for district assistance and intervention teams and other technical assistance providers. 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.

SEC. 62. Item 6110-135-0890 of Section 2.00 of the Budget Act of 2008 is repealed.

SEC. 63. Item 6110-136-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-136-0890—For local assistance, Department of Education, Program 10.30-Instruction, payable from the Federal Trust Fund..... 17,023,000

Schedule:

- (2) 10.30.065-McKinney-Vento Homeless Children Education..... 8,526,000
- (4) 10.30.030-Title I-Even Start Program.... 8,497,000

Provisions:

- 2. Of the funds appropriated in Schedule (2), \$1,333,000 is provided in one-time carryover funds to support the existing program.
- 3. Of the funds appropriated in Schedule (4), \$1,500,000 is provided in one-time carryover funds to support the existing program.

SEC. 64. Item 6110-140-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-140-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support..... 0

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
- (4) Amount payable from the Educational Telecommunication Fund (Item 6110-140-0349)..... - 5,094,000

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 cohorts, (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 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
5. The State Department of Education and CSIS shall jointly report by October 1, 2008, to the Department of Finance, the Legislative Analyst's Office, and the budget committees of the Legislature on the workload activities performed by each entity to prepare for the implementation of CALPADS.

SEC. 65. Item 6110-150-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 4 of Title 2 of the Education Code..... 662,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 66. Item 6110-151-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 2 of Title 2 of the Education Code..... 4,540,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 67. Item 6110-156-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-156-0001—For local assistance, Department of Education (Proposition 98), Program 10.50.010-Instruction, 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..... 726,664,000

Schedule:

- | | |
|---|-------------|
| (1) 10.50.010.001-Adult Education..... | 726,664,000 |
| (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 (P.L. 104-193). 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 re-

ipient 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 Item 6110-105-0001 or pursuant to 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 Division 4 of Title 2 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 Division 4 of Title 2 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 office of the State Chief Information Officer and Legislative Analyst's Office in determining the specific data elements of the system and shall meet all information technology reporting requirements of the State Chief Information Officer.
- (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, 2008, to June 30, 2009, inclusive.

- 5. Of the funds appropriated in this item, \$18,843,000 is provided for increases in average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.
- 6. An additional \$45,896,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 68. Item 6110-158-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 18,215,000

Provisions:

- 1. Notwithstanding Section 41841.5 of the Education Code, or any other provision of law, all of the following shall apply:
 - (a) 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.
 - (b) The amount appropriated in this item shall be allocated based upon prior year rather than current year expenditures.
 - (c) Funding distributed to each local educational agency (LEA) for reimbursement of services provided in the prior fiscal year for the Adults in Correctional Facilities Program shall be limited to the amount received by the agency for services provided in the 2006–07 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the prior fiscal year, as compared to the level of services provided in the 2006–07 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.

- (d) Funding appropriated in this item for growth in average daily attendance (ADA) first shall be allocated to programs that are funded for 20 units or less of ADA, up to a maximum of 20 additional units of ADA per program.
- 2. \$444,000 is provided for increases in average daily attendance. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 69. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,116,298,000
 Schedule:

- (1) 10.60.050.003-Special education instruction..... 3,046,014,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 84,679,000
- (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 2008–09 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.
- 2. Of the funds appropriated in Schedule (1), up to \$13,206,000, plus any cost-of-living adjustment, 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), up to \$10,080,000, plus any cost-of-living adjustment, 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 Division 4 of Title 2 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), up to \$5,258,000, plus any cost-of-living adjustment (COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities ; up to \$87,617,000, plus any COLA, shall be available for regionalized program specialist services ; and up to \$2,573,000, plus any COLA, shall be available 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), up to \$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), up to \$205,213,000, plus any cost-of-living adjustment (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 2008–09 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 Division 4 of Title 2 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 deficiated 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 special education local plan areas, 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 2008–09 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), up to \$188,000, plus any cost-of-living adjustment, shall be available to fully fund the declining enrollment of necessary small special education local plan areas 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), up to \$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), up to \$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 Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.).
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), up to \$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 Improvement Act of 2004 (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), \$0 is provided for cost-of-living adjustments.
20. Of the amount provided in Schedule (2), \$0 is provided for cost-of-living adjustments.
21. Of the amount appropriated in this item, up to \$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, 2009, 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.
22. Of the funds appropriated in this item, up to \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.), and Section 2122 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.). 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.

23. 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).
24. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
25. Of the funds appropriated in Schedule (1), the amount resulting from increases in federal funds reflected in the calculation performed in paragraph (1) of subdivision (c) of Section 56836.08 of the Education Code shall be allocated based on an equal amount per average daily attendance and added to each special education local plan area's base funding, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. This amount may be up to \$19,000,000 less adjustments for state operations and preschool. When the final amount is determined, the State Department of Education shall provide this information to the Department of Finance and the budget committees of each house of the Legislature.

SEC. 70. Item 6110-167-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Career Technical Education Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code..... 5,174,000

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 Career Technical 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. This provision does not 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. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the amount appropriated in this item, \$0 is provided for a cost-of-living adjustment.

SEC. 71. Item 6110-181-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 of Division 4 and Chapter 3.34 (commencing with Section 44730) of Part 25 of Division 3 of Title 2 of the Education Code..... 17,611,000

Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. As a part of the support system authorized by paragraph (5) of subdivision (a) of Section 51871 of the Education Code, the California Technology Assistance

Project regional consortia shall assist school districts in using pupil achievement data to inform instruction and improve pupil learning. The regional consortia shall also support the identification and dissemination of best practices in the area of data-driven instructional improvement.

SEC. 72. Item 6110-189-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-189-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.020.005-Instructional Support, 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 (Instructional Materials Block Grant)..... 417,591,000

Provisions:

- 1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials.
- 2. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
- 3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 73. Item 6110-190-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-190-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.10.021-School Apportionments, Community Day Schools established pursuant to Article 3 (commencing with Section 48660) of Chapter 4 of Part 27 of Division 4 of Title 2 of the Education Code..... 47,248,000

Provisions:

- 1. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.
- 2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
- 3. An additional \$4,751,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 74. Item 6110-193-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 32,484,000
Schedule:

- (1) 20.60.070-Instructional Support: Bilingual Teacher Training Assistance Program..... 2,138,000
- (2) 20.60.060-Instructional Support: Teacher Peer Review..... 29,944,000
- (3) 20.60.110-Instructional Support: Improving School Effectiveness-Reader Services for Blind Teachers..... 402,000

Provisions:

- 1. Notwithstanding any other provision of law, the amount appropriated in Schedule (1) shall be the maximum amount allocated for the purposes of the Bilingual Teacher Training Assistance Program established by Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of Division 4 of Title 2 of the Education Code.
- 2. Of the funds appropriated in Schedule (1), \$0 is for the purpose of providing a cost-of-living adjustment.
- 3. The funds appropriated in Schedule (2) shall be allocated in accordance with Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code. 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 \$0 for the purpose of providing a cost-of-living adjustment.
- 4. Notwithstanding any other provision of law, the amount appropriated in Schedule (3) shall be the maximum amount allocated for the purposes of the Reader Services for Blind Teachers Program, 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.

- 5. Of the funds appropriated in Schedule (3), \$0 is for the purpose of providing a cost-of-living adjustment.
- 6. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 75. Item 6110-196-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 1,772,364,000
 Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education..... 441,854,000
- (1.5) 30.10.020-Child Care Services..... 1,857,104,000
 - (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 804,649,000
 - (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 40,570,000
 - (d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program..... 257,037,000
 - (e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..... 369,960,000

(f)	30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside.....	245,204,000	
(g)	30.10.020.008-Special Program, Child Development, Resource and Referral.....	19,438,000	
(i)	30.10.020.015-Special Program, Child Development, Extended Day Care.....	35,890,000	
(j)	30.10.020.096-Special Program, Child Development, Allowance for Handicapped.....	1,997,000	
(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.....	67,572,000	
(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.....	6,637,000	
(3)	30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments.....		0
(4)	30.10.020.909-Special Program, Child Development, Growth Adjustments.....	10,917,000	
(5)	Amount payable from the Federal Trust Fund (Item 6110-196-0890).....	-537,511,000	

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the current 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) \$22,963,000 shall be available for CalWORKs Stage 3 child care.
 - (c) The Controller shall establish an account entitled "Section 8278 Expenditures in 2007" in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2008, 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 Division 1 of Title 1 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 effective March 1, 2009, based on the 2007 Regional Market Rate Survey data. The State Department of Education shall cause to be developed rate limits at the 85th percentile, based on the 2007 survey data, and submit for approval in accordance with law to the Department of Finance no later than October 1, 2008, to enable the rate limits to be reviewed and then implemented by March 1, 2009. The State Department of Education may redirect funding from funds normally reserved for new surveys to achieve this goal, as necessary.

3. Of the amount appropriated in Schedule (1), \$50,000,000 is available for Prekindergarten and Family Literacy preschool programs pursuant to Chapter 211 of the Statutes of 2006. Of the amount appropriated in Schedule (1), \$5,000,000 is available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for these funds to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.
4. 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) \$2,014,056 is for the schoolage care and resource and referral earmark.
 - (b) \$11,359,176 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
 - (c) \$7,237,000 in one-time federal funding is available for use in the 2008–09 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). The remaining funds shall be used for child care and development quality expenditures identified by the State Department of

Education (SDE) and approved by the Department of Finance.

- (d) From the remaining funds in Schedule (1.5)(I), 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, \$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, or construction of child care facilities.
 - (e) When developing the 2008–09 expenditure plan for proposed state and local activities to improve child care, the SDE shall follow these three principles: (1) preserve funding for activities that provide direct services and supports to families, (2) preserve funding for activities that provide direct services and supports to child care providers and teachers, and (3) comply with federal mandates, including quality earmarks and set-asides.
5. Of the amount appropriated in Schedule (1.5)(I), \$15,000,000 shall be for child care worker recruitment and retention programs pursuant to Section 8279.7 of the Education Code, and \$320,000 shall be for the Child Development Training Consortium.
 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.

- (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 SDE, 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. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.
- (e) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
- (f) 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 Cal-WORKs 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 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.
9. (a) Notwithstanding any other provision of law, the income eligibility limits pursuant to Section 8263.1 of the Education Code that were applicable to the 2007–08 fiscal year shall remain in effect for the 2008–09 fiscal year.
(b) Notwithstanding any other provision of law, the State Department of Education (SDE) shall update the 2006–07 family fee schedule by family size for use in the 2008–09 fiscal year based on the state median income at the level at which it has been determined for the 2007–08 fiscal year for a family of four, in accordance with law. The SDE shall ensure fees are not charged to families with incomes lower than 40 percent of state median income.
10. Of the amounts provided in this item, \$0 is available to provide a cost-of-living adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). The maximum standard reimbursement rate shall not exceed \$34.38 per day for

general child care programs and \$21.22 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. Of the amounts provided in this item, \$10,917,000 is available to provide a growth adjustment for Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).
12. (a) Notwithstanding any other provision of law, the 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.
13. 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 for renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 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 Division 1 of Title 1 of the Education Code).
14. It is the intent of the Legislature to fully fund the third stage of child care for former CalWORKs recipients.

SEC. 76. Item 6110-198-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 58,091,000

Schedule:

- (1) 20.60.220-Cal-SAFE Academic and Supportive Services..... 19,863,550
- (2) 20.60.221-All Services for Non-converting Pregnant Minors Programs..... 13,369,750
- (3) 30.10.020-Cal-SAFE Child Care..... 24,857,700

Provisions:

- 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 State Department of Education shall compute allocations to these agencies using the respective agencies’ 1998–99 Pregnant Minors Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minors Program revenue limit rather than convert to the Cal-SAFE revenue limit must provide child care within the revenue limit funding for children of pupils comprising base year average daily attendance.
- 4. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

- 5. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 6. Notwithstanding Section 26.00, the State Department of Education may transfer expenditure authority between Schedule (1) Cal-SAFE Academic and Supportive Services and Schedule (2) All Services for Nonconverting Pregnant Minors Programs, to accurately reflect expenditures in these programs, upon approval of the Department of Finance and notification of the Legislature.
- 7. In the event that funding in this item is insufficient to serve all eligible pupils, the State Department of Education shall prorate the amounts in Schedules (1) and (2).

SEC. 77. Item 6110-201-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund..... 1,756,657,000
 Schedule:
 (1) 30.20.010-Child Nutrition Programs..... 1,724,207,000
 (2) 30.20.040-Summer Food Service Program..... 32,450,000
 Provisions:
 1. Of the amount appropriated in Schedule (1), \$2,755,000 is provided from one-time federal funds for Fresh Fruit and Vegetable Program grants to local educational agencies.

SEC. 78. Item 6110-202-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-202-0001—For local assistance, Department of Education, Program 30.20.010-Child Nutrition Programs..... 11,742,000
 Provisions:
 1. Funds appropriated 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, 2009, to be eligible for reimbursement.
- 2. Funds appropriated 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, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 79. Item 6110-203-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 125,685,000

Schedule:

- (1) 30.20.010-Child Nutrition Programs.... 126,027,000
- (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, 2009, to be eligible for reimbursement.
- 2. Funds designated for child nutrition programs in Schedule (1) 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, \$0 is for the purpose of providing a cost-of-living adjustment.
- 5. Of the funds appropriated in this item, \$2,404,000 is for the purpose of providing a growth adjustment due to an increase in the projected number of meals served.

- 6. If the appropriation in this item is insufficient to fully fund all eligible reimbursement claims pursuant to Section 49430.5 of the Education Code, the State Department of Education shall reimburse eligible claims at a prorated share of the funds appropriated by this item.
- 7. The State Department of Education shall notify the Department of Finance in writing 30 days prior to paying prior year reimbursement claims from this item pursuant to Section 16304.1 of the Government Code. No reimbursements shall be made prior to final approval of the Department of Finance.

SEC. 80. Item 6110-204-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-204-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction..... 72,752,000

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.
- 2. Of the amount appropriated in this item, \$0 is to provide a cost-of-living adjustment.
- 3. The per-pupil amount for grade 12 may not exceed \$520 in the 2008–09 fiscal year.
- 4. 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.

SEC. 81. Item 6110-209-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 48,000

Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 82. Item 6110-211-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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, in accordance with Sections 47634 and 47634.1 of the Education Code..... 183,865,000

Provisions:

1. The State Department of Education shall provide an estimate of average daily attendance expected to be claimed for this item for the 2009–10 fiscal year to the Department of Finance and the Legislative Analyst’s Office by October 1 of each year, for use in developing the Governor’s Budget. The State Department of Education shall provide an update of the estimate by March 31 of each year, for preparation of the May Revision.
2. An additional \$5,947,000 in expenditures for this item has been deferred until the 2009–10 fiscal year.

SEC. 83. Item 6110-224-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 3 of Title 2 of the Education Code..... 96,802,000

Schedule:

- (1) 10.10.950.002-Operations Grants..... 96,802,000

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 Division 3 of Title 2 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.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.

SEC. 84. Item 6110-228-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-228-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.020.011-School Safety Block Grant, for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction..... 61,310,000

Provisions:

1. The funds appropriated are 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 Division 1 of Title 1 of the Education Code. An additional \$38,720,000 in expenditures for this purpose has been deferred to the 2009–10 fiscal year. Of the amount deferred, \$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 Division 1 of Title 1 of the Education Code.

- 2. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
- 3. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 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.

SEC. 85. Item 6110-232-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-232-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.26, Program to Reduce Class Size in Two Courses in Grade 9 pursuant to Chapter 6.8 (commencing with Section 52080) of Part 28 of Division 4 of Title 2 of the Education Code..... 101,130,000

Provisions:

- 1. Schools participating in this program shall receive a per-pupil rate of \$213 pursuant to Section 52086 of the Education Code.

SEC. 86. Item 6110-234-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 4 of Title 2 of the Education Code..... 1,815,453,000

Provisions:

- 1. Schools participating in Option One shall receive a per-pupil rate of \$1,071. Schools participating in Option Two shall receive a per-pupil rate of \$535.

SEC. 87. Item 6110-240-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-240-0001—For local assistance, Department of Education (Proposition 98).....	3,057,000
Schedule:	
(1) 10.80.030-Instruction: International Baccalaureate Diploma Program.....	1,273,000
(2) 20.70-Instructional Support: Assessments (Advanced Placement Fee Waiver Program).....	1,784,000

Provisions:

- 1. The funds appropriated in Schedule (1) shall be for the International Baccalaureate Diploma Program authorized by Chapter 12.5 (commencing with Section 52920) of Part 28 of Division 4 of Title 2 of the Education Code.
- 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 52240) of Part 28 of Division 4 of Title 2 of the Education Code.
- 3. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
- 4. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 88. Item 6110-243-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 (commencing with Section 41505) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code.....	96,954,000
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Provisions:

- 1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 89. Item 6110-244-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Article 4 (commencing with Section 41520) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 128,671,000

Provisions:

- 1. Of the funds appropriated in this item, \$3,329,000 is available to support the Teacher Credentialing Block Grant regional infrastructure.
- 2. 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.
- 3. 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 2.
- 4. Of the funds appropriated in this item, \$0 is provided for a cost-of-living adjustment for a total per-participant rate of \$4,069.
- 5. The funds in this item shall be made available only to beginning teachers, as defined in Section 44279.1 of the Education Code, serving in their first or second year of service in California.

SEC. 90. Item 6110-245-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Article 5 (commencing with Section 41530) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 273,289,000

Provisions:

- 1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base of 0.52 percent for a decline in statewide average daily attendance.

SEC. 91. Item 6110-246-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 (commencing with Section 41540) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 970,019,000

Provisions:

- 1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
- 2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
- 3. Notwithstanding any other provision of law, an additional \$100,118,000 in expenditures for this item has been deferred until the following fiscal year.

SEC. 92. Item 6110-247-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 (commencing with Section 41570) of Chapter 3.2 of Part 24 of Division 3 of Title 2 of the Education Code..... 463,031,000

Provisions:

1. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.
2. The funds appropriated in this item also reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.

SEC. 93. Item 6110-248-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

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 Division 3 of Title 2 of the Education Code..... 17,956,000

Provisions:

1. Of the funds appropriated in this item, \$0 is for the purpose of providing a cost-of-living adjustment.
2. The funds appropriated in this item reflect a reduction to the base funding of 0.52 percent for a statewide decline in average daily attendance.
3. Notwithstanding any other provision of law, up to \$400,000 of the funds appropriated in this item may be used for contracts with county offices of education to provide regional training in safe school planning and crisis response and for statewide coordination of such training.
4. 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 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.

SEC. 94. Item 6110-260-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-260-0001—For local assistance, Department of Education (Proposition 98), 20.11-Instructional Support: Physical Education Teacher Incentive Grants..... 41,812,000

Provisions:

- 1. The funds appropriated in this item are for transfer by the Controller to the Superintendent of Public Instruction to provide incentive grants to schools serving kindergarten or any of grades 1 to 8, inclusive, to support the hiring of more credentialed physical education teachers.

These grants shall be allocated in the amount of \$36,586 per schoolsite to the districts that were randomly selected in 2006–07 in order to hire teachers to provide instruction in physical education courses.

- 2. As a condition of receipt of funds, school districts identified through the process required pursuant to Section 41020 of the Education Code as not meeting the required physical education instruction minutes required in Sections 51210, 51222, and 51223 of the Education Code, shall be required to provide a plan to the county office of education that corrects the deficient physical education minutes for the following school year and, to the extent practicable, make up the deficient minutes identified.
- 3. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 95. Item 6110-265-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant..... 109,757,000

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 arts and music instruction in kindergarten and grades 1 to 12, inclusive. Local educational agencies shall use these funds to supplement, and not supplant, existing resources for arts and music.

2. (a) (1) The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education on the basis of an equal amount per pupil, provided that a minimum of \$2,228 shall be allocated for schoolsites with 20 or fewer pupils and a minimum of \$3,564 shall be allocated for schoolsites with more than 20 pupils.
- (2) Except as provided in subdivision (b), the governing board of a district, charter school, or county office of education shall distribute funds received pursuant to this item to all schoolsites on the basis of an equal amount per pupil or the schoolsite minimums as set forth in paragraph (1), whichever of the two amounts is greatest.
- (b) If the governing board elects not to allocate funds to schoolsites in the amounts specified pursuant to paragraph (2) of subdivision (a), the governing board shall do both of the following:
 - (1) Adopt a resolution to that effect at a public meeting. The resolution shall specify how the funds are to be allocated among schoolsites and for districtwide purposes and the reasons for those allocations.
 - (2) Prior to the public meeting, inform schoolsite councils, schoolwide advisory groups, or school support groups, as applicable, of the content of the proposed resolution and of the time and location where the resolution is proposed to be adopted.
- (c) By February 2, 2009, as a condition of receipt of funds, the governing board of each school district shall provide a summary report to the State Department of Education of how these funds were expended or are proposed to be expended, the number of pupils, and the grade levels served. The department shall collect and compile this

data and report that information to the Legislature and the Governor.

- (d) For purposes of this provision, “school district” means a school district, county office of education, state special school, or direct-funded charter school, as described in paragraph (1) of subdivision (a) of Section 47651 of the Education Code.
- 3. The funds appropriated in this item may be used for hiring of additional staff and for ongoing support of staff hired under the grant program, purchase of new or used materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.
- 4. Of the funds appropriated in this item, \$0 is provided for the purpose of a cost-of-living adjustment.

SEC. 96. Item 6110-267-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-267-0001—For local assistance, Department of Education (Proposition 98), Program 20-Instructional Support for Certificated Staff Mentoring Program..... 11,707,000

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 Article 6 (commencing with Section 44560) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.
- 2. Of the funds appropriated in this item, \$0 is provided for a cost-of-living adjustment for a total per-participant rate of \$6,273.

SEC. 97. Item 6110-488 of Section 2.00 of the Budget Act of 2008 is amended to read:

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the unobligated balances from the following items are available for reappropriation for the purposes specified in Provisions 1, 2, and 3:

0001—General Fund

- (1) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (2) \$1,441,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (3) \$3,663,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), \$1,749,000 of which was carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (4) \$12,921,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 and Stage 3 child care in Schedules (1.5)(e) and (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (6) \$18,120,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), with the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs.

- (7) \$8,000,000 of the amount appropriated to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code from Section 2.00 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (8) \$5,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the provision of wraparound care to children enrolled in preschool programs pursuant to Section 8238.6 of the Education Code (Ch. 211, Stats. 2006).
- (9) \$48,000 or whatever greater or lesser amount reflects the unexpended funds from subdivision (a) of Section 9 of Chapter 734 of the Statutes of 1999.
- (10) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Community-Based English Tutoring pursuant to Section 315 of the Education Code, as enacted by Proposition 227 in 1998.
- (11) \$9,200,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for juvenile education in Item 5225-011-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (12) \$76,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Small School District Bus Replacement in Schedule (2) of Item 6110-111-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (13) \$488,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Home to School Transportation in Schedule (1) of Item 6110-111-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (14) \$545,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California High School Exit Examination in Schedule (4) of Item 6110-113-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (15) \$2,060,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Assessment Review and Reporting and the STAR Program in Schedules (1) and (2) of Item 6110-

- 113-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (16) \$19,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for specialized secondary programs in Item 6110-122-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (17) \$17,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (3) of Item 6110-123-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (18) \$2,993,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (19) \$615,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the implementation of the Public Schools Accountability Act of 1999 for the Immediate Intervention/Underperforming Schools Program Corrective Actions in Schedule (2) of Item 6110-123-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (20) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Learners Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (21) \$5,149,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition Program in Schedule (2) of Item 6110-125-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
 - (22) \$109,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Schedule (1) of Item 6110-128-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).

- (23) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for Economic Impact Aid in Item 6110-128-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (24) \$1,500,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Administrator Training Program in Item 6110-144-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (25) \$7,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the American Indian Early Childhood Education Program in Item 6110-150-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (26) \$110,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Schedule (1) of Item 6110-151-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (27) \$177,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for American Indian Education Centers in Item 6110-151-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (28) \$1,385,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for adults in correctional facilities in Item 6110-158-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (29) \$107,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (30) \$21,919,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (31) \$57,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for vocational education for partnership academies in

- Item 6110-166-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (32) \$23,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Agricultural Vocational Education Incentive Program in Item 6110-167-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (33) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for educational technology programs in Item 6110-181-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (34) \$369,000 or whatever greater or lesser amount reflects the unexpended balance of the amount transferred to the State School Fund for educational technology programs in Item 6110-181-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (35) \$27,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for staff development for teacher peer review in Schedule (2) of Item 6110-193-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
 - (36) \$95,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Bilingual Teacher Training Assistance Program and teacher peer review in Schedules (1) and (2) of Item 6110-193-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (37) \$43,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for transfer to the State School Fund for teacher dismissal apportionments in Item 6110-209-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
 - (38) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for School Community Policing Partnership Competitive Grants Program in Schedule (5) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
 - (39) \$21,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the International Baccalaureate Diploma Program

- in Schedule (1) of Item 6110-240-0001 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (40) \$6,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Teacher Credentialing Block Grant Program in Item 6110-244-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (41) \$79,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (42) \$186,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the School and Library Improvement Block Grant Program in Item 6110-247-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (43) \$30,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Physical Education Teacher Incentive Grant Program in Item 6110-260-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (44) \$641,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated to county offices of education for site visits for Williams audits in Item 6110-266-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (45) \$101,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Charter School Facility Grant Program in Schedule (7) of Item 6110-485 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- (46) \$600,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Principal Training Program in Schedule (8) of Item 6110-485 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (47) \$25,645,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2004–05 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002.

- (48) \$178,352,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2007–08 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.
- (49) \$20,000,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for special education instruction in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).
- (50) \$520,000 or whatever greater or lesser amount reflects the unexpended balance for the After School Education and Safety Program in Item 6110-649-0001 from the 2006–07 fiscal year appropriation pursuant to Section 8483.5 of the Education Code, as enacted by Proposition 49 in 2002, and pursuant to Section 8483.51 of the Education Code, as enacted by Chapter 2 of the Statutes of 2008, Third Extraordinary Session.

Provisions:

- 2. The sum of \$295,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction, on a one-time basis, to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) to conduct comprehensive assessments pursuant to Section 41327.1 of the Education Code. Of the amount appropriated in this paragraph, FCMAT shall use \$60,000 for the assessment of the Oakland Unified School District, \$125,000 for an assessment of the Vallejo City Unified School District, and \$110,000 for an assessment of the West Fresno Elementary School District. FCMAT shall provide a copy of the written report to the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature representing those school districts, any advisory councils of those school districts, the Superintendent of Public Instruction, the county superintendents of schools with jurisdiction over those school districts, the Department of Finance, and the Office of the Secretary for Educa-

tion. The amount reappropriated pursuant to this section is for use in the 2008–09 fiscal year.

- 3. The sum of \$163,051,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 2 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.
- 4. The sum of \$164,686,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the purpose of funding CalWORKs Stage 3 child care. The amount reappropriated pursuant to this provision is for use in the 2008–09 fiscal year.

SEC. 97.5. Item 6120-011-6029 of Section 2.00 of the Budget Act of 2008 is amended to read:

6120-011-6029—For support of California State Library, Program 10-State Library Services-Administration of the California Cultural and Historical Endowment, authorized by Chapter 157 of the Statutes of 2003, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..... 1,000,000

Provisions:

- 1. The expenditure of funds from this item shall not exceed the amount authorized for administration from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40).

SEC. 98. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-001-0001—For support of University of California..... 3,000,920,000

Schedule:

- (1) Support..... 3,123,516,000
- (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
(8) Unallocated Reduction.....	-201,092,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00.
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. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its instructional support activities. The Director of Finance may authorize program expenditures for the list of planned projects 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 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. The list of planned projects submitted for approval for a given funding cycle should be all-inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding cycle, but with which the university wishes to proceed during the budget year, may be treated as an exempted project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 of each year, the university shall prepare a report describ-

ing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive awards, and the projected amount of energy savings. These reports will sunset at the end of the program.

3. The funds appropriated in Schedule (2) are for support of University of California programs 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. 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.
5. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.
6. 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.
7. 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.
8. Of the funds appropriated in Schedule (1), \$1,897,200 is for the California State Summer School for Mathe-

matics and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.

9. The University of California (UC) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative’s different components and activities, including an identification of best practices, and (d) the job placement of students who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.
10. The University of California shall report to the Legislature by March 15, 2009, on whether it has met its 2008–09 academic year enrollment goal.
11. Of the funds appropriated in Schedule (1), \$1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. 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, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.
12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master’s degree nursing programs and the master’s of science nursing degree programs.
13. 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, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

14. Of the funds appropriated in Schedule (1), \$19,300,000 is 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 of each year. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the university in April 2005. The report shall be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2009.
15. The amount appropriated in Schedule (1) reflects a reduction of \$32,300,000 to institutional support.
16. Of the amount appropriated in Schedule (1), \$15,000,000 shall be redirected from funds budgeted for compensation of administrators of the University of California, including administrators at the campuses and in the Office of the President, to support salary increases and a step pay system for low wage service employees.
17. Of the funds appropriated in Schedule (1), \$693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.
18. Of the funds appropriated in Schedule (1), \$427,500 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continu-

- ing to receive federal matching funds from the National Science Foundation.
19. Of the funds appropriated in Schedule (1), \$346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
 20. Of the funds appropriated in Schedule (1), \$16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.
 21. Of the funds appropriated in Schedule (1), \$693,000 shall be used for lupus research at the University of California, San Francisco.
 22. Of the funds appropriated in Schedule (1), \$1,385,100 shall be used to expand spinal cord injury research.
 23. Of the funds appropriated in Schedule (1), \$3,463,000 is to fund the Medical Investigation of Neurodevelopment Disorders (MIND) Institute, including \$3,150,000 for a research grants program.
 24. Of the funds appropriated in Schedule (1), \$5,400,000 is 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.
 25. The amount appropriated in this item reflects a \$5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item 6110-195-0890 from federal Title II carryover funds to ensure the projects can be maintained in the 2008–09 fiscal year.
 26. To the extent funds are available in Schedule (1), and contingent upon the receipt of an equal amount of private sector matching funds, the University of California shall allocate funds for the California Institute for Quantitative Biosciences for the purpose of enhancing innovative, cost-effective technologies and therapies in health care.

SEC. 99. Item 6440-301-0660 is added to Section 2.00 of the Budget Act of 2008, to read:

6440-301-0660—For capital outlay, University of California,
payable from the Public Buildings Construction Fund..... 204,637,000

Schedule:

Berkeley Campus:

- (1) 99.01.270-Biomedical and Health Sciences Building—Preliminary plans, working drawings, and construction..... 52,700,000

Davis Campus:

- (2) 99.03.350-Veterinary Medicine 3B—Construction..... 64,737,000

Los Angeles Campus:

- (3) 99.04.285-Hershey Hall Seismic Renovation—Working drawings and construction..... 23,100,000

Riverside Campus:

- (4) 99.05.200-Environmental Health and Safety Expansion—Working drawings and construction..... 16,619,000

San Diego Campus:

- (5) 99.06.390-Management School Facility Phase 2—Working drawings and construction..... 26,075,000

Santa Barbara Campus:

- (6) 99.08.135-Arts Building Seismic Corrections and Renewal—Construction..... 21,406,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
2. The University of California is 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 the 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 University of California from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

- 4. Notwithstanding Section 1.80 or any other provision of law, the appropriation made in this item is available for encumbrance until June 30, 2012.
- 5. Notwithstanding any other provision of law, the State Public Works Board may not authorize interim financing for the project funded in Schedule (1) until the University of California provides the board with a complete funding plan for the full build-out and the board determines that the funds provided in this item may be used in conjunction with other funding sources in the funding plan.

SEC. 100. Item 6440-302-6041 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-302-6041—For capital outlay, University of California, payable from the 2004 Higher Education Capital Outlay Bond Fund..... 5,802,000

Schedule:

Los Angeles Campus:

(1) 99.04.265-Life Sciences Replacement Building—Construction..... 5,802,000

Provisions:

- 1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
- 2. The University of California shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made 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 June 30, 2010, except that funds appropriated for construction only must be bid by June 30, 2009, and are available for expenditure until June 30, 2010, and that funds appropriated for equipment purposes are available for encumbrance until June 30, 2011. For the purpose 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 storage tank correction 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 construc-

tion of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), 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.

SEC. 101. Item 6440-304-6048 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-304-6048—For capital outlay, University of California, payable from the 2006 University Capital Outlay Bond Fund.....	39,850,000
Schedule:	
Statewide:	
(.5) 99.00.100-Statewide Telemedicine Services Expansion—Equipment.....	10,000,000
San Francisco Campus:	
(1) 99.02.155-Telemedicine and PRIME Urban Underserved Education Facilities—Construction and equipment.....	29,100,000
Davis Campus:	
(2) 99.03.365-Telemedicine Resource Center and Rural PRIME Facility—Equipment.....	750,000
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 reso-	

lution 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 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.

Not later than November 1 of each year, the University of California 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 of the Legislature.

2. The funds appropriated 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, 2009.

SEC. 102. Item 6610-301-0660 is added to Section 2.00 of the Budget Act of 2008, to read:

6610-301-0660—For capital outlay, California State University, payable from the Public Buildings Construction Fund.....	223,788,000
Schedule:	
(1) 06.50.066-Bakersfield: Art Center and Satellite Plant—Working drawings and construction.....	17,681,000

- (2) 06.51.010-Maritime Academy: Physical Education Replacement—Preliminary plans, working drawings, and construction..... 34,751,000
- (3) 06.74.008-Monterey Bay: Academic Building II—Preliminary plans, working drawings, and construction..... 40,599,000
- (4) 06.83.003-Channel Islands: Classroom and Faculty Office Renovation and Addition—Construction..... 29,686,000
- (5) 06.96.116-San Luis Obispo: Center for Science—Construction..... 101,071,000

Provisions:

- 1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
- 2. The California State University is 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 the 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 State University from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.
- 4. Notwithstanding Section 1.80 or any other provision of law, the appropriation made in this item is available for encumbrance until June 30, 2012.

SEC. 102.5. Item 6610-491 is added to Section 2.00 of the Budget Act of 2008, to read:

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:
6048—2006 University Capital Outlay Bond Fund

- (1) Item 6610-301-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Pomona Campus:

- (14) 06.98.109-Pomona: College of Business Administration—Working drawings and construction

SEC. 103. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)..... 3,989,230,000

Schedule:

- (1) 10.10.010-Appportionments..... 3,170,717,000
- (2) 10.10.020-Apprenticeship..... 14,641,000
- (3) 10.10.030-Growth for Appportionments..... 113,500,000
- (4) 20.10.004-Student Success for Basic Skills Students..... 33,100,000
- (5) 20.10.005-Student Financial Aid Administration..... 51,269,000
- (6) 20.10.020-Disabled Students..... 115,011,000
- (7) 20.10.045-Special Services for CalWORKs Recipients..... 43,580,000
- (8) 20.10.060-Foster Care Education Program..... 5,254,000
- (9) 20.10.070-Matriculation..... 101,803,000
- (10) 20.20.020-Academic Senate for the Community Colleges..... 467,000
- (11) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Stats. 2002..... 1,747,000
- (12) 20.20.050-Part-time Faculty Health Insurance..... 1,000,000
- (13) 20.20.051-Part-time Faculty Compensation..... 50,828,000

(14) 20.20.055-Part-time Faculty Office Hours.....	7,172,000
(15) 20.30.011-Telecommunications and Technology Services.....	26,197,000
(16) 20.30.050-Economic Development.....	46,790,000
(17) 20.30.070-Transfer Education and Articulation.....	1,424,000
(18) 20.40.026-Physical Plant and Instructional Support.....	27,345,000
(19) 20.10.010-Extended Opportunity Programs and Services and Special Services.....	122,291,000
(20) 20.30.045-Fund for Student Success....	6,158,000
(21) 20.70.010-Career Technical Education.....	20,000,000
(22) 20.80.010-Campus Childcare Tax Bailout.....	6,836,000
(23) 20.95.010-Nursing Program Support....	22,100,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16), (18), (19), and (22) are for transfer by the Controller during the 2008–09 fiscal year to Section B of the State School Fund.
2. Notwithstanding any other provision of law, 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.
3. The funds appropriated in Schedule (1) for Apportionments include \$31,409,000 to encourage district-level accountability efforts pursuant to Section 84754.5 of the Education Code. It is intended that the Chancellor of the California Community Colleges submit an annual report on district-specific accountability measures by March 19 of each year. This report shall reflect outcomes from the most recently completed fiscal year

for which data is available pursuant to Section 84754.5 of the Education Code.

4. Of the funds appropriated in Schedule (1), Apportionments:
 - (a) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.
 - (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 pursuant to Section 58508 of Title 5 of the California Code of Regulations.
5. Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
6.
 - (a) Of the amount appropriated in Schedule (2) for the Apprenticeship Program, up to \$14,641,000 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 \$5.06 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.
7. Funds appropriated in Schedule (3), Growth for Apportionments, shall be available first to any districts bringing online in the current fiscal year newly accred-

ited colleges or California Postsecondary Education Commission-approved educational centers. It is the intent of the Legislature that increases in basic foundation allocations to each college be funded prior to additional growth in full-time equivalent students. The Chancellor of the California Community Colleges shall provide a report by November 1 of each year, to the Department of Finance and the Legislative Analyst, on the number of new centers and colleges added for the current fiscal year and those anticipated to be added for the prospective budget year. This report shall also detail the specific funding adjustments provided for basic foundation allocations to each college and center for the current fiscal year.

8. 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 subdivision (a) of Provision 5 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.
10. Of the amount appropriated in Schedule (1), \$10,000,000 shall only be available for noncredit instruction to prepare pupils to pass the California High School Exit Examination (CAHSEE). The first priority shall be to serve high school pupils from the class of 2007 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 pupils who not only did not pass the CAH-SEE, 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.

11. The funds appropriated in Schedule (4), Student Success for Basic Skills Students, shall be allocated as follows:
 - (a) \$1,600,000 for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor of the California Community Colleges shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to subdivision (b) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this subdivision. The chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1, 2009.
 - (b) \$31,500,000 for allocation by the chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.
 - (c) Funding specified in subdivisions (a) and (b) shall be distributed to eligible applicants pursuant to Chapter 489 of the Statutes of 2007.
 - (d) The Office of the Chancellor shall work jointly with the Department of Finance and the Legislative Analyst to develop annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code. By November 1, 2009, the chancellor shall submit a report to the Gover-

nor and Legislature on the annual accountability measures developed pursuant to this process.

12. (a) Of the funds appropriated in Schedule (5) for Student Financial Aid Administration, not less than \$9,864,000 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 (5), not less than \$4,405,000 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) Funding provided to community college districts in subdivisions (a) and (b) of Provision 15 is provided to directly offset any mandated costs claimed by community college districts pursuant to Commission on State Mandates Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers).
- (d) (1) Of the amount appropriated in Schedule (5), \$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: (A) the California Community Colleges (CCC) remain affordable, (B) financial aid and tax credits are available to cover enrollment fees and help with books and other costs, and (C) 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 (5), 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 item, 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 increas-

- ing 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 Office of the Chancellor of the California Community Colleges provide the Legislature with a report not later than April 1, 2009, on the use of the funds allocated pursuant to paragraphs (1) and (2) of this subdivision (d), 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 report by September 1, 2008, in the manner and using the factors set forth in paragraph (5) of subdivision (b) of Provision 11 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), on the impact of outreach efforts on student headcount and FTES enrollment for the 2005–06 and 2006–07 academic years.
13. Of the funds appropriated in Schedule (19) for Extended Opportunity Programs and Services, \$106,786,000 is for Extended Opportunity Programs and Services (EOPS) in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 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. In addition, \$15,505,000

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 Division 7 of Title 3 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 Extended Opportunity Programs and Services, \$1,900,000 shall be available to support additional textbook assistance grants to community college students as an allowable expenditure consistent with paragraph (10) of subdivision (b) of Section 69648 of the Education Code.
15. The funds appropriated in Schedule (20) for the Fund for Student Success is for additional targeted student services, to be expended as follows:
 - (a) \$1,921,000 is for the Puente Project to support up to 75 colleges. These funds are available if matched by \$200,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project. All funding shall be allocated directly to participating districts in accordance with their participation agreement.
 - (b) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide \$1 in matching funds.
 - (c) 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 8.

16. (a) The funds appropriated in Schedule (6) 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 (6), no less than \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Office of the Chancellor of the California Community Colleges.
- (c) Of the amount appropriated in Schedule (6), 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 Office of the Chancellor. 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 (6), \$1,246,000 shall be for state hospital adult education programs at the hospitals served by the Coast and Kern 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 2008–09 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 2008–09 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
- (e) Of the funds appropriated in Schedule (6) for the Disabled Student Services, no less than \$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.

17. The funds appropriated in Schedule (7), 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 (7) 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.
 - (g) Campus-based case management, limited to on-campus assistance and services not provided by county case workers that do not supplant other counseling and academic support services funded

through existing California Community Colleges categorical programs.

Of the amount appropriated in Schedule (7), \$15,000,000 is for child care and does 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 2008–09 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 and work participation requirements, 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 positions. These funds may be expended only if the total hours of education, employment, and workstudy for the student are sufficient to meet both state and federal minimum requirements for qualifying work-related activities.

Funds may be used to provide credit or noncredit classes for CalWORKs students if a district has committed all of its funded full-time equivalent students (FTES) and is unable to offer the additional instructional services to meet the demand for CalWORKs students. This determination shall be based on fall enrollment information. Districts shall submit applications to the Office of the Chancellor by October 15 of

each year. If the chancellor approves the use of funds for direct instructional workload, the Office of the Chancellor shall submit a report to the Department of Finance and the Joint Legislative Budget Committee by November 15, 2008, that (a) identifies the enrollment of new CalWORKs students, (b) states whether and why additional classes were needed to accommodate the needs of CalWORKs students, and (c) sets forth an expenditure plan for the balance of funds.

As a condition of receipt of the funds appropriated in Schedule (7), by the fourth week following the end of the semester or quarter term commencing in January 2009, each participating community college shall submit to the Office of the Chancellor a report, in the format specified by the chancellor in consultation with the State Department of Social Services, that includes, but is not limited to, the funded components, the number of hours of child care provided, the average monthly enrollment of CalWORKs dependents served in child care, the number of workstudy hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, the student participation rates, and other outcome data. It is intended that, to the extent practical, reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. Further, it is intended that the Office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services by November 15 of each year.

First priority for expenditures of any funds appropriated in Schedule (7) 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, 2008, 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 Office of the Chancellor 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 (7) 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, and \$1,000,000 is available for campus job development and placement services.

18. Funds appropriated in Schedule (7) 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.
19. (a) Funds provided in Schedule (8) 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 training.

- (b) Funds provided in Schedule (8) 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.
20. (a) Funds appropriated in Schedule (9) 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 Division 7 of Title 3 of the Education Code.

- (b) Of the amount appropriated in Schedule (9), \$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.
21. The funds in Schedule (13) 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.
22. (a) \$24,197,000 of the funds provided in Schedule (15) 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 for the following purposes:

- (1) Provision of access to statewide multimedia hosting and delivery services for system colleges and districts.
- (2) Provision of systemwide Internet, audio bridging, and telephony.
- (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development in a manner consistent with paragraph (3) of subdivision (b) of Provision 17 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996).
- (4) Ongoing support for the California Virtual University Distance Education Program.
- (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K–20 segments in California.
- (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system towards improving learning outcomes.

In addition, a portion of the funds provided in this subdivision 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 subdivision (a) of Provision 21 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).

- (b) The Office of the Chancellor of the California Community Colleges shall develop the reporting criteria for all programs funded by this item and shall submit that for review along with an annual progress report on program implementation to the Legislative Analyst, the Office of the Secretary for Education, and the Department of Finance no

later than December 1 of each year. Reporting shall include summaries of allocations and expenditures by program and by district, where applicable.

- (c) Of the funds provided in Schedule (15), \$2,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success (Cal-PASS) program. As a condition of receipt of these funds, the grantee shall submit to the Office of the Chancellor, by October 15 of each year, all of the following: (1) a report that includes the numbers and percentages of institutions and school districts that have signed agreements and the number and percentage that have actively submitted data in the current year, (2) the results of an annual program evaluation, as prescribed by the chancellor, that sufficiently documents the value and productivity of the program, and (3) an annual financial audit, as prescribed by the chancellor, that includes an accounting of all funding sources and all uses of funds by funding source. It is the intent of the Legislature that all reporting requirements contained in this subdivision shall be completed using funds provided to the grantee.
23. Of the funds provided in Schedule (16) 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, coordina-

tion, 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.
- (e) \$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.
- (f) The following provisions apply to the expenditure of funds within subdivisions (a) and (b): 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) to increase the level of subsidized training otherwise available.
- (g) Funds allocated by the Board of Governors of the California Community Colleges under this provi-

sion 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 the guidelines for audits of economic development grants.

- (h) Primary objectives of the Economic and Workforce Development Program are 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 and Workforce 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.
24. (a) The funds appropriated in Schedule (17) 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 (17) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.

25. (a) \$13,673,000 of the funds appropriated in Schedule (18) 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 (42 U.S.C. Sec. 12101 et seq.) 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 (18) 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 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 (18) shall be available for expenditure until June 30, 2010.
26. 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 (6), (9), (11), and (19) 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.
27. The funds appropriated in Schedule (21) 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 and Workforce Development Program. Prior to the allocation of these funds, the Chancellor of the California Community Colleges, in conjunction with the State Department of Education, shall submit a proposed expenditure plan for the funds contained in this item, and the rationale therefor, to the Department of Finance by August 1, 2008, for approval.

Of the funds appropriated in Schedule (21), \$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 pupils in kindergarten and grades 1 to 12, inclusive, and the California Community Colleges.

28. The funds appropriated in Schedule (22) 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.
29. With regard to the funds appropriated in Schedule (23), Nursing Program Support, all of the following shall apply:
 - (a) \$14,000,000 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. 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.
 - (b) \$8,100,000 shall be used to provide diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
 - (d) The Board of Governors of the California Community Colleges shall develop a request for applications (RFA) to allocate the additional \$5,214,000 of funds 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 2007–08 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.
- (e) 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.
- (f) 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 2006–07 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 2006–07 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.

SEC. 104. Item 7980-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-001-0001—For support of Student Aid Commission.....	14,206,000
Schedule:	
(1) 15-Financial Aid Grants Program.....	15,421,000
(1.5) 50-California Loan Program.....	1,000,000

(2) 80.01-Administration and Support Services.....	3,369,000
(3) 80.02-Distributed Administration and Support Services.....	-3,369,000
(3.5) 97.20.001-Unallocated Reduction.....	-789,000
(4) Reimbursements.....	-296,000
(4.5) Amount payable from the Student Loan Operating Fund (Item 7980-001-0784).....	-1,000,000
(5) Amount payable from the Federal Trust Fund (Item 7980-001-0890).....	-130,000

Provisions:

1. The funds appropriated in this item are available only for the Student Aid Commission’s state operations activities.
2. Of the funds appropriated in Schedule (1), up to \$369,000 is available for expenditure to support enhancement of the Student Aid Commission’s Grant Delivery System.
3. Schedule (1) includes funding for 2.0 positions to increase program compliance reviews for institutions participating in the Cal Grant Program under Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3 of the Education Code and the Assumption Program of Loans for Education under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, with the objective of auditing higher risk institutions once every three years. The audits shall emphasize verification of applicant eligibility, fund disbursement, and payment reconciliation. The Student Aid Commission shall prioritize its review of institutions that have demonstrated noncompliance in prior audits. The commission shall report to the Legislature and the Governor by September 30, 2008, on the institutions audited, the rate of noncompliance with each major program requirement, and the steps taken to address noncompliance.
4. (a) This item reflects \$1,000,000 payable from the Student Loan Operating Fund for the purpose of funding, on a limited-term basis, 6.0 positions in the Federal Policy and Programs Division. Those positions shall be continued until a sale or other

authorized transaction is completed pursuant to Chapter 182 of the Statutes of 2007, which is anticipated to occur in the 2009–10 fiscal year.

- (b) Additionally, this item reflects an increase of \$1,010,000 available on a one-time basis for necessary moving costs, furnishings, and equipment associated with relocation of the Student Aid Commission. Not later than August 1, 2008, the commission shall detail and submit for approval to the Department of Finance, and for informational purposes to the Chairperson of the Joint Legislative Budget Committee, all one-time costs estimated to be necessary for relocation of the commission. Any funds remaining shall be available for any expenses that may be necessary or convenient to further the intent of the sale or other authorized transaction of EdFund pursuant to Chapter 182 of the Statutes of 2007 upon the written approval of the Department of Finance.

SEC. 105. Item 7980-001-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-001-0890—For support of Student Aid Commission, Cash for College Program, for payment to Item 7980-001-0001, payable from the Federal Trust Fund..... 130,000

SEC. 106. Item 7980-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-101-0001—For local assistance, Student Aid Commission..... 823,984,000

Schedule:

- (1) 15-Financial Aid Grants Program..... 885,669,000
- (2) Reimbursements..... -19,514,000
- (3) Amount payable from the Federal Trust Fund (Item 7980-101-0890)..... -18,171,000
- (4) Amount payable from the Student Loan Operating Fund (Item 7980-101-0784)..... -24,000,000

Provisions:

- 1. Funds appropriated in Schedule (1) are for 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 Division 5 of Title 3 of the Education Code.
- (b) Grants under the Law Enforcement Personnel Dependents Scholarship Program pursuant to 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 Division 5 of Title 3 of the Education Code.
- (d) The purchase of loan assumptions under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. The Student Aid Commission shall issue 8,000 new warrants.
- (e) The purchase of loan assumptions under the Graduate Assumption Program of Loans for Education pursuant to Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.
- (f) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) Employees of State Facilities Program pursuant to Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
- (g) The purchase of loan assumptions under the State Nursing Assumption Program of Loans for Education (SNAPLE) pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
- (h) The Student Aid Commission shall report by April 1, 2009, on the State Nursing Assumption Program of Loans for Education, pursuant to the reporting requirements of Section 70108 of the Education Code.
- (i) Of the amount appropriated in Schedule (1), \$297,000 is provided for loan assumption payments to participants in the National Guard Assumption Program of Loans for Education pursuant to Article 12.5 (commencing with Section

- 69750) of Chapter 2 of Part 42 of the Education Code.
- (j) Notwithstanding subdivision (c) of Section 69613.8 of the Education Code, any Assumption Program of Loans for Education participant who meets the requirements of subdivision (a) or (b) of Section 69613.8 of the Education Code may receive the additional loan assumption benefits authorized by those subdivisions.
2. If federal trust funds for the 2008–09 fiscal year exceed budgeted levels for the Leveraging Educational Assistance Partnership Program (LEAP) and the Special Leveraging Educational Assistance Partnership Program (SLEAP), 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, notwithstanding subdivision (k) of Section 69432.7 of the Education Code, whose income or family's gross income does not exceed \$88,300 for the purpose of determining recipients for the 2008–09 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.
 - (d) All recipients receiving Cal Grant C book and supply awards shall be \$576.
 5. Of the funds appropriated in this item, \$7,349,000 is for the California Student Opportunity and Access Program established pursuant to Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, as amended in the current legislative session, and shall be available to provide financial aid awareness and outreach to students who are preparing to enter, or are

currently enrolled in, college. Of this amount, \$1,000,000 is dedicated for career technical education and the resulting career opportunities. The Student Aid Commission shall consult with the State Department of Education and the Chancellor's Office of the California Community Colleges in determining the projects and activities for these funds. This provision reflects funds anticipated from the College Access Challenge Grant Program authorized by HR 2669 for the federal 2007–08 and 2008–09 fiscal years.

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 Division 5 of Title 3 of the Education Code.
7. Pursuant to Chapter 403 of the Statutes of 2000 and notwithstanding any other provision of 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 Division 5 of Title 3 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 of the Legislature that consider appropriations, nor sooner than whatever lesser time those persons, or their designees, may in each instance determine.
8. The Student Aid Commission is authorized to issue 100 new warrants for the State Nursing Assumption Program of Loans for Education (SNAPLE) Employees of State Facilities Program pursuant to Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.
9. The Student Aid Commission shall issue 100 new State Nursing Assumption Program of Loans for Edu-

cation (SNAPLE) warrants pursuant to Article 1 (commencing with Section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code.

- 10. Of the funds appropriated in Schedule (1), as reimbursed from federal trust funds in Schedule (3), \$200,000 is for the Cash for College Program.

SEC. 107. Item 7980-101-0890 of Section 2.00 of the Budget Act of 2008 is amended to read:

7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund..... 18,171,000

Provisions:

- 1. Of the funds appropriated in this item, \$10,622,000 is available for the Leveraging Educational Assistance Partnership Program (LEAP) and Special Leveraging Educational Assistance Partnership Program (SLEAP).
- 2. Of the funds appropriated in this item, \$200,000 is available for the Cash for College Program. This amount reflects funds anticipated from the new College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.
- 3. Of the funds appropriated in this item, \$7,349,000 is available for the California Student Opportunity and Access Program (Cal-SOAP). This amount reflects funds anticipated from the New College Access Challenge Grant Program authorized in HR 2669 for the 2007–08 and 2008–09 federal fiscal years.

SEC. 108. Item 8380-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

8380-001-0001—For support of Department of Personnel Administration..... 6,285,000

Schedule:

- (1) 10-Classification and Compensation..... 6,442,000
- (2) 20-Labor Relations..... 3,480,000
- (3) 25-Legal..... 7,947,000
- (4) 40.01-Administration..... 4,370,000
- (5) 40.02-Distributed Administration..... -4,457,000
- (6) 54-Benefits Administration..... 32,972,000
- (7) Reimbursements..... -19,254,000

- (8) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821)..... -1,183,000
- (9) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-0915)..... -13,837,000
- (10) Amount payable from the Vision Care Program for State Annuitants Fund (Item 8380-001-8049)..... -6,500,000
- (11) Amount payable from the Central Service Cost Recovery Fund (Item 8380-001-9740)..... -3,695,000

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, \$350,000 may be spent by the Department of Personnel Administration to contract with one or more recruitment contractors to locate and develop a pool of prospective health care professionals for various state departments that employ medical, mental health, or dental professionals. It is the intent of the Legislature that these contracts will be structured on a performance basis with payments tied to the successful hiring of state staff. Should the Director of Finance, upon receiving a recommendation of the Director of the Department of Personnel Administration, determine that it would be in the interests of the state to expand the dollar amount committed to this project, he or she may submit to the Chairperson of the Joint Legislative Budget Committee and the Legislative Analyst a report describing the number of individuals who have been successfully hired to permanent positions in affected departments as a result of the recruitment contractors' work to date and the anticipated benefits (including funds that affected departments would revert to the State Treasury due to decreased overtime and contracted personnel costs) that would result from an expansion of the funds

committed to this project. Not less than 30 days after submitting the report described above, the Director of Finance may augment this item by an amount not exceeding \$1,500,000 in order to increase health care personnel recruitment efforts.

SEC. 109. Item 8660-001-0042 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 3,280,000

SEC. 110. Item 8660-001-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 3,423,000

SEC. 111. Item 8660-001-0412 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0412—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Transportation Rate Fund..... 2,702,000

SEC. 112. Item 8660-001-0461 of Section 2.00 of the Budget Act of 2008 is amended to read:

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..... 10,681,000

SEC. 113. Item 8660-001-0462 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account..... 77,148,000

Schedule:

(1) 10-Regulation of Utilities.....	120,360,000
(2) 15-Universal Service Telephone Programs.....	663,655,000
(3) 20-Regulation of Transportation.....	19,588,000
(4) 30.01-Administration.....	29,123,000
(5) 30.02-Distributed Administration.....	-29,123,000
(6) Reimbursements.....	-14,874,000
(6.5) Reimbursement to the Office of Ratepayer Advocates.....	-3,910,000
(7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042).....	-3,280,000
(8) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046).....	-3,423,000
(9) Amount payable from the Transportation Rate Fund (Item 8660-001-0412)....	-2,702,000
(10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461).....	-10,681,000
(11) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464).....	-56,361,000
(12) Amount payable from California High-Cost Fund-B Administrative Committee Fund (Item 8660-001-0470).....	-196,148,000
(13) Amount payable from Universal Lifeline Telephone Service Trust Administrative Committee Fund (Item 8660-001-0471).....	-308,154,000
(14) Amount payable from Deaf and Disabled Telecommunications Program Administrative Committee Fund (Item 8660-001-0483).....	-69,046,000
(15) Amount payable from Payphone Service Providers Committee Fund (Item 8660-001-0491).....	-495,000

- (16) Amount payable from California Teleconnect Fund Administrative Committee Fund (Item 8660-001-0493)..... -33,451,000
- (17) Amount payable from the Federal Trust Fund (Item 8660-001-0890)..... -1,272,000
- (18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089)..... -22,658,000

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.

SEC. 114. Item 8660-011-0470 is added to Section 2.00 of the Budget Act of 2008, to read:

8660-011-0470—For transfer by the Controller from the California High-Cost Fund-B Administrative Committee Fund to the General Fund..... (35,000,000)

Provisions:

- 1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the California High-Cost Fund-B Administrative Committee Fund are not adversely affected by the loan.

SEC. 115. Item 8660-011-0471 is added to Section 2.00 of the Budget Act of 2008, to read:

8660-011-0471—For transfer by the Controller from the Universal Lifeline Telephone Service Trust Administrative Committee Fund to the General Fund..... (30,000,000)

Provisions:

- 1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Universal Lifeline Telephone Service Trust Administrative Committee Fund are not adversely affected by the loan.

SEC. 116. Item 8660-011-0483 is added to Section 2.00 of the Budget Act of 2008, to read:

8660-011-0483—For transfer by the Controller from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the General Fund..... (85,000,000)

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Deaf and Disabled Telecommunications Program Administrative Committee Fund are not adversely affected by the loan.

SEC. 117. Item 8860-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

8860-001-0001—For support of Department of Finance..... 16,243,000

Schedule:

- | | |
|--|-------------|
| (1) 10-Annual Financial Plan..... | 22,767,000 |
| (2) 15-Statewide Systems Development..... | 1,915,000 |
| (3) 20-Program and Information System Assessments..... | 12,699,000 |
| (4) 30-Supportive Data..... | 12,603,000 |
| (5) 40.01-Administration..... | 8,230,000 |
| (6) 40.02-Distributed Administration..... | -5,595,000 |
| (7) Reimbursements..... | -19,679,000 |
| (8) Amount payable from Unallocated Special Funds (Item 8860-011-0494).... | -547,000 |
| (9) Amount payable from Unallocated Bond Funds—Select (Item 8860-011-0797).... | -120,000 |
| (10) Amount payable from Other Unallocated Nongovernmental Cost Funds (Item 8860-011-0988)..... | -327,000 |
| (11) Amount payable from Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (Item 8860-001-6065)..... | -119,000 |

(12) Amount payable from Central Service
 Cost Recovery Fund (Item 8860-001-
 9740)..... -15,584,000

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 2008–09 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, 2008, 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’s Office—45 copies, the Office of the Legislative Counsel—six copies, offices of the Members of the Legislature—120 copies, the Rules Committees of the Assembly and Senate—5 copies each, and the fiscal committees of the Legislature—60 copies, and (2) no later than four weeks after the Gover-

nor’s Budget is formally presented in electronic or any other Web-based form, 131 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 129 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, 2009, for the purpose of providing continuity of services.

SEC. 118. Item 8880-001-9737 of Section 2.00 of the Budget Act of 2008 is amended to read:

8880-001-9737—For support of Financial Information System for California, payable from the FI\$Cal Internal Service Fund.....	37,650,000
Schedule:	
(1) 15-Statewide Systems Development.....	39,825,000
(2) Amount payable from General Fund (Item 8880-001-0001).....	-2,175,000

Provisions:

1. The Department of Finance is authorized to approve and make expenditures from this item until the Office of the Financial Information System for California is established through legislation.
2. Control agency delegations for administrative services approved for the administrative services provider department to the Financial Information System for California (FI\$Cal) project shall be extended to the FI\$Cal project and the FI\$Cal Office until such time as the project and office obtain separate delegation approvals.

SEC. 119. Item 8940-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

8940-001-0001—For support of Military Department..... 40,326,000

Schedule:

- | | |
|---|-------------|
| (1) 10-Army National Guard..... | 71,658,000 |
| (2) 20-Air National Guard..... | 20,821,000 |
| (3) 30.01-Office of the Adjutant General.... | 10,786,000 |
| (4) 30.02-Distributed Office of the Adjutant General..... | -10,699,000 |
| (5) 35-Military Support to Civil Authority..... | 19,090,000 |
| (6) 40-Military Retirement..... | 3,035,000 |
| (7) 50-California Cadet Corps..... | 330,000 |
| (8) 55-California State Military Reserve..... | 456,000 |
| (9) 65-California National Guard Youth Programs..... | 16,592,000 |
| (11) Reimbursements..... | -18,870,000 |
| (12) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485)..... | -150,000 |
| (13) Amount payable from the Federal Trust Fund (Item 8940-001-0890)..... | -72,723,000 |

Provisions:

1. No expenditures shall be made from the funds appropriated in this item as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, that, in the absence of the expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the

California State Military, or the California State Military Reserve from the federal government.

- 2. The funds appropriated in Schedule (6) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.
- 3. Of the funds appropriated in this item, \$604,000 shall be used to provide mandatory employee compensation increases for state active duty employees, as follows: (a) \$302,000 shall provide the remaining half-year funding needed for the compensation increase effective January 1, 2008; (b) \$302,000 shall provide half-year funding for a compensation increase effective January 1, 2009, and shall only be available for expenditure upon passage of a federal active duty compensation increase in the federal budget. The funds provided in this paragraph shall be expended pursuant to Sections 320 and 321 of the Military and Veterans Code, which requires state active duty employees to receive the same compensation increases as their counterparts on federal active duty. Any unspent funds pursuant to this paragraph shall revert to the General Fund.

SEC. 119.5. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9210-101-0001—For local assistance, Local Government Financing.....	214,200,000
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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, 2010. These funds shall be used to supplement and not supplant existing services.

SEC. 120. Item 9210-105-0001 is added to Section 2.00 of the Budget Act of 2008, to read:

9210-105-0001—For local assistance, Local Government Financing.....	31,500,000
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Provisions:

1. For reimbursement of actual costs incurred by cities and other entities for local detention facilities subventions, charged pursuant to subdivision (a) of Section 29552 of the Government Code during the 2007–08 fiscal year. Any funds not disbursed shall revert to the General Fund no later than June 30, 2009.
2. No later than December 1, 2008, the Controller shall allocate the funds appropriated in this item to all eligible cities and other entities, and shall certify to the Director of Finance the actual amount of moneys allocated for the payment of local detention facilities subventions, as described in Section 29552 of the Government Code. Any city or other entity that applies for funding pursuant to this item shall comply with all requests made by the Controller.
3. The Controller shall reduce payments proportionally if the amount appropriated in this item is not sufficient to pay all valid claims in full.

SEC. 121. Item 9350-104-6065 is added to Section 2.00 of the Budget Act of 2008, to read:

9350-104-6065—Local assistance-shared revenues for support of Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006..... 250,000,000

Provisions:

1. Of the funds appropriated in this item, \$187,000,000 is for allocation to cities or a city and county and \$63,000,000 is for allocation to counties or a city and county.
2. The Controller shall allocate these funds to cities or a city and county, on a first-come, first-served basis, following notification from the Department of Finance that the city or city and county has submitted a complete plan for the expenditure of these funds, pursuant to subdivision (b) of Section 8879.65 of the Government Code.
3. For purposes of this item, the following conditions shall apply for cities or a city and county receiving funds:

- (a) A city or city and county shall have received its full allocation for the 2007–08 fiscal year.
- (b) A city or city and county shall have submitted information for the 2007–08 fiscal year allocation as required in subdivision (c) of Section 8879.65 of the Government Code.
- (c) A city or city and county shall agree that funds from the 2008–09 fiscal year allocation will be used for projects that are not currently fully funded with a dedicated funding source or sources.
- (d) A city or city and county shall agree to encumber funds from the 2008–09 fiscal year allocation before July 1, 2009.
- (e) A city or city and county shall report to the Department of Finance the total balance of unencumbered funds in the city’s or city and county’s existing account as described in subparagraphs (A) and (C) of paragraph (2) of subdivision (I) of Section 8879.23 of the Government Code.
- (f) A city or city and county shall certify that the total balance of unencumbered funds in the account as described in subparagraphs (A) and (C) of paragraph (2) of subdivision (I) of Section 8879.23 of the Government Code is no more than the sum balance of three months of anticipated income from the Highway Users Tax Account in the Transportation Tax Fund, as described in Sections 2104, 2105, 2106, 2107, and 2107.5 of the Streets and Highways Code, and from the Transportation Investment Fund, as described in Section 7104 of the Revenue and Taxation Code. If a city or city and county has an unencumbered balance that exceeds the sum balance of the three months of anticipated income from the Highway Users Tax Account in the Transportation Tax Fund and the Transportation Investment Fund, the city or city and county shall reduce its existing unencumbered road fund balance, before the next report submitted to the Controller pursuant to Section 2151 of the Streets and Highways Code, by either of the following:

- (1) By an amount equivalent to the allocation received under this subdivision.
 - (2) Until the unencumbered balance is no more than the sum balance of three months of anticipated income from the Highway Users Tax Account in the Transportation Tax Fund and the Transportation Investment Fund.
 - (g) For the purpose of this item, “unencumbered” means any portion of funding that is not designated, through prior approval by the city council, for use on the planning, review, design, or construction phase of a project currently underway at the time of the road fund report.
4. These funds shall be available for allocation by the Controller until June 30, 2011.

SEC. 122. Section 4.07 of the Budget Act of 2008 is amended to read:

Sec. 4.07. (a) The Director of Finance shall reduce General Fund appropriations in the 2008–09 fiscal year by a total of \$50,000,000. To the extent practical, these reductions shall capture savings in departmental personal services budgets resulting from position vacancies that, in the aggregate, exceed those estimated for purposes of salary savings in each applicable appropriation item. The reductions may include, but are not limited to, savings related to the elimination of vacant positions in the 2008–09 fiscal year or in other fiscal years pursuant to Section 12439 of the Government Code.

(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 affect program needs as provided for in this act or current law, and provided that the affected entity or the state official responsible for that expenditure concurs with the reduction.

(c) 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.

(d) Not later than April 15, 2009, 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 the amount of reductions made in each item of appropriation pursuant to this section. The report shall include at least the following: the total dollar amount of vacancy-related reductions by department and agency; the savings achieved related to positions abolished by Section 12439 of the Government Code; the savings from position vacancies unrelated to Section 12439 of the Government Code; the positions and the amount of savings that the Administration proposes as permanent, if any; a description of any major programmatic effects relating to the reductions; and any other description necessary to fully disclose the reduction's impact.

(e) If reductions related to position vacancies are not sufficient to reduce General Fund appropriations by a total of \$50,000,000, the Director of Finance shall make reductions that are not related to position vacancies in order to achieve the total reduction required in subdivision (a). In the report described in subdivision (d), the Director of Finance shall include a description of each reduction by department, agency, and program; whether those reductions are proposed to be one-time or ongoing; a description of any major programmatic effects related to those reductions; and any other description necessary to fully disclose the impact of those reductions.

(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 this section 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 this section by more than 5 percent.

SEC. 122.5. Section 12.32 of the Budget Act of 2008 is amended to read:

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 chairpersons of the committees in each house of the Legislature that consider 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 Division

3 of Title 2 of the Education Code, the total appropriations for Proposition 98 for the 2008–09 fiscal year are \$41,949,000,000 or 42.5 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for school districts are \$37,540,946,000 or 38.0 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for community college districts are \$4,301,706,000 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 \$106,348,000 or 0.1 percent of total General Fund revenues and transfers subject to the state appropriations limit.

SEC. 123. Section 24.85 of the Budget Act of 2008 is amended to read:

Sec. 24.85. (a) Notwithstanding any other provision of law, the Director of Finance is authorized to reimburse General Fund expenditures for the purpose of offsetting the costs of the Home-to-School Transportation Program for the 2008–09 fiscal year from the Public Transportation Account. A sum not to exceed \$588,826,000 from the Public Transportation Account may be used to reimburse General Fund expenditures for the Home-to-School Transportation Program. The total reimbursement shall not reduce the balance in the Public Transportation Account below a prudent reserve as determined by the Director of Finance.

(b) It is not the intent of the Legislature in enacting this section to provide additional expenditure authority to state programs.

(c) Funds provided from the Public Transportation Account for this purpose are derived from the sales tax on fuels and are dedicated to mass transportation purposes pursuant to Section 99310.5 of the Public Utilities Code. The Legislature hereby finds that transporting students to schools is a component of the state's mass transportation program.

SEC. 124. Section 35.20 is added to the Budget Act of 2008, to read:

Sec. 35.20. If legislation is enacted amending Section 13302 of the Government Code to allow the accrual of tax payments due more than two months after the close of the fiscal year for transactions occurring in the prior fiscal year, the Department of Finance shall provide guidance pursuant to Section 13310 of the Government Code with respect to the methodology to be employed in determining accruals and the timing of implementation of any changes in tax accrual practices. This change to accrual treatment of corporation and franchise tax payments and all of the change to the treatment of personal income tax payments shall apply to the 2007–08 fiscal year.

SEC. 125. Section 35.50 of the Budget Act of 2008 is amended to read:

Sec. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (f) of Section 12, of Article IV of the California Constitution, "General Fund revenues" means the total resources available to the General Fund for a fiscal year before any transfer to the Budget Stabilization Account.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, "all appropriations from the General Fund for that fiscal year" shall not include any transfer to the Budget Stabilization Account to retire Economic Recovery Bonds because that amount is reflected in the "amount of any General Fund moneys transferred to the Budget Stabilization Account."

(c) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2008–09 fiscal year pursuant to this act, as passed by the Legislature, is \$106,355,000,000.

(d) 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 before any transfer to the Budget Stabilization Account, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

SEC. 126. Sections 1 to 125, inclusive, of this act shall become operative only if the Budget Act of 2008, Assembly Bill 1781, as proposed by Conference Report No. 1 on July 17, 2008, is enacted and becomes effective on or before January 1, 2009.

SEC. 127. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act makes appropriations for the support of the government of the State of California and for several public purposes for the 2008–09 fiscal year. It is imperative that these appropriations be made effective as soon as possible. It is therefore necessary that this act go into immediate effect.

CHAPTER 270

An act to amend Section 12810.3 of, and to add Section 23123.5 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 24, 2008. Filed with
Secretary of State September 24, 2008.]

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

SECTION 1. Section 12810.3 of the Vehicle Code is amended to read:

12810.3. (a) Notwithstanding subdivision (f) of Section 12810, a violation point shall not be given for a conviction of a violation of subdivision (a) of Section 23123, subdivision (a) of Section 23123.5, or subdivision (b) of Section 23124.

(b) This section shall become operative on July 1, 2008.

SEC. 2. Section 23123.5 is added to the Vehicle Code, to read:

23123.5. (a) A person shall not drive a motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication.

(b) As used in this section “write, send, or read a text-based communication” means using an electronic wireless communications device to manually communicate with any person using a text-based communication, including, but not limited to, communications referred to as a text message, instant message, or electronic mail.

(c) For purposes of this section, a person shall not be deemed to be writing, reading, or sending a text-based communication if the person reads, selects, or enters a telephone number or name in an electronic wireless communications device for the purpose of making or receiving a telephone call.

(d) A violation of this section is an infraction punishable by a base fine of twenty dollars (\$20) for a first offense and fifty dollars (\$50) for each subsequent offense.

(e) This section does not apply to an emergency services professional using an electronic wireless communications device while operating an authorized emergency vehicle, as defined in Section 165, in the course and scope of his or her duties.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 271

An act to add Sections 42270, 42271, and 47614.7 to, and to repeal Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of Division 3 of Title 2 of, the Education Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 24, 2008. Filed with
Secretary of State September 24, 2008.]

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

SECTION 1. Section 42270 is added to the Education Code, to read: 42270. A school district that received a grant pursuant to this article for the 2007–08 fiscal year shall:

(a) Be exempt from the increase in school building capacity required pursuant to Section 17071.35.

(b) Have its year-round school grant phased out over a four-year period. The school district shall receive amounts according to the following schedule:

(1) For the 2008–09 fiscal year, 80 percent of the amount received in the 2007–08 fiscal year.

(2) For the 2009–10 fiscal year, 60 percent of the amount received in the 2007–08 fiscal year.

(3) For the 2010–11 fiscal year, 40 percent of the amount received in the 2007–08 fiscal year.

(4) For the 2011–12 fiscal year, 20 percent of the amount received in the 2007–08 fiscal year.

(5) For the 2012–13 fiscal year and each fiscal year thereafter, zero percent of the amount received in the 2007–08 fiscal year.

(c) Notwithstanding any other law, commencing with the 2008–09 fiscal year, the Superintendent shall not approve new year-round school grants.

SEC. 2. Section 42271 is added to the Education Code, to read: 42271. This article shall become inoperative on July 1, 2013, and, as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 47614.7 is added to the Education Code, to read: 47614.7. (a) The Budget Act for the 2008–09 fiscal year and the Budget Acts for each fiscal year thereafter shall appropriate to the department for the purpose of the Charter School Facility Grant Program, as set forth in Section 47614.5, an amount equal to the amount

appropriated for the program in the 2007–08 fiscal year, plus the amount equal to the reduction in funding for the Year-Round School Grant Program (Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of Division 3) associated with the reduction in the grants for year-round schools that is set forth in Section 42270.

(b) If this act is enacted after the Budget Act of 2008 is enacted and if the Budget Act of 2008 does not reflect the reallocation of funds as specified in subdivision (a), the Director of Finance, upon notice to the Joint Legislative Budget Committee, shall transfer 20 percent of the amount appropriated in Item 6110-224-0001 to Item 6110-220-0001 of Section 2.00 of the Budget Act of 2008 to accomplish the reallocation of funding specified in subdivision (a).

(c) If the Budget Act for any of the 2009–10 to 2012–13 fiscal years, inclusive, does not reflect the reallocation of funds specified in subdivision (a), the Director of Finance, upon notice to the Joint Legislative Budget Committee, shall transfer an amount appropriated in Item 6110-224-0001 of Section 2.00 of the Budget Act for any of those fiscal years, as applicable, to Item 6110-200-0001 of Section 2.00 of the Budget Act for that fiscal year in order to accomplish the reallocation of funds specified in subdivision (a). The total amount of the reallocation in each fiscal year pursuant to this subdivision shall be no less than the applicable amount specified in the following schedule:

(1) For the 2009–10 fiscal year, 40 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(2) For the 2010–11 fiscal year, 60 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(3) For the 2011–12 fiscal year, 80 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(4) For the 2012–13 fiscal year, 100 percent of the amount expended from Item 6110-224-0001 of Section 2.00 of the Budget Act of 2007.

(d) It is the intent of the Legislature that the funding level for the Charter Schools Facility Grant Program for the 2012–13 fiscal year be considered the base level of funding for subsequent fiscal years.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the shift of funds to take effect for the entire 2008–09 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 272

An act to add Article 13 (commencing with Section 10475) to Chapter 2 of Part 2 of Division 2 of the Public Contract Code, relating to public contracts.

[Approved by Governor September 24, 2008. Filed with
Secretary of State September 24, 2008.]

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

SECTION 1. Article 13 (commencing with Section 10475) is added to Chapter 2 of Part 2 of Division 2 of the Public Contract Code, to read:

Article 13. Darfur Contracting Act of 2008

10475. The Legislature hereby finds and declares all of the following:

(a) On September 21, 2004, in addressing the United Nations General Assembly, President George W. Bush affirmed the Secretary of State's finding and stated, "At this hour, the world is witnessing terrible suffering and horrible crimes in the Darfur region of Sudan, crimes my government has concluded are genocide."

(b) The federal government has imposed sanctions against the Government of Sudan since 1997. These sanctions are monitored through the United States Treasury Department's Office of Foreign Assets Control (OFAC).

(c) Since 1993, the United States Secretary of State has determined Sudan is a country whose government has repeatedly provided support for acts of international terrorism, thereby restricting United States assistance, defense exports and sales, and financial and other transactions with the Government of Sudan.

(d) On December 31, 2007, President George W. Bush signed the Sudan Accountability and Divestment Act (Public Law 110-174). The legislation passed the Senate and the House of Representatives unanimously. That act authorizes state and local governments to adopt policies to divest from, and prohibit, contracts with problematic companies operating in Sudan's oil, power, mineral, and military sectors. That act also prohibits the federal government from contracting with these companies.

(e) On September 25, 2006, Governor Arnold Schwarzenegger stated, "Divesting will show our defiance of a government that murders" when signing Assembly Bill 2941 into law enabling the nation's two largest pension funds to divest from investments in Sudan.

10476. As used in this article, the following definition applies:

“Scrutinized company” means a company in Sudan that is involved in power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, but excludes a company that can demonstrate any of the following:

(a) Its business operations are conducted under contract directly and exclusively with the regional government of southern Sudan.

(b) Its business operations are conducted under a license from the Office of Foreign Assets Control, or are expressly exempted under federal law from the requirement to be conducted under such a license.

(c) Its business operations consist of providing goods or services to marginalized populations of Sudan.

(d) Its business operations exclusively consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization.

(e) Its business operations consist of providing goods or services that are used only to promote health or education.

(f) Its business operations with the Government of Sudan will be voluntarily suspended for the entire duration of the contract for goods or services for which they have bid on, or submitted a proposal for, a contract with a state agency.

(g) It has adopted, publicized, and is implementing a formal plan to cease business operations within one year and to refrain from conducting any new business operations.

10477. (a) A scrutinized company is ineligible to, and shall not, bid on or submit a proposal for a contract with a state agency for goods or services.

(b) (1) Notwithstanding subdivision (a), the Director of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a state agency for goods or services, if it is in the best interests of the state to permit the scrutinized company to bid on or submit a proposal for one or more contracts with a state agency for goods or services.

(2) In making this determination, the Director of General Services may utilize the following resources:

(A) Verification by an independent third party or nonprofit organization that a company is doing either of the following:

(i) Undertaking significant humanitarian efforts in conjunction with an international organization, the Government of Sudan, the regional government of southern Sudan, or a nonprofit organization to benefit one or more marginalized populations of Sudan. The party or organization providing the verification or an independent third party must evaluate

and certify that the significant humanitarian efforts are substantial in relation to the company's Sudan business operations.

(ii) Through engagement with the Government of Sudan, materially improving conditions for the genocidally victimized population in Darfur.

(B) Consideration of a National Interest Waiver issued by the President of the United States excluding a company from the federal contract prohibitions provisions of the Sudan Accountability and Divestment Act (Public Law 110-174).

10478. (a) A state agency shall require a company that submits a bid or proposal with respect to a contract for goods or services, that currently or within the previous three years has had business activities or other operations outside of the United States, to certify that the company is not a scrutinized company.

(b) A state agency shall not require a company that submits a bid or proposal with respect to a contract for goods or services, and that currently or within the previous three years has had business activities or other operations outside of the United States, to certify that the company is not a scrutinized company, if the company has obtained permission to bid on or submit a proposal for a contract with a state agency for goods or services pursuant to subdivision (b) of Section 10477.

10479. (a) If the Department of General Services determines that a company has submitted a false certification under Section 10478, the company shall be subject to all of the following:

(1) The company is liable for a civil penalty in an amount that is equal to the greater of two hundred fifty thousand dollars (\$250,000) or twice the amount of the contract for which a bid or proposal was submitted.

(2) The state agency or the Department of General Services may terminate the contract with the company.

(3) The company is ineligible to, and shall not, bid on a state contract for a period of not less than three years from the date the state agency determines that the company submitted the false certification.

(b) The Department of General Services shall report to the Attorney General the name of the company that the Department of General Services determined had submitted a false certification under Section 10478, together with its information as to the false certification, and the Attorney General shall determine whether to bring a civil action against the company. The company shall pay all costs and fees the plaintiff incurred in a civil action, including costs incurred by the state agency and the Department of General Services for investigations that led to the finding of the false certification and all costs and fees incurred by the Attorney General.

10480. This act shall be repealed upon affirmative action of the Legislature. Provided, that in determining whether to repeal this act, by way of suggestion and guidance only and without binding or in any way inhibiting the discretion of future sessions of the Legislature, it is submitted that the occurrence of any of the following should be construed and deemed to be a basis for repealing this act:

(a) The Congress or President of the United States declares the Darfur genocide has been halted for at least 12 months.

(b) The United States revokes all sanctions imposed against the Government of Sudan.

(c) The President of the United States has certified to Congress that the Government of Sudan has honored its commitments to do all of the following:

(1) Abide by United Nations Security Council Resolution 1769 (2007).
(2) Cease attacks on civilians.
(3) Demobilize and demilitarize the Janjaweed and associated militias.
(4) Grant free and unfettered access for delivery of humanitarian assistance.

(5) Allow for the safe and voluntary return of refugees and internally displaced persons.

(d) The Congress or President of the United States, through legislation or executive order, declares the contract prohibition of the type provided for in this act interferes with the conduct of United States foreign policy.

(e) Such other circumstances as the Legislature determines to warrant the discontinuance of the provisions of this article.

10481. (a) If any one or more provision, section, subsection, sentence, clause, phrase, or word of this act or the application thereof to any person or circumstance is found to be invalid, illegal, unenforceable, or unconstitutional, the same is hereby declared to be severable and the balance of this act shall remain effective and functional notwithstanding such invalidity, illegality, unenforceability, or unconstitutionality.

(b) The Legislature hereby declares it would have passed this act, and each provision, section, subsection, sentence, clause, phrase or word thereof, irrespective of the fact that any one or more provision, section, subsection, sentence, clause, phrase, or word be declared invalid, illegal, unenforceable, or unconstitutional.

CHAPTER 273

An act to amend Section 17078.57 of the Education Code, relating to school facilities.

[Approved by Governor September 24, 2008. Filed with
Secretary of State September 24, 2008.]

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

SECTION 1. Section 17078.57 of the Education Code is amended to read:

17078.57. (a) The authority, in consultation with the board, shall adopt regulations establishing uniform terms and conditions that shall apply equally to all projects for funding in accordance with Section 17078.58, including, but not limited to, all of the following:

(1) The process for determining the manner in which the applicant will pay its local matching share, including the method for determining lease payments to be made in lieu of the local matching share. The regulations shall comply with all of the following criteria:

(A) The payment process set forth in Section 17199.4 may be used.

(B) The payment process shall permit lump-sum local matching payments and shall permit establishment of a schedule for lease payments to be made in lieu of the local matching share.

(C) The lease payment schedule shall be calculated by amortizing one-half of the total approved project costs, minus lump-sum payments, over the entire payment period as set forth in Section 17078.58.

(D) The payment schedule for payments in lieu of the local matching funds pursuant to this section shall be based upon payment, within a reasonable period of time not to exceed a 30-year period, of one-half of the total eligible project costs, and shall be calculated in a manner that is designed to result in full payment of that portion, together with interest thereon at a rate set by the authority. The interest rate shall be set using the lower of the following:

(i) The rate paid on moneys in the Pooled Money Investment Account as of the date of disbursement of the funding.

(ii) A rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, and the interest rate shall be computed according to the true interest cost method.

(E) Notwithstanding subparagraph (D), the authority shall not set the interest rate on a loan at a rate lower than 2 percent. Program participants that have locked in an interest rate before January 1, 2009, may reset their payment schedule based on the interest rate set pursuant to subparagraph (D) as of January 1, 2009. Program participants executing an agreement on and after January 1, 2009, shall have their interest rate set at the time the funding agreement is executed and shall not renegotiate interest rates without prior approval of the authority.

(2) The method for determining whether a charter school is financially sound. In the case of a charter school chartered by a school district that is located outside of the school district that chartered it, the method developed by the authority shall include, but shall not be limited to, a site visit to the school facility currently being used by the charter school during hours when pupils are present and instruction is being provided.

(3) (A) Security provisions, including, but not limited to, the requirement that title to project facilities be held by the school district in which the facility is to be physically located, in trust, for the benefit of the state public school system.

(B) The authority shall adopt a mechanism whereby a person or entity who provides a substantial contribution that is applied to the costs of the project in excess of the state share and the local matching share may be granted a security interest to be satisfied from the proceeds, if any, realized when the property is ultimately disposed of as set forth in paragraph (5) of subdivision (b) of Section 17078.62.

(4) The method for integrating funding pursuant to this article with the general procedures of the authority pursuant to subdivision (i) of Section 17180 for otherwise funding projects eligible for funding under this chapter, if appropriate.

(b) The authority may adopt, amend, or repeal rules and regulations pursuant to this chapter as emergency regulations. The adoption, amendment, or repeal of these regulations is conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning of Section 11346.1 of the Government Code.

CHAPTER 274

An act to amend Sections 1797.101, 1797.170, 1797.172, 1797.216, and 1798.200 of, to add Sections 1797.61, 1797.117, 1797.118, 1797.184, 1797.211, 1797.217, and 1797.219 to, and to repeal and add Section 1797.62 of, the Health and Safety Code, relating to emergency medical services.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The health and safety of Californians often depends on the timely response and competent care of emergency medical service (EMS) personnel.

(b) Whether it is an automobile accident, heart attack, near drowning, unscheduled childbirth, gunshot wound, or other life critical incident, emergency medical technicians (EMTs) provide vital, lifesaving, prehospital attention to the public and assist in transporting the sick or injured to an appropriate medical facility.

(c) Maintaining consistent and accountable supervision of EMT certificate holders requires that pertinent information about certification be available to all EMS providers prior to the employment of an EMT.

(d) Ensuring the safety of the public, as well as that of first responders, requires that any entity that employs EMTs have access to pertinent information concerning any applicant's background and criminal history as a condition of his or her employment.

(e) Local EMS agencies have a role to play in maintaining the consistency of department policies and in conforming to the legal requirements necessary to provide appropriate medical oversight and protect the public safety.

SEC. 2. Section 1797.61 is added to the Health and Safety Code, to read:

1797.61. (a) "Certificate" or "license" means a specific document issued to an individual denoting competence in the named area of prehospital service.

(b) "Certificate status" or "license status" means the active, expired, denied, suspended, revoked, or placed on probation designation applied to a certificate or license issued pursuant to this division.

SEC. 3. Section 1797.62 of the Health and Safety Code is repealed.

SEC. 4. Section 1797.62 is added to the Health and Safety Code, to read:

1797.62. "Certifying entity" means a public safety agency or the office of the State Fire Marshal if the agency has a training program for EMT-I personnel that is approved pursuant to the standards developed pursuant to Section 1797.109, or the medical director of a local EMS agency.

SEC. 5. Section 1797.101 of the Health and Safety Code is amended to read:

1797.101. The Emergency Medical Services Authority shall be headed by the Director of the Emergency Medical Services Authority who shall be appointed by the Governor upon nomination by the Secretary of California Health and Human Services. The director shall be a physician and surgeon licensed in California pursuant to the provisions of Chapter 5 (commencing with Section 2000) of Division 2

of the Business and Professions Code, and who has substantial experience in the practice of emergency medicine.

SEC. 6. Section 1797.117 is added to the Health and Safety Code, to read:

1797.117. (a) The authority shall establish and maintain a centralized registry system for the monitoring and tracking of each EMT-I and EMT-II certificate status and each EMT-P license status. This centralized registry system shall be used by the certifying entities as part of the certification process for an EMT-I and EMT-II and by the authority as part of the licensure process for an EMT-P license. The authority shall, by regulation, specify the data elements to be included in the centralized registry system, the requirements for certifying entities to report the data elements for inclusion in the registry, including reporting deadlines, the penalties for failure of a certifying entity to report certification status changes within these deadlines, and requirements for submission to the Department of Justice fingerprint images and related information required by the Department of Justice of, except as otherwise provided in this division, EMT-I and EMT-II certificate candidates or holders and EMT-P license candidates or holders for the purposes described in subdivision (c). The data elements to be included in the centralized registry system shall include, but are not limited to, data elements that are to be made publicly available pursuant to subdivision (b).

(b) The information made available to the public through the centralized registry system shall include all of the following data elements: the full name of every individual who has been issued an EMT-I or EMT-II certificate or EMT-P license, the name of the entity that issued the certificate or license, the certificate or license number, the date of issuance of the license or certificate, and the license or certificate status.

(c) (1) As part of the centralized registry system, the authority shall electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice of all EMT-I and EMT-II certificate candidates or holders, and of all EMT-P license applicants, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her recognizance pending trial or appeal.

(2) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this subdivision. The Department of Justice shall review the information returned from the Federal Bureau

of Investigation and compile and electronically disseminate a primary response to the authority and electronically disseminate a dual response to one government agency certifying entity.

(3) The Department of Justice shall electronically provide the primary response to the authority and also electronically, the dual response to one certifying entity that is a government agency, pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(d) The authority shall request the Department of Justice to provide subsequent arrest notification service, as provided pursuant to Section 11105.2 of the Penal Code, for persons described in subdivision (c). All subsequent arrest notifications provided to the authority for persons described in subdivision (c) shall be electronically submitted to one government agency certifying entity, as a dual response by the Department of Justice.

(e) The Department of Justice shall charge a fee sufficient to cover the cost of processing the request described in this section.

SEC. 7. Section 1797.118 is added to the Health and Safety Code, to read:

1797.118. (a) On and after July 1, 2010, and except as provided in subdivision (b), every EMT-I and EMT-II certificate candidate or holder shall have their fingerprint images and related information submitted to the authority for submission to the Department of Justice pursuant to the regulations adopted pursuant to Section 1797.117 for a state and federal level criminal offender record information search, including subsequent arrest information.

(b) If a state level criminal offender record information search, including subsequent arrest information, has been conducted on a currently certified EMT-I or EMT-II, who was certified prior to July 1, 2010, for the purposes of employment or EMT-I or EMT-II certification, then the certifying entity or employer as identified in paragraph (2) of subdivision (a) of Section 1798.200 shall verify in writing to the authority pursuant to regulations adopted pursuant to Section 1797.117 that a state level criminal offender record information search, including subsequent arrest information, has been conducted and that nothing in the criminal offender record information search precluded the individual from obtaining EMT-I or EMT-II certification.

SEC. 8. Section 1797.170 of the Health and Safety Code is amended to read:

1797.170. (a) The authority shall develop and, after approval by the commission pursuant to Section 1799.50, adopt regulations for the training and scope of practice for EMT-I certification.

(b) Any individual certified as an EMT-I pursuant to this division shall be recognized as an EMT-I on a statewide basis, and recertification

shall be based on statewide standards. Effective July 1, 1990, any individual certified as an EMT-I pursuant to this act shall complete a course of training on the nature of sudden infant death syndrome which is developed by the California SIDS program in the State Department of Public Health in consultation with experts in the field of sudden infant death syndrome.

SEC. 9. Section 1797.172 of the Health and Safety Code is amended to read:

1797.172. (a) The authority shall develop and, after approval by the commission pursuant to Section 1799.50, adopt minimum standards for the training and scope of practice for EMT-P.

(b) The approval of the director, in consultation with a committee of local EMS medical directors named by the EMS Medical Directors Association of California, is required prior to implementation of any addition to a local optional scope of practice for EMT-Ps proposed by the medical director of a local EMS agency.

(c) Notwithstanding any other provision of law, the authority shall be the agency solely responsible for licensure and licensure renewal of EMT-Ps who meet the standards and are not precluded from licensure because of any of the reasons listed in subdivision (d) of Section 1798.200. Each application for licensure or licensure renewal shall require the applicant's social security number in order to establish the identity of the applicant. The information obtained as a result of a state and federal level criminal offender record information search shall be used in accordance with Section 11105 of the Penal Code, and to determine whether the applicant is subject to denial of licensure or licensure renewal pursuant to this division. Submission of fingerprint images to the Department of Justice may not be required for licensure renewal upon determination by the authority that fingerprint images have previously been submitted to the Department of Justice during initial licensure, or a previous licensure renewal, provided that the license has not lapsed and the applicant has resided continuously in the state since the initial licensure.

(d) The authority shall charge fees for the licensure and licensure renewal of EMT-Ps in an amount sufficient to support the authority's licensure program at a level that ensures the qualifications of the individuals licensed to provide quality care. The basic fee for licensure or licensure renewal of an EMT-P shall not exceed one hundred twenty-five dollars (\$125) until the adoption of regulations that specify a different amount that does not exceed the authority's EMT-P licensure, license renewal, and enforcement programs. The authority shall annually evaluate fees to determine if the fee is sufficient to fund the actual costs of the authority's licensure, licensure renewal, and enforcement programs.

If the evaluation shows that the fees are excessive or are insufficient to fund the actual costs of the authority's EMT-P licensure, licensure renewal, and enforcement programs, then the fees shall be adjusted accordingly through the rulemaking process described in the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Separate additional fees may be charged, at the option of the authority, for services that are not shared by all applicants for licensure and licensure renewal, including, but not limited to, any of the following services:

- (1) Initial application for licensure as an EMT-P.
- (2) Competency testing, the fee for which shall not exceed thirty dollars (\$30), except that an additional fee may be charged for the cost of any services that provide enhanced availability of the exam for the convenience of the EMT-P, such as on-demand electronic testing.
- (3) Fingerprint and criminal record check. The applicant shall, if applicable according to subdivision (c), submit fingerprint images and related information for criminal offender record information searches with the Department of Justice and the Federal Bureau of Investigation.
- (4) Out-of-state training equivalency determination.
- (5) Verification of continuing education for a lapse in licensure.
- (6) Replacement of a lost licensure card. The fees charged for individual services shall be set so that the total fees charged to EMT-Ps shall not exceed the authority's actual total cost for the EMT-P licensure program.
- (e) The authority may provide nonconfidential, nonpersonal information relating to EMS programs to interested persons upon request, and may establish and assess fees for the provision of this information. These fees shall not exceed the costs of providing the information.
- (f) At the option of the authority, fees may be collected for the authority by an entity that contracts with the authority to provide any of the services associated with the EMT-P program. All fees collected for the authority in a calendar month by any entity designated by the authority pursuant to this section to collect fees for the authority shall be transmitted to the authority for deposit into the Emergency Medical Services Personnel Fund within 30 calendar days following the last day of the calendar month in which the fees were received by the designated entity, unless the contract between the entity and the authority specifies a different timeframe.

SEC. 10. Section 1797.184 is added to the Health and Safety Code, to read:

1797.184. The authority shall develop and, after approval by the commission pursuant to Section 1799.50, adopt all of the following:

(a) Guidelines for disciplinary orders, temporary suspensions, and conditions of probation for EMT-I and EMT-II certificate holders that protects the public health and safety.

(b) Regulations for the issuance of EMT-I and EMT-II certificates by a certifying entity that protects the public health and safety.

(c) Regulations for the recertification of EMT-I and EMT-II certificate holders that protect the public health and safety.

(d) Regulations for disciplinary processes for EMT-I and EMT-II applicants and certificate holders that protect the public health and safety. These disciplinary processes shall be in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 11. Section 1797.211 is added to the Health and Safety Code, to read:

1797.211. Each local EMS agency shall submit certificate status updates to the authority within three working days after a final determination is made regarding a certification disciplinary action taken by the medical director that results in a change to an EMT-I or EMT-II certificate status.

SEC. 12. Section 1797.216 of the Health and Safety Code is amended to read:

1797.216. Public safety agencies that are certifying entities may certify and recertify public safety personnel as EMT-I. The state fire marshal, subject to policy guidance and advice from the State Board of Fire Services, may certify and recertify fire safety personnel as EMT-I. All persons certified shall have completed a program of training approved by the local EMS agency or the authority and have passed a competency-based examination.

SEC. 13. Section 1797.217 is added to the Health and Safety Code, to read:

1797.217. (a) Every certifying entity shall submit to the authority certification data required by Section 1797.117.

(b) The authority shall collect fees from each certifying entity for the certification and certification renewal of each EMT-I and EMT-II in an amount sufficient to support the authority's central registry program and the local EMS agency administrative law judge reimbursement program. Separate additional fees may be charged, at the option of the authority, for services that are not shared by all applicants.

(c) The authority's fees shall be established in regulations, and fees charged for individual services shall be set so that the total fees charged shall not exceed the authority's actual total cost for the authority's central registry program, state and federal criminal offender record information

search response program, and the local EMS agency administrative law judge reimbursement program.

(d) In addition to any fees collected by EMT-I or EMT-II certifying entities to support their certification, recertification, or enforcement programs, EMT-I or EMT-II certifying entities shall collect fees to support the authority's central registry program, and the local EMS agency administrative law judge reimbursement program. In lieu of collecting fees from an individual, pursuant to an employer choice, a collective bargaining agreement, or other employment contract, the certifying entity shall provide the appropriate fees to the authority pursuant to this subdivision.

(e) All fees collected for or provided to the authority in a calendar month by an EMT-I or EMT-II certifying entity pursuant to this section shall be transmitted to the authority for deposit into the Emergency Medical Technician Certification Fund within 30 calendar days following the last day of the calendar month in which the fees were received by the certifying entity, unless a contract between the certifying entity and the authority specifies a different timeframe.

(f) At the option of the authority, fees may be collected for the authority by an entity that contracts with the authority to provide any of the services associated with the registry program, or the state and federal criminal offender record information search response program, or the local EMS agency administrative law judge reimbursement program. All fees collected for the authority in a calendar month by any entity designated by the authority pursuant to this section to collect fees for the authority shall be transmitted to the authority for deposit into the Emergency Medical Technician Certification Fund within 30 calendar days following the last day of the calendar month in which the fees were received by the designated entity, unless the contract between the entity and the authority specifies a different timeframe.

(g) The authority shall annually evaluate fees to determine if the fee is sufficient to fund the actual costs of the authority's central registry program, state and federal criminal offender record information search response program, and local EMS agency administrative law judge reimbursement program. If the evaluation shows that the fees are excessive or are insufficient to fund the actual costs of these programs, then the fees will be adjusted accordingly through the rulemaking process as outlined in the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(h) The Emergency Medical Technician Certification Fund is hereby created in the State Treasury. All moneys deposited in the fund shall be made available, upon appropriation, to the authority for purposes of the

central registry program, state and federal criminal offender record information search response program, and the local EMS agency administrative law judge reimbursement program. The local EMS agency administrative law judge reimbursement program is solely for the purpose of making reimbursements to local emergency medical service agencies for actual administrative law judge costs regarding EMT-I or EMT-II disciplinary action appeals. Reimbursement to the local emergency medical service agencies shall only be made if adequate funds are available from fees collected for the authority's local EMS agency administrative law judge reimbursement program.

(i) The authority may transfer unused portions of the Emergency Medical Technician Certification Fund to the Surplus Money Investment Fund. Funds transferred to the Surplus Money Investment Fund shall be placed in a separate trust account, and shall be available for transfer to the Emergency Medical Technician Certification Fund, together with interest earned, when requested by the authority.

(j) The authority shall maintain a reserve balance in the Emergency Medical Technician Certification Fund of 5 percent of annual revenues. Any increase in the fees deposited in the Emergency Medical Technician Certification Fund shall be effective upon a determination by the authority that additional moneys are required to fund expenditures of this section.

SEC. 14. Section 1797.219 is added to the Health and Safety Code, to read:

1797.219. All investigatory and disciplinary processes for EMT-I and EMT-II certificate holders shall be, subject to Chapter 9.6 (commencing with Section 3250) of Division 4 of Title 1 of the Government Code, with respect to certificate holders who are firefighters otherwise subject to these provisions, and Chapter 9.7 (commencing with Section 3300) of Division 4 of Title 1 of the Government Code, with respect to certificate holders who are peace officers otherwise subject to these provisions.

SEC. 15. Section 1798.200 of the Health and Safety Code is amended to read:

1798.200. (a) (1) (A) Except as provided in paragraph (2), an employer of an EMT-I or EMT-II may conduct investigations, as necessary, and take disciplinary action against an EMT-I or EMT-II who is employed by that employer for conduct in violation of subdivision (c). The employer shall notify the medical director of the local EMS agency that has jurisdiction in the county in which the alleged violation occurred within three days when an allegation has been validated as a potential violation of subdivision (c).

(B) Each employer of an EMT-I or EMT-II employee shall notify the medical director of the local EMS agency that has jurisdiction in the

county in which a violation related to subdivision (c) occurred within three days after the EMT-I or EMT-II is terminated or suspended for a disciplinary cause, the EMT-I or EMT-II resigns following notification of an impending investigation based upon evidence that would indicate the existence of a disciplinary cause, or the EMT-I or EMT-II is removed from EMT-related duties for a disciplinary cause after the completion of the employer's investigation.

(C) At the conclusion of an investigation, the employer of an EMT-I or EMT-II may develop and implement, in accordance with the guidelines for disciplinary orders, temporary suspensions, and conditions of probation adopted pursuant to Section 1797.184, a disciplinary plan for the EMT-I or EMT-II. Upon adoption of the disciplinary plan, the employer shall submit that plan to the local EMS agency within three working days. The employer's disciplinary plan may include a recommendation that the medical director of the local EMS agency consider taking action against the holder's certificate pursuant to paragraph (3).

(2) If an EMT-I or EMT-II is not employed by an ambulance service licensed by the Department of the California Highway Patrol or a public safety agency or if that ambulance service or public safety agency chooses not to conduct an investigation pursuant to paragraph (1) for conduct in violation of subdivision (c), the medical director of a local EMS agency shall conduct the investigations, and, upon a determination of disciplinary cause, take disciplinary action as necessary against this EMT-I or EMT-II. At the conclusion of these investigations, the medical director shall develop and implement, in accordance with the recommended guidelines for disciplinary orders, temporary orders, and conditions of probation adopted pursuant to Section 1797.184, a disciplinary plan for the EMT-I or EMT-II. The medical director's disciplinary plan may include action against the holder's certificate pursuant to paragraph (3).

(3) The medical director of the local EMS agency may, upon a determination of disciplinary cause and in accordance with regulations for disciplinary processes adopted pursuant to Section 1797.184, deny, suspend, or revoke any EMT-I or EMT-II certificate issued under this division, or may place any EMT-I or EMT-II certificate holder on probation, upon the finding by that medical director of the occurrence of any of the actions listed in subdivision (c) and the occurrence of one of the following:

(A) The EMT-I or EMT-II employer, after conducting an investigation, failed to impose discipline for the conduct under investigation, or the medical director makes a determination that the discipline imposed was not according to the guidelines for disciplinary orders and conditions of

probation and the conduct of the EMT-I or EMT-II certificate holder constitutes grounds for disciplinary action against the certificate.

(B) Either the employer of an EMT-I or EMT-II further determines, after an investigation conducted under paragraph (1), or the medical director determines after an investigation conducted under paragraph (2), that the conduct requires disciplinary action against the certificate.

(4) The medical director of the local EMS agency, after consultation with the employer of an EMT-I or EMT-II, may temporarily suspend, prior to a hearing, any EMT-I or EMT-II certificate or both EMT-I and EMT-II certificates upon a determination that both of the following conditions have been met:

(A) The certificate holder has engaged in acts or omissions that constitute grounds for revocation of the EMT-I or EMT-II certificate.

(B) Permitting the certificate holder to continue to engage in the certified activity without restriction would pose an imminent threat to the public health or safety.

(5) If the medical director of the local EMS agency temporarily suspends a certificate, the local EMS agency shall notify the certificate holder that his or her EMT-I or EMT-II certificate is suspended and shall identify the reasons therefor. Within three working days of the initiation of the suspension by the local EMS agency, the agency and employer shall jointly investigate the allegation in order for the agency to make a determination of the continuation of the temporary suspension. All investigatory information not otherwise protected by law held by the agency and employer shall be shared between the parties via facsimile transmission or overnight mail relative to the decision to temporarily suspend. The local EMS agency shall decide within 15 calendar days, whether to serve the certificate holder with an accusation pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. If the certificate holder files a notice of defense, the hearing shall be held within 30 days of the local EMS agency's receipt of the notice of defense. The temporary suspension order shall be deemed vacated if the local EMS agency fails to make a final determination on the merits within 15 days after the administrative law judge renders the proposed decision.

(6) The medical director of the local EMS agency shall refer, for investigation and discipline, any complaint received on an EMT-I or EMT-II to the relevant employer within three days of receipt of the complaint, pursuant to subparagraph (A) of paragraph (1) of subdivision (a).

(b) The authority may deny, suspend, or revoke any EMT-P license issued under this division, or may place any EMT-P license issued under this division, or may place any EMT-P licenseholder on probation upon

the finding by the director of the occurrence of any of the actions listed in subdivision (c). Proceedings against any EMT-P license or licenseholder 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.

(c) Any of the following actions shall be considered evidence of a threat to the public health and safety and may result in the denial, suspension, or revocation of a certificate or license issued under this division, or in the placement on probation of a certificate or licenseholder under this division:

(1) Fraud in the procurement of any certificate or license under this division.

(2) Gross negligence.

(3) Repeated negligent acts.

(4) Incompetence.

(5) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, and duties of prehospital personnel.

(6) Conviction of any crime which is substantially related to the qualifications, functions, and duties of prehospital personnel. The record of conviction or a certified copy of the record shall be conclusive evidence of the conviction.

(7) Violating or attempting to violate directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this division or the regulations adopted by the authority pertaining to prehospital personnel.

(8) Violating or attempting to violate any federal or state statute or regulation that regulates narcotics, dangerous drugs, or controlled substances.

(9) Addiction to, the excessive use of, or the misuse of, alcoholic beverages, narcotics, dangerous drugs, or controlled substances.

(10) Functioning outside the supervision of medical control in the field care system operating at the local level, except as authorized by any other license or certification.

(11) Demonstration of irrational behavior or occurrence of a physical disability to the extent that a reasonable and prudent person would have reasonable cause to believe that the ability to perform the duties normally expected may be impaired.

(12) Unprofessional conduct exhibited by any of the following:

(A) The mistreatment or physical abuse of any patient resulting from force in excess of what a reasonable and prudent person trained and acting in a similar capacity while engaged in the performance of his or her duties would use if confronted with a similar circumstance. Nothing

in this section shall be deemed to prohibit an EMT-I, EMT-II, or EMT-P from assisting a peace officer, or a peace officer who is acting in the dual capacity of peace officer and EMT-I, EMT-II, or EMT-P, from using that force that is reasonably necessary to effect a lawful arrest or detention.

(B) The failure to maintain confidentiality of patient medical information, except as disclosure is otherwise permitted or required by law in Sections 56 to 56.6, inclusive, of the Civil Code.

(C) The commission of any sexually related offense specified under Section 290 of the Penal Code.

(d) The information shared among EMT-I, EMT-II, and EMT-P employers, medical directors of local EMS agencies, the authority, and EMT-I and EMT-II certifying entities shall be deemed to be an investigative communication that is exempt from public disclosure as a public record pursuant to subdivision (f) of Section 6254 of the Government Code. A formal disciplinary action against an EMT-I, EMT-II, or EMT-P shall be considered a public record available to the public, unless otherwise protected from disclosure pursuant to state or federal law.

(e) For purposes of this section “disciplinary cause” means an act that is substantially related to the qualifications, functions, and duties of an EMT-I, EMT-II, or EMT-P and is evidence of a threat to the public health and safety described in subdivision (c).

SEC. 16. This act shall become operative only if Senate Bill 997 of the 2007–08 Regular Session is enacted and becomes effective on or before January 1, 2009.

SEC. 17. This act shall not be construed to limit or otherwise impair the medical control of the medical director of a local EMS agency granted pursuant to Section 1798 of the Health and Safety Code.

SEC. 18. The Legislature finds and declares that Section 15 of this act, which amends Section 1798.200 of the Health and Safety Code, imposes a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: emergency medical technicians serve a critical role in the state’s emergency response network. The public safety is best protected when appropriate and consistent disciplinary standards are applied. When accusations have been made against a certified EMT-I or EMT-II, the individual must be given the investigatory and due process protection that is offered to other licensed and certified professionals such as paramedics, physicians, nurses, and other health

care providers. The public shall have certification, licensure, disciplinary and other information readily available with the implementation of the EMT-I, EMT-II, and EMT-P registry as created by Section 1797.117 of the Health and Safety Code.

SEC. 19. 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.

CHAPTER 275

An act to amend Sections 1797.82, 1799, and 1799.2 of the Health and Safety Code, relating to emergency medical services.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:
(a) The State of California is dedicated to supporting emergency preparedness efforts for all types of manmade and naturally occurring disasters.

(b) It is a top priority to ensure the effectiveness of the state's emergency medical services (EMS) system in order to ensure the public's health and safety in times of disaster.

(c) The Commission on Emergency Medical Services is charged with providing advise and recommendation to the Emergency Medical Services Authority, as well as reviewing and approving regulation, standards, and guidelines developed by the authority, regarding the state's EMS system.

(d) Among the most important assets in the state's EMS system are the numerous types of personnel that are first responders in a natural or manmade disaster.

(e) It is important that the membership of the commission represents the broad variety of professionals that contribute to the state's EMS system, including physicians, nurses, hospitals, paramedics, emergency medical technicians, ambulance providers, local health officials, law enforcement, and members of the public.

(f) The commission, along with the Emergency Medical Services Authority, has a role to ensure a consistent statewide certification and licensure process, standardized enforcement provisions, and due process for disciplinary actions regarding the state's prehospital personnel.

SEC. 2. Section 1797.82 of the Health and Safety Code is amended to read:

1797.82. "Emergency Medical Technician-II," "EMT-II," "Advanced Emergency Medical Technician," or "Advanced EMT" means an EMT-I with additional training in limited advanced life support according to standards prescribed by this part and who has a valid certificate issued pursuant to this part.

SEC. 3. Section 1799 of the Health and Safety Code is amended to read:

1799. The Commission on Emergency Medical Services is hereby created in the California Health and Human Services Agency.

SEC. 4. Section 1799.2 of the Health and Safety Code is amended to read:

1799.2. The commission shall consist of 18 members appointed as follows:

(a) One full-time physician and surgeon, whose primary practice is emergency medicine, appointed by the Senate Committee on Rules from a list of three names submitted by the California Chapter of the American College of Emergency Physicians.

(b) One physician and surgeon, who is a trauma surgeon, appointed by the Speaker of the Assembly from a list of three names submitted by the California Chapter of the American College of Surgeons.

(c) One physician and surgeon appointed by the Senate Committee on Rules from a list of three names submitted by the California Medical Association.

(d) One county health officer appointed by the Governor from a list of three names submitted by the California Conference of Local Health Officers.

(e) One registered nurse, who is currently, or has been previously, authorized as a mobile intensive care nurse and who is knowledgeable in state emergency medical services programs and issues, appointed by

the Governor from a list of three names submitted by the Emergency Nurses Association.

(f) One full-time paramedic or EMT-II, who is not employed as a full-time peace officer, appointed by the Senate Committee on Rules from a list of three names submitted by the California Rescue and Paramedic Association.

(g) One prehospital emergency medical service provider from the private sector, appointed by the Speaker of the Assembly from a list of three names submitted by the California Ambulance Association.

(h) One management member of an entity providing fire protection and prevention services appointed by the Governor from a list of three names submitted by the California Fire Chiefs Association.

(i) One physician and surgeon who is board prepared or board certified in the specialty of emergency medicine by the American Board of Emergency Medicine and who is knowledgeable in state emergency medical services programs and issues appointed by the Speaker of the Assembly.

(j) One hospital administrator of a base hospital who is appointed by the Governor from a list of three names submitted by the California Association of Hospitals and Health Systems.

(k) One full-time peace officer, who is either an EMT-II or a paramedic, who is appointed by the Governor from a list of three names submitted by the California Peace Officers Association.

(l) Two public members who have experience in local EMS policy issues, at least one of whom resides in a rural area as defined by the authority, and who are appointed by the Governor.

(m) One administrator from a local EMS agency appointed by the Governor from a list of four names submitted by the Emergency Medical Services Administrator's Association of California.

(n) One medical director of a local EMS agency who is an active member of the Emergency Medical Directors Association of California and who is appointed by the Governor.

(o) One person appointed by the Governor, who is an active member of the California State Firemen's Association.

(p) One person who is employed by the Department of Forestry and Fire Protection (CAL-FIRE) appointed by the Governor from a list of three names submitted by the California Professional Firefighters.

(q) One person who is employed by a city, county, or special district that provides fire protection appointed by the Governor from a list of three names submitted by the California Professional Firefighters.

SEC. 5. This act shall become operative only if Assembly Bill 2917 of the 2007–08 Regular Session is enacted and becomes effective on or before January 1, 2009.

CHAPTER 276

An act to amend Section 41530 of the Education Code, relating to teachers.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:
(a) California’s public schools face an existing and projected severe shortage of mathematics and science teachers.

(b) Recent reports on the shortage reveal a shortfall of approximately 33,000 new mathematics and science teachers over the next decade.

(c) Mathematics and science classrooms, particularly in low-performing schools, are increasingly being staffed by educators who are underprepared to teach the academic content in the state’s rigorous content standards and to prepare pupils to receive a high-quality mathematics and science education so that they can participate in the state’s science, technology, engineering, and mathematics workforce.

(d) Addressing the mathematics and science teacher shortage requires multiple strategies, including, but not necessarily limited to, an expansion and strengthening of pathways to encourage talented individuals to become mathematics and science teachers, as well as new incentives and ongoing support to new and existing mathematics and science teachers so that they will choose to stay in California’s public elementary and secondary education classrooms.

(e) Recent legislative efforts have focused on improving educational achievement in schools, especially those in the lowest deciles. In order to assist school districts to narrow the achievement gap among the lowest performing subgroups of pupils and those who consistently meet university admissions requirements, other strategies are needed.

SEC. 2. Section 41530 of the Education Code is amended to read:

41530. (a) There is hereby established the professional development block grant. Commencing with the 2005–06 fiscal year, the Superintendent shall apportion block grant funds to a school district in

the same relative statewide proportion that the school district received in the 2003–04 fiscal year for the programs listed in Section 41531.

(b) A school district may expend funds received pursuant to this article for either of the following:

(1) Any purpose authorized by the programs listed in Section 41531, as the statutes governing those programs read on January 1, 2004.

(2) (A) To compensate new and existing mathematics, science, and special education teachers in schools ranked, in the 2008–09 school year or any subsequent school year, in decile 1, 2, or 3 of the Academic Performance Index, in a manner separate from the uniform allowance for years of training and years of service, as permitted pursuant to the exception described in paragraph (1) of subdivision (a) of Section 45028.

(B) A school district that utilizes the authority granted in this subdivision shall submit an annual report to the Superintendent, the chairperson of the Joint Legislative Budget Committee, the chairperson and vice chairpersons of the education policy committees of each house of the Legislature, and the Director of Finance of the amount of funds used pursuant to this paragraph to compensate mathematics, science, and special education teachers.

(c) For the purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41531. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003–04 fiscal year.

CHAPTER 277

An act to add Sections 22159.5 and 50307.1 to the Financial Code, relating to mortgage lending.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 22159.5 is added to the Financial Code, to read:
22159.5. (a) The commissioner may, as he or she deems necessary, require licensees to provide reports concerning their residential mortgage loan servicing activities, including, but not limited to, information similar to that collected in connection with the Mortgage Servicers Survey, first published by the Department of Corporations in December 2007. The commissioner is additionally authorized to seek and accept information

provided on a voluntary basis by residential mortgage loan servicers not subject to the commissioner's jurisdiction. The commissioner shall post only aggregated survey results on the department's Internet Web site, and shall note the number of loan servicers submitting data included in the aggregated totals and the estimated percentage of outstanding mortgage loans to Californians that are serviced by these loan servicers, to the extent information on the number of outstanding loans is available from a reliable source. Nothing in this section is intended to reduce or change the commissioner's authority to request and demand reports under Sections 22150 and 22159.

(b) For purposes of this section, "mortgage loan servicing activity" means receiving more than three installment payments of principal, interest, or other amounts placed in escrow, pursuant to the terms of a mortgage loan, and performing services relating to that receipt or the enforcement of its receipt, on behalf of the holder of the note evidencing that loan.

SEC. 2. Section 50307.1 is added to the Financial Code, to read:

50307.1. The commissioner may, as he or she deems necessary, require licensees to provide reports concerning their residential mortgage loan servicing activities, including, but not limited to, information similar to that collected in connection with the Mortgage Servicers Survey, first published by the Department of Corporations in December 2007. The commissioner is additionally authorized to seek and accept information provided on a voluntary basis by residential mortgage loan servicers not subject to the commissioner's jurisdiction. The commissioner shall post only aggregated survey results on the department's Internet Web site, and shall note the number of loan servicers submitting data included in the aggregated totals and the estimated percentage of outstanding mortgage loans to Californians that are serviced by these loan servicers, to the extent information on the number of outstanding loans is available from a reliable source. Nothing in this section is intended to reduce or change the commissioner's authority to request and demand reports under Section 50307.

CHAPTER 278

An act to amend Sections 1632, 2945.2, 2945.3, and 2945.4 of, and to add Section 2945.45 to, the Civil Code, relating to mortgages.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1632 of the Civil Code is amended to read:

1632. (a) The Legislature hereby finds and declares all of the following:

(1) This section was enacted in 1976 to increase consumer information and protections for the state's sizeable and growing Spanish-speaking population.

(2) Since 1976, the state's population has become increasingly diverse and the number of Californians who speak languages other than English as their primary language at home has increased dramatically.

(3) According to data from the United States Census of 2000, of the more than 12 million Californians who speak a language other than English in the home, approximately 4.3 million speak an Asian dialect or another language other than Spanish. The top five languages other than English most widely spoken by Californians in their homes are Spanish, Chinese, Tagalog, Vietnamese, and Korean. Together, these languages are spoken by approximately 83 percent of all Californians who speak a language other than English in their homes.

(b) Any person engaged in a trade or business who negotiates primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in writing, in the course of entering into any of the following, shall deliver to the other party to the contract or agreement and prior to the execution thereof, a translation of the contract or agreement in the language in which the contract or agreement was negotiated, which includes a translation of every term and condition in that contract or agreement:

(1) A contract or agreement subject to the provisions of Title 2 (commencing with Section 1801) of, and Chapter 2b (commencing with Section 2981) and Chapter 2d (commencing with Section 2985.7) of Title 14 of, Part 4 of Division 3.

(2) A loan or extension of credit secured other than by real property, or unsecured, for use primarily for personal, family or household purposes.

(3) A lease, sublease, rental contract or agreement, or other term of tenancy contract or agreement, for a period of longer than one month, covering a dwelling, an apartment, or mobilehome, or other dwelling unit normally occupied as a residence.

(4) Notwithstanding paragraph (2), a loan or extension of credit for use primarily for personal, family or household purposes where the loan or extension of credit is subject to the provisions of Article 7 (commencing with Section 10240) of Chapter 3 of Part 1 of Division 4 of the Business and Professions Code, or Division 7 (commencing with

Section 18000), or Division 9 (commencing with Section 22000) of the Financial Code.

(5) Notwithstanding paragraph (2), a reverse mortgage as described in Chapter 8 (commencing with Section 1923) of Title 4 of Part 4 of Division 3.

(6) A contract or agreement, containing a statement of fees or charges, entered into for the purpose of obtaining legal services, when the person who is engaged in business is currently licensed to practice law pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code.

(7) A foreclosure consulting contract subject to Article 1.5 (commencing with Section 2945) of Chapter 2 of Title 14 of Part 4 of Division 3.

(c) Notwithstanding subdivision (b), for a loan subject to this part and to Article 7 (commencing with Section 10240) of Chapter 3 of Part 1 of Division 4 of the Business and Professions Code, the delivery of a translation of the statement to the borrower required by Section 10240 of the Business and Professions Code in any of the languages specified in subdivision (b) in which the contract or agreement was negotiated, is in compliance with subdivision (b).

(d) At the time and place where a lease, sublease, or rental contract or agreement described in subdivision (b) is executed, notice in any of the languages specified in subdivision (b) in which the contract or agreement was negotiated shall be provided to the lessee or tenant.

(e) Provision by a supervised financial organization of a translation of the disclosures required by Regulation M or Regulation Z, and, if applicable, Division 7 (commencing with Section 18000) or Division 9 (commencing with Section 22000) of the Financial Code in any of the languages specified in subdivision (b) in which the contract or agreement was negotiated, prior to the execution of the contract or agreement, shall also be deemed in compliance with the requirements of subdivision (b) with regard to the original contract or agreement.

(1) "Regulation M" and "Regulation Z" mean any rule, regulation, or interpretation promulgated by the Board of Governors of the Federal Reserve System and any interpretation or approval issued by an official or employee duly authorized by the board to issue interpretations or approvals dealing with, respectively, consumer leasing or consumer lending, pursuant to the Federal Truth in Lending Act, as amended (15 U.S.C. Sec. 1601 et seq.).

(2) As used in this section, "supervised financial organization" means a bank, savings association as defined in Section 5102 of the Financial Code, credit union, or holding company, affiliate, or subsidiary thereof, or any person subject to Article 7 (commencing with Section 10240) of

Chapter 3 of Part 1 of Division 4 of the Business and Professions Code, or Division 7 (commencing with Section 18000) or Division 9 (commencing with Section 22000) of the Financial Code.

(f) At the time and place where a contract or agreement described in paragraph (1) or (2) of subdivision (b) is executed, a notice in any of the languages specified in subdivision (b) in which the contract or agreement was negotiated shall be conspicuously displayed to the effect that the person described in subdivision (b) is required to provide a contract or agreement in the language in which the contract or agreement was negotiated, or a translation of the disclosures required by law in the language in which the contract or agreement was negotiated, as the case may be. If a person described in subdivision (b) does business at more than one location or branch, the requirements of this section shall apply only with respect to the location or branch at which the language in which the contract or agreement was negotiated is used.

(g) The term “contract” or “agreement,” as used in this section, means the document creating the rights and obligations of the parties and includes any subsequent document making substantial changes in the rights and obligations of the parties. The term “contract” or “agreement” does not include any subsequent documents authorized or contemplated by the original document such as periodic statements, sales slips or invoices representing purchases made pursuant to a credit card agreement, a retail installment contract or account or other revolving sales or loan account, memoranda of purchases in an add-on sale, or refinancing of a purchase as provided by, or pursuant to, the original document.

The term “contract” or “agreement” does not include a home improvement contract as defined in Sections 7151.2 and 7159 of the Business and Professions Code, nor does it include plans, specifications, description of work to be done and materials to be used, or collateral security taken or to be taken for the retail buyer’s obligation contained in a contract for the installation of goods by a contractor licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, if the home improvement contract or installation contract is otherwise a part of a contract described in subdivision (b).

Matters ordinarily incorporated by reference in contracts or agreements as described in paragraph (3) of subdivision (b), including, but not limited to, rules and regulations governing a tenancy and inventories of furnishings to be provided by the person described in subdivision (b), are not included in the term “contract” or “agreement.”

(h) This section does not apply to any person engaged in a trade or business who negotiates primarily in a language other than English, as described by subdivision (b), if the party with whom he or she is

negotiating is a buyer of goods or services, or receives a loan or extension of credit, or enters an agreement obligating himself or herself as a tenant, lessee, or sublessee, or similarly obligates himself or herself by contract or lease, and the party negotiates the terms of the contract, lease, or other obligation through his or her own interpreter.

As used in this subdivision, “his or her own interpreter” means a person, not a minor, able to speak fluently and read with full understanding both the English language and any of the languages specified in subdivision (b) in which the contract or agreement was negotiated, and who is not employed by, or whose service is made available through, the person engaged in the trade or business.

(i) Notwithstanding subdivision (b), a translation may retain the following elements of the executed English-language contract or agreement without translation: names and titles of individuals and other persons, addresses, brand names, trade names, trademarks, registered service marks, full or abbreviated designations of the make and model of goods or services, alphanumeric codes, numerals, dollar amounts expressed in numerals, dates, and individual words or expressions having no generally accepted non-English translation. It is permissible, but not required, that this translation be signed.

(j) The terms of the contract or agreement which is executed in the English language shall determine the rights and obligations of the parties. However, the translation of the contract or the disclosures required by subdivision (e) in any of the languages specified in subdivision (b) in which the contract or agreement was negotiated shall be admissible in evidence only to show that no contract was entered into because of a substantial difference in the material terms and conditions of the contract and the translation.

(k) Upon a failure to comply with the provisions of this section, the person aggrieved may rescind the contract or agreement in the manner provided by this chapter. When the contract for a consumer credit sale or consumer lease which has been sold and assigned to a financial institution is rescinded pursuant to this subdivision, the consumer shall make restitution to and have restitution made by the person with whom he or she made the contract, and shall give notice of rescission to the assignee. Notwithstanding that the contract was assigned without recourse, the assignment shall be deemed rescinded and the assignor shall promptly repurchase the contract from the assignee.

SEC. 2. Section 2945.2 of the Civil Code is amended to read:

2945.2. (a) In addition to any other right under law to rescind a contract, an owner has the right to cancel such a contract until midnight of the fifth business day, as defined in subdivision (e) of Section 1689.5,

after the day on which the owner signs a contract that complies with Section 2945.3.

(b) Cancellation occurs when the owner gives written notice of cancellation to the foreclosure consultant by mail at the address specified in the contract, or by facsimile or electronic mail at the number or address identified in the contract.

(c) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid. If given by facsimile or electronic mail, notice of cancellation is effective when successfully transmitted.

(d) Notice of cancellation given by the owner need not take the particular form as provided with the contract and, however expressed, is effective if it indicates the intention of the owner not to be bound by the contract.

SEC. 3. Section 2945.3 of the Civil Code is amended to read:

2945.3. (a) Every contract shall be in writing and shall fully disclose the exact nature of the foreclosure consultant’s services and the total amount and terms of compensation.

(b) The following notice, printed in at least 14-point boldface type and completed with the name of the foreclosure consultant, shall be printed immediately above the statement required by subdivision (d):

“NOTICE REQUIRED BY CALIFORNIA LAW

_____ or anyone working
(Name)

for him or her CANNOT:

(1) Take any money from you or ask you for money
until _____ has
(Name)

completely finished doing everything he or she said he or she would do; and

(2) Ask you to sign or have you sign any lien, deed of trust, or deed.”

(c) The contract shall be written in the same language as principally used by the foreclosure consultant to describe his or her services or to negotiate the contract. In addition, the foreclosure consultant shall provide the owner, before the owner signs the contract, with a copy of a completed contract written in any other language used in any communication between the foreclosure consultant and the owner and in any language described in subdivision (b) of Section 1632 and requested by the owner. If English is the language principally used by the foreclosure consultant to describe the foreclosure consultant’s services or to negotiate the contract, the foreclosure consultant shall notify the owner orally and in writing before the owner signs the contract that the

owner has the right to ask for a completed copy of the contract in a language described in subdivision (b) of Section 1632.

(d) The contract shall be dated and signed by the owner and shall contain in immediate proximity to the space reserved for the owner’s signature a conspicuous statement in a size equal to at least 10-point boldface type, as follows: “You, the owner, may cancel this transaction at any time prior to midnight of the fifth business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(e) The contract shall contain on the first page, in a type size no smaller than that generally used in the body of the document, each of the following:

(1) The name, mailing address, electronic mail address, and facsimile number of the foreclosure consultant to which the notice of cancellation is to be mailed.

(2) The date the owner signed the contract.

(f) The contract shall be accompanied by a completed form in duplicate, captioned “notice of cancellation,” which shall be attached to the contract, shall be easily detachable, and shall contain in type of at least 10-point the following statement written in the same language as used in the contract:

“NOTICE OF CANCELLATION

(Enter date of transaction) (Date)

You may cancel this transaction, without any penalty or obligation, within five business days from the above date.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram,

to _____
(Name of foreclosure consultant)

at _____
(Address of foreclosure consultant’s place of business)

You may also cancel by sending a facsimile (fax) of a signed and dated copy of this cancellation notice, or any other written notice, to the following number:

(Facsimile telephone number of foreclosure consultant’s place of business)

You may also cancel by sending an e-mail canceling this transaction to the following e-mail address:

(E-mail address of foreclosure consultant’s business)

I hereby cancel this transaction

(Date)

”

(Owner’s signature)

(g) The foreclosure consultant shall provide the owner with a copy of the contract and the attached notice of cancellation.

(h) Until the foreclosure consultant has complied with this section, the owner may cancel the contract.

SEC. 4. Section 2945.4 of the Civil Code is amended to read:
2945.4. It shall be a violation for a foreclosure consultant to:

(a) Claim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that he or she would perform.

(b) Claim, demand, charge, collect, or receive any fee, interest, or any other compensation for any reason which exceeds 10 percent per annum of the amount of any loan which the foreclosure consultant may make to the owner.

(c) Take any wage assignment, any lien of any type on real or personal property, or other security to secure the payment of compensation. That security shall be void and unenforceable.

(d) Receive any consideration from any third party in connection with services rendered to an owner unless that consideration is fully disclosed to the owner.

(e) Acquire any interest in a residence in foreclosure from an owner with whom the foreclosure consultant has contracted. Any interest acquired in violation of this subdivision shall be voidable, provided that nothing herein shall affect or defeat the title of a bona fide purchaser or encumbrancer for value and without notice of a violation of this article. Knowledge that the property was “residential real property in foreclosure,” does not constitute notice of a violation of this article. This subdivision may not be deemed to abrogate any duty of inquiry which exists as to rights or interests of persons in possession of residential real property in foreclosure.

(f) Take any power of attorney from an owner for any purpose.

(g) Induce or attempt to induce any owner to enter into a contract which does not comply in all respects with Sections 2945.2 and 2945.3.

(h) Enter into an agreement at any time to assist the owner in arranging, or arrange for the owner, the release of surplus funds after the trustee's sale is conducted, whether the agreement involves direct payment, assignment, deed, power of attorney, assignment of claim from an owner to the foreclosure consultant or any person designated by the foreclosure consultant, or any other compensation.

SEC. 5. Section 2945.45 is added to the Civil Code, to read:

2945.45. (a) Except as provided in subdivision (b) of Section 2945.1, a person shall not take any action specified in subdivision (a) of Section 2945.1 unless the person satisfies the following requirements:

(1) The person registers with, and is issued and maintains a certificate of registration from, the Department of Justice in accordance with the following requirements:

(A) The person shall submit a completed registration form, along with applicable fees, to the department. The registration form shall include the name, address, and telephone number of the foreclosure consultant, all of the names, addresses, telephone numbers, Internet Web sites, and e-mail addresses used or proposed to be used in connection with acting as a foreclosure consultant, a statement that the person has not been convicted of, or pled nolo contendere to, any crime involving fraud, misrepresentation, dishonesty, or a violation of this article, a statement that the person has not been liable under any civil judgment for fraud, misrepresentation, or violations of this article or of Section 17200 or 17500 of the Business and Professions Code, and any additional information required by the department.

(B) The registration form shall be accompanied by a copy of all print or electronic advertising and other promotional material, and scripts of all telephonic or broadcast advertising and other statements used or proposed to be used in connection with acting as a foreclosure consultant.

(C) The registration form shall be accompanied by a copy of the bond required pursuant to paragraph (2).

(D) The person shall file an update of any material change in the information required by subparagraphs (A) and (B) with the department.

(E) The person shall pay any fee set by the department to defray reasonable costs incurred in connection with the department's responsibilities under this article.

(2) The person obtains and maintains in force a surety bond in the amount of one hundred thousand dollars (\$100,000). The bond shall be executed by a corporate surety admitted to do business in this state. The bond shall be made in favor of the State of California for the benefit of homeowners for damages caused by the foreclosure consultant's violation of this article or any other provision of law. A copy of the bond shall be

filed with the Secretary of State, with a copy provided to the department pursuant to subparagraph (C) of paragraph (1).

(b) The Foreclosure Consultant Regulation Fund is hereby created in the State Treasury for the deposit of fees submitted to the Department of Justice pursuant to subparagraph (A) of paragraph (1) of subdivision (a) for registration as a foreclosure consultant. Moneys in the fund shall be available, upon appropriation by the Legislature, for the costs of the department incurred in connection with the administration of the registration program.

(c) The Department of Justice may refuse to issue, or may revoke, a certificate of registration because of any misstatement in the registration form, because the foreclosure consultant has been held liable for the violation of any law described in subparagraph (A) of paragraph (1) of subdivision (a), because the foreclosure consultant has failed to maintain the bond required under paragraph (2) of subdivision (a), or because of any violation of this chapter.

(d) A person who violates subdivision (a) shall be punished, for each violation, by a fine of not less than one thousand dollars (\$1,000) and not more than twenty-five thousand dollars (\$25,000), by imprisonment in the county jail for not more than one year, or by both that fine and imprisonment. The imposition of a penalty pursuant to this subdivision shall not be affected by the availability of any other relief, remedy, or penalty provided by law, and shall not affect the availability of any such relief, remedy, or penalty.

SEC. 6. 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. 7. This act shall become operative on July 1, 2009.

CHAPTER 279

An act to amend Section 10474 of the Business and Professions Code, relating to real estate.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 10474 of the Business and Professions Code is amended to read:

10474. Notwithstanding any other provision of this chapter and regardless of the number of persons aggrieved or parcels of real estate involved in a transaction or the number of judgments against a licensee, the liability of the Recovery Account shall not exceed the following amounts:

(a) Except as provided in subdivision (b), causes of action which occurred on or after January 1, 1980, twenty thousand dollars (\$20,000) for any one transaction and one hundred thousand dollars (\$100,000) for any one licensee.

(b) For applications for payment from the Recovery Account filed on or after January 1, 2009, fifty thousand dollars (\$50,000) for any one transaction and two hundred fifty thousand dollars (\$250,000) for any one licensee.

(c) When multiple licensed real estate personnel are involved in a transaction and the individual conduct of two or more of the licensees results in a judgment meeting the requirements of subdivision (a) of Section 10471, the claimant may seek recovery from the Recovery Account based on the judgment against any of the licensed real estate personnel, subject to the limitations of this section and subparagraph (E) of paragraph (7) of subdivision (c) of Section 10471.

CHAPTER 280

An act to amend Section 12404 of, and to add Article 8 (commencing with Section 12418) to Chapter 1 of Part 6 of Division 2 of, the Insurance Code, relating to insurance.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 12404 of the Insurance Code is amended to read:

12404. (a) It is unlawful for any title insurer, underwritten title company or controlled escrow company to pay, directly or indirectly, any commission, compensation, or other consideration to any person as an inducement for the placement or referral of title business. Actual

placement or referral of title business is not a precondition to a violation of this section, whether the violation is or is not a per se violation pursuant to subdivision (c).

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

(1) "Compensating balance" is a balance maintained in a lending institution by any title insurer, underwritten title company, or controlled escrow company for the express or implied purpose of influencing the extension of credit to a third party or the provision of goods, services, or benefits to a third party as an inducement for the placement or referral of title business by a third party.

(2) "Person" means any individual or entity who is any owner or prospective owner, lessee or prospective lessee of real property or any interest therein, any obligee or prospective obligee of an obligation secured or to be secured either in whole or in part by real property or any interest therein, or any person who is acting or who is in the business of acting as agent, representative, attorney, or employee of those persons.

(3) "Title business" means the "business of title insurance" as defined in Section 12340.3, and includes, but is not limited to, the offering of title insurance, escrow, or other services by a title insurer, underwritten title company, or controlled escrow company.

(c) The following activities, whether performed directly or indirectly, are deemed per se inducements for the placement or referral of title insurance business by any person and are unlawful:

(1) Paying or offering to pay, furnishing or offering to furnish, or providing or offering to provide assistance with the business expenses of any person, including, but not limited to, rent, employee salaries, furniture, copiers, facsimile machines, automobiles, telephone services or equipment, or computers.

(2) Providing or offering to provide any form of consideration intended for the benefit of any person, including cash, below market rate loans, automobile charges, or merchandise or merchandise credits.

(3) Placing or offering to place on behalf of any person, compensating balances.

(4) Advancing or paying or offering to advance or pay money on behalf of any person into an escrow to facilitate the closing thereof, other than any sum which represents the proceeds of a loan made in the ordinary course of business; or an advance not to exceed 2 percent of the sales price of the real property being sold or exchanged through the escrow or the amount of any loan secured by real property involved in the escrow, whichever is greater; or the extension of credit or an advance for the costs, fees and expenses of the escrow or of the title insurance issued or to be issued in connection therewith.

(5) Disbursing or offering to disburse on behalf of any person escrow funds held by a title insurer, underwritten title company or controlled escrow company before the conditions of the escrow applicable to that disbursement have been met, or in a manner which does not conform to Section 12413.1, including disbursing or offering to disburse before the expiration of the appropriate period established in Section 12413.1.

(6) Furnishing or offering to furnish all or any part of the time or productive effort of any employee of the title insurer, underwritten title company, or controlled escrow company to any person for any service unrelated to the title business.

(7) Advertising or paying for the advertising in any newspaper, newsletter, magazine, or publication that is produced by, or on behalf of, a person, or that results in a direct, or indirect, subsidy to a person.

(8) Expenditures for food, beverages, and entertainment for a person.

(d) Expenditures for the following are not deemed to be unlawful or in violation of this section:

(1) Promotional items with a permanently affixed company logo of the underwritten title company, title insurer, or controlled escrow company, with a value of not more than ten dollars (\$10) each. "Promotional item" does not include a gift certificate, gift card, or other item that has a specific monetary value on its face, or that may be exchanged for any other item having a specific monetary value.

(2) Furnishing education or educational materials exclusively related to the business of title insurance for a person if continuing education credits are not provided.

(3) Other expenditures for a person, as permitted by the Department of Insurance by regulation.

(e) The provision or payment of any form of consideration as an inducement for the placement or referral of title business not specifically set forth in this section shall not be presumed lawful merely because they are not specifically prohibited.

(f) The Insurance Commissioner may determine compliance and enforce the provisions of this section by written order, regulation or written consent which may take into consideration standards, conditions, guidelines, principles, or definitions utilized by other states or federal agencies but those standards, conditions, guidelines, principles, or definitions shall not be determinative.

(g) It is the intent of the Legislature that the enactment of this section shall have no effect on the applicability of other sections of the Insurance Code that are in existence prior to the enactment of this section and which specifically, or by implication, refer to this section. The Legislature hereby intends that this section, including the specific terms employed

within it, shall be liberally construed for the purpose of protecting consumers of title business.

SEC. 2. Article 8 (commencing with Section 12418) is added to Chapter 1 of Part 6 of Division 2 of the Insurance Code, to read:

Article 8. Title Insurance Representatives

12418. (a) No person shall be employed as a title marketing representative in this state unless the person holds a valid "certificate of registration" as a title marketing representative issued by the commissioner pursuant to Section 12418.1.

(b) For purposes of this article, "title marketing representative" means a natural person employed by a title insurer, underwritten title company, or controlled escrow company whose primary duty is to market, offer, solicit, negotiate, or sell title insurance, as defined in Section 12340.1. A title marketing representative does not include a person whose primary duties directly involve the creation, production, or issuance of the title policy or the performance of escrow services.

(c) If any person knowingly markets title insurance without having applied for or obtained a certificate of registration pursuant to Section 12418.1, the commissioner may issue a cease and desist order pursuant to Section 12921.8.

12418.1. (a) A certificate of registration as a title marketing representative shall be applied for and renewed by filing with the commissioner a written application. The application shall be on a form prescribed by the commissioner, and shall prescribe the disclosure of information that will aid the commissioner in determining whether the prerequisites for the certificate have been met. The applicant shall certify that the contents of the application are true and correct under penalty of perjury.

(b) Each application for a certificate of registration shall contain the following information:

(1) The residence address, the principal business address, and the mailing address of the applicant.

(2) A statement, signed by an officer of the business by whom the applicant is or will be employed, certifying that the applicant will be provided training regarding Article 6 (commencing with Section 12404) within 60 days of the hiring date or date of application.

(3) A statement, signed by the applicant, as to whether he or she has previously had a certificate of registration revoked, suspended, or otherwise limited under Section 12418.4.

(c) Each application to obtain or renew a certificate of registration shall be accompanied by a filing fee in an amount determined by the

department to be sufficient to defray the department's actual costs of processing the application, not to exceed two hundred dollars (\$200). An application shall not be deemed filed unless it has been delivered to the department accompanied by the proper filing fee.

(d) The commissioner may decline to act on an incomplete or defective application until an amended application that completes the prescribed form has been filed with the department. In the event that the application is found to be defective or incomplete, the department shall notify the applicant and his or her employer in writing that the application needs to be modified and resubmitted within 15 days of receipt of this written notification.

(e) An applicant submitting an application filed with the department for a certificate of registration as a title marketing representative may solicit, sell, or market title insurance, as defined in Section 12340.1, in the interim time period preceding the formal approval or rejection of the application, but shall be subject to the same compliance requirements as a holder of an approved certificate of registration. An applicant with a pending application shall be deemed to be operating on a provisional basis.

(f) In the event that the title marketing representative's employment with a title company is terminated, the title company formerly employing the title marketing representative shall notify the department within 30 days of the termination. If the title marketing representative becomes employed by another title company as a title marketing representative, the new employer shall notify the department of the title marketing representative's new employment within 30 days of the commencement of that employment.

(g) An applicant who has previously had a certificate of registration revoked, suspended, or otherwise limited under subdivision (d) of Section 12418.4 may not sell, solicit, or market title insurance during the interim period described in subdivision (e).

12418.2. (a) An applicant or holder of a certificate of registration as a title marketing representative is not required to pass a qualifying examination, and is exempt from prelicensing and continuing education requirements, except as specified in paragraph (2) of subdivision (b) of Section 12418.1.

(b) Upon the filing of an application for the issuance or renewal of a certificate of registration, the commissioner may conduct an investigation, during the interim period set forth in subdivision (e) of Section 12418.1, to determine if the applicant shall be granted the certificate of registration by virtue of prior conduct in the marketing of policies of title insurance and to verify the accuracy of the information submitted by the applicant to the department and may require the filing of any supplementary

documents, affidavits, and statements that may be necessary to determine whether training specified in paragraph (2) of subdivision (b) of Section 12418.1 has been, or will be, provided to the applicant within the time period set forth in Section 12418.1. Should the commissioner decline to approve the granting of a certificate of registration, the procedure set forth in subdivision (c) of Section 12418.4 shall apply.

12418.3. (a) Each certificate of registration issued under this article shall be for a three-year period beginning on the date the certificate is issued.

(b) Not less than 60 days before a certificate of registration will expire, the commissioner shall mail an application to renew the certificate to the last known address appearing on the registrant's records. It shall be the responsibility of the registrant to renew his or her certificate, whether or not a renewal notice is received.

(c) The application for renewal of an expired certificate of registration may be filed after the expiration date and until the same month and day of the next succeeding year. In addition to the fee for a renewal application, a delinquent application fee in the amount of fifty dollars (\$50) shall be assessed for each application for renewal filed after the expiration date. Each registrant shall be subject to payment of delinquent application fees under this subdivision. The commissioner may waive the delinquent application fee, or accept a renewal filed after the date specified in this subdivision, if the registrant's failure to comply is due to clerical or other inadvertent error on the part of the department.

12418.4. (a) The provisions set forth in Sections 1667, 1668, 1669, 1670, 1738, 1738.5, 1743, and in Article 6 (commencing with Section 12404), shall apply to all applicants or holders of a certificate of registration issued pursuant to this article.

(b) The department may revoke, suspend, restrict, or decline to issue a certificate of registration if it determines that the title marketing representative or applicant has violated provisions of Article 6 (commencing with Section 12404) pursuant to the due process and hearing requirements set forth in subdivision (c).

(c) Except as provided in Section 1669, a certificate of registration shall not be denied, restricted, suspended, or revoked without a hearing conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) In addition to, or in lieu of, any other penalty that may be imposed under this article against a title marketing representative, the commissioner may bring an administrative action against a title marketing representative for any violation of the provisions of Article 6 (commencing with Section 12404). If a title marketing representative charged with a violation of Article 6 (commencing with Section 12404)

is determined by the commissioner to have committed the violation, the commissioner may require the surrender of, temporarily suspend or revoke either permanently or temporarily the title marketing representative's certificate of registration, and, in addition, may impose a monetary penalty. Any payment of a monetary penalty pursuant to a settlement or final adjudication shall be made from the title marketing representative's personal funds and not by his or her employer either directly or through the title marketing representative. This article shall not preclude an action against a company that had actual knowledge of the violation by the title marketing representative. A title marketing representative who is issued a certificate of registration under this article may not engage in any activity that is otherwise prohibited through a separate entity controlled by the title marketing representative or by the company or entity that employs him or her.

(e) A title marketing representative who has his or her certificate of registration revoked by the department shall not be permitted to reapply for another certificate of registration with the department for five years from the date of revocation.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 281

An act to amend Sections 50086, 51050, and 51101 of, and to add Section 51058.5 to, the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 50086 of the Health and Safety Code is amended to read:

50086. "Mortgage loan" means a loan that is secured by a mortgage and is made for financing, including refinancing of existing mortgage

obligations, to create or preserve the long-term affordability of a housing development or a residential structure in the state, or a buy-down mortgage loan secured by a mortgage, of an owner-occupied unit in this state.

SEC. 2. Section 51050 of the Health and Safety Code is amended to read:

51050. The agency shall have all of the following powers:

(a) To sue and be sued in its own name.
(b) To have an official seal and to alter the same at pleasure.
(c) To have perpetual succession.
(d) To maintain offices at any place or places within the state which it may designate.

(e) To adopt, and from time to time amend and repeal, by action of the board, either resolutions, or rules or regulations, not inconsistent with this part, to carry into effect the powers and purposes of the agency and the conduct of its business, except where this part expressly requires the agency to act by rule or regulation. If the agency acts by rule or regulation, the rule or regulation shall be adopted, amended, repealed, and published in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Notwithstanding any other provision of law, to make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part with any governmental agency, private corporation or other entity, or individual, and to contract with any local public entity for processing of any aspect of financing housing developments. Contracts made or executed under the authority of this part shall not be subject to any applicable provision of law requiring competitive bidding or the supervision or approval of another division or officer of state government.

(g) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis in its own name by gift, purchase, transfer, foreclosure, a deed in lieu of foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(h) To hold, sell, assign, lease, encumber, mortgage, or otherwise dispose of any real or personal property or any interest therein; to hold, sell, assign, or otherwise dispose of any mortgage interest owned by it, under its control or custody, or in its possession; and, as applicable, to do any of the acts specified in this subdivision by public or private sale, with or without public bidding, notwithstanding any other provision of law.

(i) To release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right

of redemption in real property foreclosed by it or acquired by it by a deed in lieu of foreclosure.

(j) To determine the terms and conditions of any mortgage instrument, deed of trust, or promissory note used or executed in conjunction with the financing of any housing development.

(k) To employ architects, engineers, attorneys, accountants, housing construction and financial experts, and such other advisers, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(l) To provide advice, technical information, and consultative and technical service in connection with the financing of housing developments pursuant to this part.

(m) Notwithstanding any other provision of law, to insure or reinsure against any loss in connection with its property and other assets, including mortgages and mortgage loans, in amounts, in the manner, and from those insurers as it deems desirable.

(n) To establish, revise from time to time, and charge and collect fees and charges in connection with loans made or insured by the agency.

(o) To borrow money and issue bonds, as provided in this part.

(p) To enter agreements and perform acts as are necessary to obtain and maintain federal housing subsidies for use in connection with housing developments.

(q) To provide bilingual staff and make available agency publications in a language, other than English, where necessary to effectively serve all groups for which those services or publications are made available.

(r) To require any individual, corporation, or other legal entity operating, managing, or providing maintenance services for a housing development or a residential structure to maintain a current certificate of qualification developed and approved by the agency.

(s) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part.

SEC. 3. Section 51058.5 is added to the Health and Safety Code, to read:

51058.5. Notwithstanding any other provision of law, the agency is not required to promulgate rules and regulations in order to establish or operate a mortgage refinance program. Instead, that program may be established by the governing board of the agency through resolutions adopted by that board, and operated by the agency in accordance with resolutions adopted by the board. Those resolutions shall be exempt from the requirements of the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 4. Section 51101 of the Health and Safety Code is amended to read:

51101. The agency may make and publish rules and regulations respecting the making of development loans, construction loans, property improvement loans, and mortgage loans pursuant to this part, the terms and conditions upon which such loans may be made to housing sponsors, the admission of tenants to a housing development, the inclusion of nonhousing facilities in housing developments, the construction of nonhousing facilities, and supervision of housing sponsors, including housing sponsors owning and occupying a housing development.

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 the California Housing Finance Agency, at the earliest possible time, with the authority necessary to develop and implement in a timely manner a refinance program that uses funds received from certain tax-exempt bonds that are available only for a limited time, it is necessary that this act take effect immediately.

CHAPTER 282

An act to add Section 17144.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 17144.5 is added to the Revenue and Taxation Code, to read:

17144.5. (a) Section 108 of the Internal Revenue Code, relating to income from discharge of indebtedness, as amended by Section 2 of the Mortgage Forgiveness Debt Relief Act of 2007 (Public Law 110-142), shall apply, except as otherwise provided.

(b) Section 108(a)(1)(E) of the Internal Revenue Code, as added by Section 2 of the Mortgage Forgiveness Debt Relief Act of 2007 (Public Law 110-142), is modified by substituting the phrase “January 1, 2009” for “January 1, 2010” contained therein.

(c) Section 108(a)(1)(E) of the Internal Revenue Code, as added by Section 2 of the Mortgage Forgiveness Debt Relief Act of 2007 (Public

Law 110-142), is additionally modified to provide that the amount excluded from gross income shall not exceed \$250,000 (\$125,000 in the case of a married individual filing a separate return).

(d) Section 108(h)(2) of the Internal Revenue Code, as added by Section 2 of the Mortgage Forgiveness Debt Relief Act of 2007 (Public Law 110-142), is modified by substituting the phrase “(within the meaning of section 163(h)(3)(B), applied by substituting ‘\$800,000 (\$400,000’ for ‘\$1,000,000 (\$500,000’ in clause (ii) thereof)” for the phrase “(within the meaning of section 163(h)(3)(B), applied by substituting ‘\$2,000,000 (\$1,000,000’ for ‘\$1,000,000 (\$500,000’ in clause (ii) thereof)” contained therein.

(e) This section shall apply to discharges of indebtedness occurring on or after January 1, 2007, and, notwithstanding any other law to the contrary, no penalties or interest shall be due with respect to the discharge of qualified principal residence indebtedness during the 2007 taxable year regardless of whether or not the taxpayer reports the discharge on his or her return for the 2007 taxable year.

SEC. 2. The Legislature finds and declares that the mortgage debt tax relief allowed to taxpayers in connection with the discharge of qualified principal residence indebtedness, as described in this act, serves a public purpose and does not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 283

An act to amend, repeal, and add Sections 52013 and 52020 of the Health and Safety Code, relating to housing.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 52013 of the Health and Safety Code is amended to read:

52013. (a) “Home mortgage” or “mortgage” means an interest-bearing loan made as provided in this part to a mortgagor, whether originated in the manner provided in subdivision (a) or (b) of Section 52020, which is either of the following:

(1) Evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a home, and which may be, but is not required to be, additionally secured by insurance on the payment of the note, for the purposes of purchasing, constructing, or improving a home that meets any of the criteria described in paragraphs (1) to (3), inclusive, of subdivision (b).

(2) Evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a home, and which is federally insured, federally guaranteed, or eligible to be purchased by the Federal National Mortgage Association or the Federal Home Loan and Mortgage Corporation, for the purposes of refinancing a home that meets the criteria described in paragraph (3) of subdivision (b).

(b) The following criteria apply for the purposes of subdivision (a):

(1) Is newly constructed or is being rehabilitated and that, in either case, is located within an area or neighborhood in which the city or county is conducting a housing rehabilitation or code enforcement program; a neighborhood preservation area or concentrated rehabilitation area designated pursuant to this division; an area for which federal funds are being made available; or a residential rehabilitation area as defined in Section 37912. However, a loan may be made for the purchase of a newly constructed home anywhere within the city or county if the purchase is in connection with a program adopted by ordinance of the city or county the purpose of which is to increase the housing supply.

(2) Is a home upon which no rehabilitation is being undertaken in connection with any financing pursuant to this part, where the purchaser will not be the first occupant and that is located within the city or county making or purchasing the home mortgage.

(3) Is an existing home within the city or county making or purchasing the home mortgage and the owner is, and will be, the occupant of the house.

(c) This section 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 52013 is added to the Health and Safety Code, to read:

52013. (a) "Home mortgage" or "mortgage" means an interest-bearing loan made as provided in this part to a mortgagor, whether originated in the manner provided in subdivision (a) or (b) of Section 52020, which is evidenced by a promissory note and secured by a mortgage, deed of trust, or other security instrument on a home, and which may but is not required to be additionally secured by insurance on the payment of the note, for the purpose of purchasing, constructing, or improving a home that meets either of the following criteria:

(1) Is newly constructed or is being rehabilitated and that, in either case, is located within an area or neighborhood in which the city or county is conducting a housing rehabilitation or code enforcement program; a neighborhood preservation area or concentrated rehabilitation area designated pursuant to this division; an area for which federal funds are being made available; or a residential rehabilitation area as defined in Section 37912. However, a loan may be made for the purchase of a newly constructed home anywhere within the city or county if the purchase is in connection with a program adopted by ordinance of the city or county the purpose of which is to increase the housing supply.

(2) Is a home upon which no rehabilitation is being undertaken in connection with any financing pursuant to this part, where the purchaser will not be the first occupant, and that is located within the city or county making or purchasing the home mortgage.

(b) A “home mortgage” or “mortgage” shall not include a loan to a mortgagor for the purpose of refinancing an existing obligation of the mortgagor, unless substantial rehabilitation is to be undertaken in connection with the loan.

(c) This section shall become operative January 1, 2012.

SEC. 3. Section 52020 of the Health and Safety Code is amended to read:

52020. (a) For purposes of a home financing program authorized by this part, a city or county has the following powers and duties:

(1) To acquire, contract, and enter into advance commitments to acquire home mortgages made or owned by lending institutions at the purchase prices and upon the other terms and conditions as shall be determined by the city or county or other person as it may designate as its agent, to make and execute contracts with lending institutions for the origination and servicing of home mortgages, and to pay the reasonable value of services rendered under those contracts. Prior to executing any contract with a lending institution, a city or county shall adopt regulations establishing criteria for qualification of lending institutions eligible to originate and service home mortgages under home financing programs authorized by this part and shall, with respect to each home financing program, permit each qualified lending institution that transacts business in the city or county the opportunity to participate in the program on an equitable basis with other participating lending institutions. Two or more cities in the same county, a county and one or more cities within the county, or two or more adjacent counties and any number of cities within those counties may enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing home mortgages pursuant to this

part with respect to property within the boundaries of any one or more of the entities.

(2) To make loans to lending institutions under terms and conditions that, in addition to other provisions as determined by the city or county, require the lending institutions to use all of the net proceeds thereof, directly or indirectly, for the making of home mortgages in an aggregate principal amount equal to the amount of the net proceeds.

(3) To establish, by rules or regulations, in resolutions relating to any issuance of bonds, or in any documents relating to the issuance, standards and requirements applicable to the purchase of home mortgages or the making of loans to lending institutions as the city or county deems necessary or desirable to effectuate the purposes of this part, which may include without limitation any of the following:

(A) The time within which lending institutions are required to make commitments and disbursements for home mortgages.

(B) The location and other characteristics of homes to be financed by home mortgages.

(C) The terms and conditions of home mortgages to be acquired.

(D) The amounts and types of any insurance coverage required on homes, home mortgages, and bonds.

(E) The representations and warranties of lending institutions confirming compliance with the standards and requirements.

(F) Restrictions as to interest rate and other terms of home mortgages or the return realized therefrom by lending institutions.

(G) The type and amount of collateral security to be provided to assure repayment of any loans from the city or county and to assure repayment of bonds.

(H) Any other matters related to the purchase of home mortgages or the making of loans to lending institutions as deemed relevant by the city or county.

(4) To require from each lending institution from which home mortgages are purchased or to which loans are made the submission of evidence satisfactory to the city or county of the ability and intention of the lending institution to make home mortgages, and the submission, within the time specified by the city or county for making disbursements for home mortgages, of evidence satisfactory to the city or county of the making of home mortgages and of compliance with any standards and requirements established by it.

(b) Each city or county that finances housing pursuant to this part shall designate a person or entity to administer the program.

(c) Each city or county that finances housing pursuant to this part shall adopt regulations establishing criteria for qualification of persons and families, which may differ among different cities or counties to

reflect varying economic and housing conditions. In developing these criteria, factors similar to the following shall be taken into consideration:

(1) The amount of the income of the person or family that is available for housing needs.

(2) The size of the household.

(3) The costs and condition of available housing.

(4) The eligibility of the persons or families for federal housing assistance of any type.

(d) (1) Criteria for qualification of persons and families pursuant to this section shall include a maximum household income, which maximum shall not exceed the following:

(A) One hundred twenty percent of the median household income for mortgages made for improving a home, for refinancing a home, or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families also shall be 120 percent of the median household income.

(B) One hundred twenty percent of the median household income for mortgages where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 50 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 80 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 90 percent of median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 80 percent of median household income. The resolution is final and conclusive as to the findings required by this paragraph.

(C) One hundred fifty percent of the median household income for mortgages made for improving a home, for refinancing a home, or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and that is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased, refinanced, or improved are situated within the boundaries of a special impact area as defined by the Economic

Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

(2) As used in this subdivision, “median household income” means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for an area, as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(e) (1) Subdivision (d) shall not apply with respect to home finance programs funded with amounts made available by the issuance of revenue bonds that, for federal tax law purposes, are bonds refunding qualified mortgage bonds issued before January 1, 1987, and that satisfy the requirements of subdivision (a) of Section 1313 of the federal Tax Reform Act of 1986. With respect to these programs, the maximum household income for qualification of persons and families pursuant to this section shall be the following:

(A) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families also shall be 150 percent of the median household income. For purposes of this paragraph, a mortgage made for improving a home includes a home improvement loan as defined in Section 143 of Title 26 of the United States Code.

(B) One hundred twenty percent of the median household income where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 20 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 110 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 120 percent of the median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 110 percent of the median household income. The resolution is final and conclusive as to the findings required by this paragraph. However, the finding shall not be made by the legislative body before six months from the date mortgages were first made under the program and only if participating lenders have entered into an agreement with the city, county, or city and county that lenders will advertise at least monthly the availability of funds and will forfeit one-quarter of their origination fees if they are unable to use 20 percent of the funds to make mortgages to households whose income does not exceed 110 percent of the median income.

(C) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and that is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

(2) As used in this subdivision, “median household income” means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for an area, as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(f) Each city or county that finances housing pursuant to this part shall require each mortgagor under the program to certify his or her intention to occupy the home for a minimum of two years after receiving a home mortgage, with appropriate exceptions in hardship cases determined by the city or county.

(g) Each city and county may do any and all things necessary to carry out the purposes and exercise the powers expressly granted by this part.

(h) This section 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. 4. Section 52020 is added to the Health and Safety Code, to read:

52020. (a) For purposes of a home financing program authorized by this part, a city or county has the following powers and duties:

(1) To acquire, contract, and enter into advance commitments to acquire home mortgages made or owned by lending institutions at the purchase prices and upon the other terms and conditions as shall be determined by the city or county or other person as it may designate as its agent, to make and execute contracts with lending institutions for the origination and servicing of home mortgages, and to pay the reasonable value of services rendered under those contracts. Prior to executing any

contract with a lending institution, a city or county shall adopt regulations establishing criteria for qualification of lending institutions eligible to originate and service home mortgages under home financing programs authorized by this part and shall, with respect to each home financing program, permit each qualified lending institution that transacts business in the city or county the opportunity to participate in the program on an equitable basis with other participating lending institutions. Two or more cities in the same county, a county and one or more cities within the county, or two or more adjacent counties and any number of cities within those counties may enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing home mortgages pursuant to this part with respect to property within the boundaries of any one or more of the entities.

(2) To make loans to lending institutions under terms and conditions that, in addition to other provisions as determined by the city or county, require the lending institutions to use all of the net proceeds thereof, directly or indirectly, for the making of home mortgages in an aggregate principal amount equal to the amount of the net proceeds.

(3) To establish, by rules or regulations, in resolutions relating to any issuance of bonds, or in any documents relating to the issuance, standards and requirements applicable to the purchase of home mortgages or the making of loans to lending institutions as the city or county deems necessary or desirable to effectuate the purposes of this part, which may include without limitation any of the following:

(A) The time within which lending institutions are required to make commitments and disbursements for home mortgages.

(B) The location and other characteristics of homes to be financed by home mortgages.

(C) The terms and conditions of home mortgages to be acquired.

(D) The amounts and types of any insurance coverage required on homes, home mortgages, and bonds.

(E) The representations and warranties of lending institutions confirming compliance with the standards and requirements.

(F) Restrictions as to interest rate and other terms of home mortgages or the return realized therefrom by lending institutions.

(G) The type and amount of collateral security to be provided to assure repayment of any loans from the city or county and to assure repayment of bonds.

(H) Any other matters related to the purchase of home mortgages or the making of loans to lending institutions as deemed relevant by the city or county.

(4) To require from each lending institution from which home mortgages are purchased or to which loans are made the submission of evidence satisfactory to the city or county of the ability and intention of the lending institution to make home mortgages, and the submission, within the time specified by the city or county for making disbursements for home mortgages, of evidence satisfactory to the city or county of the making of home mortgages and of compliance with any standards and requirements established by it.

(b) Each city or county that finances housing pursuant to this part shall designate a person or entity to administer the program.

(c) Each city or county that finances housing pursuant to this part shall adopt regulations establishing criteria for qualification of persons and families, which may differ among different cities or counties to reflect varying economic and housing conditions. In developing these criteria, factors similar to the following shall be taken into consideration:

(1) The amount of the income of the person or family that is available for housing needs.

(2) The size of the household.

(3) The costs and condition of available housing.

(4) The eligibility of the persons or families for federal housing assistance of any type.

(d) (1) Criteria for qualification of persons and families pursuant to this section shall include a maximum household income, which maximum shall not exceed the following:

(A) One hundred twenty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families also shall be 120 percent of the median household income.

(B) One hundred twenty percent of the median household income for mortgages where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 50 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 80 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 90 percent of median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 80 percent of median household income. The resolution is final and conclusive as to the findings required by this paragraph.

(C) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser

will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and that is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

(2) As used in this subdivision, “median household income” means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for an area, as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(e) (1) Subdivision (d) shall not apply with respect to home finance programs funded with amounts made available by the issuance of revenue bonds that, for federal tax law purposes, are bonds refunding qualified mortgage bonds issued before January 1, 1987, and that satisfy the requirements of subdivision (a) of Section 1313 of the federal Tax Reform Act of 1986. With respect to these programs, the maximum household income for qualification of persons and families pursuant to this section shall be the following:

(A) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant. Upon the resale of a home for which financing was originally provided under this paragraph, the maximum income of persons and families also shall be 150 percent of the median household income. For purposes of this paragraph, a mortgage made for improving a home includes a home improvement loan as defined in Section 143 of Title 26 of the United States Code.

(B) One hundred twenty percent of the median household income where the purchaser will not be the first occupant. However, the city or county shall ensure that no less than 20 percent of the funds allocated for home mortgages where the purchaser will not be the first occupant shall be for households whose income does not exceed 110 percent of that median household income. However, the legislative body of the city or county may, by resolution, increase this income limitation to 120

percent of the median household income if the legislative body finds that there are insufficient numbers of creditworthy persons whose income does not exceed 110 percent of the median household income. The resolution is final and conclusive as to the findings required by this paragraph. However, the finding shall not be made by the legislative body before six months from the date mortgages were first made under the program and only if participating lenders have entered into an agreement with the city, county, or city and county that lenders will advertise at least monthly the availability of funds and will forfeit one-quarter of their origination fees if they are unable to use 20 percent of the funds to make mortgages to households whose income does not exceed 110 percent of the median income.

(C) One hundred fifty percent of the median household income for mortgages made for improving a home or for homes where the purchaser will be the first occupant in any city, the entire area of which, or in any county in which a portion of the county, is designated by the United States Department of Commerce, Economic Development Administration as a special impact area within a Title IV redevelopment area, pursuant to Section 401 of the federal Public Works and Economic Development Act of 1965, as amended, and that is eligible for Urban Development Action Grant funds under the current distress standards established for cities and counties by the Secretary of the United States Department of Housing and Urban Development pursuant to Section 119 of the Housing and Community Development Act of 1974, if the homes purchased or improved are situated within the boundaries of a special impact area as defined by the Economic Development Administration, and that designation is in effect on the date of sale of revenue bonds issued under this part.

(2) As used in this subdivision, “median household income” means the highest of (A) statewide median household income, (B) countywide median household income, or (C) median family income for an area, as determined by the United States Department of Housing and Urban Development, with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(f) Each city or county that finances housing pursuant to this part shall require each mortgagor under the program to certify his or her intention to occupy the home for a minimum of two years after receiving a home mortgage, with appropriate exceptions in hardship cases determined by the city or county.

(g) Each city and county may do any and all things necessary to carry out the purposes and exercise the powers expressly granted by this part.

(h) This section shall become operative January 1, 2012.

CHAPTER 284

An act to amend Section 10140.6 of the Business and Professions Code, relating to real estate.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 10140.6 of the Business and Professions Code is amended to read:

10140.6. (a) A real estate licensee shall not publish, circulate, distribute, or cause to be published, circulated, or distributed in any newspaper or periodical, or by mail, any matter pertaining to any activity for which a real estate license is required that does not contain a designation disclosing that he or she is performing acts for which a real estate license is required.

(b) (1) A real estate licensee shall disclose his or her license identification number on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when acting as an agent in those transactions. The commissioner may adopt regulations identifying the materials in which a licensee must disclose a license identification number.

(2) For purposes of this section, "solicitation materials intended to be the first point of contact with consumers" includes business cards, stationery, advertising fliers, and other materials designed to solicit the creation of a professional relationship between the licensee and a consumer, and excludes an advertisement in print or electronic media and "for sale" signs.

(3) Nothing in this section shall be construed to limit or change the requirement described in Section 10236.4 as applicable to real estate brokers.

(c) The provisions of this section shall not apply to classified rental advertisements reciting the telephone number at the premises of the property offered for rent or the address of the property offered for rent.

(d) The amendments made to this section by the act adding this subdivision shall become operative on July 1, 2009.

CHAPTER 285

An act to amend Sections 17312, 17331.2, 17406, and 17409 of the Financial Code, relating to escrow agents.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 17312 of the Financial Code is amended to read:

17312. (a) Each person licensed pursuant to this division who is engaged in the business of receiving escrows specified in subdivision (c) and whose escrow business location is located within the State of California shall participate as a member in Fidelity Corporation in accordance with this chapter and rules established by the board of directors of Fidelity Corporation. Fidelity Corporation shall not deny membership to any escrow agent holding a valid unrevoked license under the Escrow Law who is required to be a member under this subdivision.

(b) Upon filing a new application for licensure as required by Section 17201, persons required to be a member of Fidelity Corporation shall file a copy thereof concurrently with Fidelity Corporation. If an application for licensure submitted to Fidelity Corporation contains personal or confidential information, Fidelity Corporation and its board shall maintain this information in confidence to protect the privacy of the information. The copy of the application shall include the three thousand dollar (\$3,000) fee specified in subdivision (a) of Section 17320 and all required Fidelity Corporation Certificates set forth in Sections 17331 and 17331.1. Fidelity Corporation shall promptly furnish to the commissioner a compliance letter confirming that the applicant has satisfied the requirements to be a member of Fidelity Corporation.

(c) The required membership in Fidelity Corporation shall be limited to those licensees whose escrow business location is located within the State of California and who engage, in whole or in part, in the business of receiving escrows for deposit or delivery in the following types of transactions:

(1) Real property escrows, including, but not limited to, the sale, encumbrance, lease, exchange, or transfer of title, and loans or other obligations to be secured by a lien upon real property.

(2) Bulk sale escrows, including, but not limited to, the sale or transfer of title to a business entity and the transfer of liquor licenses or other types of business licenses or permits.

(3) Fund or joint control escrows, including, but not limited to, transactions specified in Section 17005.1, and contracts specified in Section 10263 of the Public Contract Code.

(4) The sale, transfer of title, or refinance escrows for manufactured homes or mobilehomes.

(5) Reservation deposits required under Article 2 (commencing with Section 11010) of Chapter 1 of Part 2 of Division 4 of the Business and Professions Code or by regulation of the Department of Real Estate to be held in an escrow account.

(6) Escrows for sale, transfer, modification, assignment, or hypothecation of promissory notes secured by deeds of trust.

(d) Coverage required to be provided by Fidelity Corporation under this chapter shall be provided to members only for loss of trust obligations with respect to those types of transactions specified in subdivision (c). If a loss covered by Fidelity Corporation is also covered by a member's general liability, dishonesty, or indemnity policy, or other private insurance policy, then the member's private policy shall first be applied as the primary indemnity to cover the loss. However, the failure of the member's private primary policy to indemnify the member's loss within the time specified for Fidelity Corporation indemnity in subdivision (a) of Section 17314 shall not limit the indemnity obligations of Fidelity Corporation as defined in this chapter. Indemnity coverage for those types of transactions not specified in subdivision (c) shall be provided by escrow agents in accordance with Section 17203.1.

SEC. 2. Section 17331.2 of the Financial Code is amended to read:

17331.2. (a) Fidelity Corporation shall deny the application for a certificate or revoke the certificate of any person, upon any of the following grounds:

(1) The application contains a material misrepresentation of fact or fails to disclose a material fact so as to render the application false or misleading, or if any fact or condition exists which, if it had existed at the time of the original application for a certificate, reasonably would have warranted Fidelity Corporation to refuse originally to issue that certificate.

(2) That the person has been convicted of a crime or offense, whether a felony, an offense punishable as a felony, or a misdemeanor, that involved dishonesty, fraud, deceit, embezzlement, fraudulent conversion, misappropriation of property, or any other crime reasonably related to the qualifications, functions, or duties of a person engaged in business in accordance with this division. A conviction within the meaning of this section is a plea or verdict of guilty or a conviction following a plea of nolo contendere. A conviction also includes an order granting probation and suspending the imposition of sentence, notwithstanding

a subsequent order pursuant to Section 1203.4 or 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. If, however, the conviction is more than 10 years old, or the conviction has been expunged, or the person has obtained a certificate of rehabilitation or relief under Section 1203.4 or 1203.4a of the Penal Code, or if the conviction was an infraction, then the person may have a Fidelity Corporation certificate upon showing by clear and convincing proof to a reasonable certainty that the conviction is no longer reasonably related to the qualifications, functions, or duties of a person engaged in business in accordance with this division or that person's employment with a member.

(3) That the person has been held liable in a civil action by final judgment of any court if the judgment involved dishonesty, fraud, deceit, embezzlement, fraudulent conversion, or misappropriation of property or the person has been ordered to make restitution to a victim in any criminal case involving a crime or offense set forth in paragraph (2). The person may have a Fidelity Corporation certificate upon showing by clear and convincing proof to a reasonable certainty that the judgment or restitution order is no longer reasonably related to the qualifications, functions, or duties of a person engaged in business in accordance with this division or that person's employment with a member.

(4) That the person has (A) committed or caused to be committed an act which caused any member to suffer a loss; (B) committed or caused to be committed or colluded with any other person committing any act which caused a loss, for which Fidelity Corporation or the insurer on any insurance policy or fidelity bond purchased by Fidelity Corporation, or both, to become liable to indemnify any member; or (C) committed or caused to be committed an act of dishonesty, fraud, deceit, embezzlement, fraudulent conversion, or misappropriation of property, to the material damage of a member or for which the member has been held liable to any third party, by final judgment.

(5) That the person has been barred from employment by final order of the commissioner pursuant to Section 17423.

(6) That the person has been deemed not qualified to serve in any capacity as a director or officer or in any other position involving management duties with a financial institution, pursuant to Division 1.8 (commencing with Section 4990).

(7) That the person has been denied coverage or reinstatement by any insurer under any fidelity bond or crime policy, unless a decision of reinstatement of coverage has been made after that denial. A person who obtained a decision of reinstatement of coverage prior to the effective

date of this section may have a Fidelity Corporation certificate notwithstanding paragraphs (2) and (3), unless any other ground for denial or revocation applies to that person.

(b) Fidelity Corporation shall suspend the certificate of any person upon either of the following grounds:

(1) That the person has been censured or suspended from any position of employment by final order of the commissioner. The certificate suspension shall be for a term concurrent with the final order of the commissioner.

(2) That the person has been barred from any position of employment or management or control of any escrow agent, for a term of less than permanent, by final order of the commissioner. The certificate suspension shall be for a term concurrent with the final order of the commissioner.

(c) Fidelity Corporation may suspend the certificate of any person under either of the following grounds:

(1) That there is an action commenced by the commissioner to either suspend or bar that person, under Section 17423.

(2) That any member with whom the person was employed has given a proof of loss or a notice of an occurrence which may give rise to a claim for a loss of trust obligations either of which identifies the person as the person responsible for the loss or as a person acting in collusion with the person causing the loss.

(d) Upon denial of an application for, or upon suspension or revocation of the certificate of any person, Fidelity Corporation shall provide written notice to the member with whom that person is employed of the decision, pending any appeal therefrom which might be made. Thereafter, the member shall not allow that person to have access to money or negotiable instruments or securities belonging to or in the possession of the escrow agent, or to draw checks upon the escrow agent or the trust accounts of the escrow agent, but that person may otherwise continue in the performance and discharge of other duties of an employee. Fidelity Corporation shall notify the person in writing of the decision to deny, suspend, or revoke the certificate and of the person's right of appeal, together with the notice of appeal. The grounds and basis for the decision shall be stated in the notice thereof. All notices may be served either personally or by mail, properly addressed to the address of record for the member and the person.

(e) Any person whose application for a certificate has been denied, or whose certificate has been suspended or revoked, may appeal the decision, as provided in Section 17331.3. While that appeal is pending, the person may not have access to money or negotiable instruments or securities belonging to or in the possession of the escrow agent, or to draw checks upon the escrow agent or the trust accounts of the escrow

agent, but that person may otherwise continue in the performance and discharge of other duties of an employee pending final decision of that person's appeal. Failure to remove the person whose application has been denied, or whose certificate has been suspended or revoked, as a signer on the trust accounts may be subject to action by the commissioner as provided for in this division and shall be subject to penalties as set forth in Section 17331.1.

(f) Upon expiration of the time for an appeal, or upon conclusion of the appeal, the decision to deny an application for or to suspend or revoke the certificate of any person shall become final. Fidelity Corporation shall give written notice to the member and to the person of the final decision within 10 days. Thereafter, Fidelity Corporation shall disclose in writing to all members the identity of persons whose application has been denied or whose certificate has been revoked. The person whose certificate has been denied or revoked may file a certificate reapplication after the period of time specified in Section 11522 of the Government Code, dating from the Fidelity Corporation final decision, provided that the person has satisfied all obligations to Fidelity Corporation under any prior arbitration award or judgment.

SEC. 3. Section 17406 of the Financial Code is amended to read:

17406. (a) Each licensee shall submit to the commissioner, at the licensee's own expense, an audit report containing audited financial statements covering the calendar year or, if the licensee has an established fiscal year, then for that fiscal year, within 105 days after the close of the calendar or fiscal year, as applicable. At that time, each licensee shall also file additional relevant information as the commissioner may require.

(b) Within 30 days after receipt of a request from the commissioner, a licensee or other person subject to this division shall submit to the commissioner, at the person's own expense, an audit report containing audited financial statements covering the 12 calendar months next preceding the month of receipt of the request, or for another period as the commissioner may require. Unless the public interest shall otherwise require, the commissioner shall exempt a licensee from the provisions of subdivision (a) in whole or in part if the licensee has complied with a request pursuant to this subdivision as of a date within the calendar or fiscal year for which the exemption is granted.

(c) A licensee whose license has been revoked shall submit to the commissioner, at its own expense, on or before 105 days after the effective date of the revocation, a closing audit report as of that effective date, or for another period as the commissioner may specify. The report shall include the information specified by the commissioner. A licensee who has complied with this subdivision is exempt from subdivision (a) of this section.

(d) The reports and financial statements referred to in subdivisions (a) and (b) shall include at least a balance sheet and a statement of income for the year ended on the balance sheet date together with other relevant information as the commissioner may require. The reports and financial statements referred to in subdivisions (a), (b), and (c) shall be prepared in accordance with generally accepted accounting principles, and shall be accompanied by a report, certificate, or opinion of, an independent certified public accountant or independent public accountant. The audits shall be conducted in accordance with generally accepted auditing standards and the rules of the commissioner.

(e) A licensee shall make other special reports to the commissioner as the commissioner may from time to time require.

(f) For good cause and upon written request, the commissioner may extend the time for compliance with subdivisions (a) and (b).

(g) A licensee shall, when requested by the commissioner, submit its unaudited financial statements, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and statement of income and expense as of the date and for the period specified by the commissioner. The commissioner may require the submission of these reports on a monthly or other periodic basis.

(h) If the report, certificate, or opinion of the independent accountant referred to in subdivision (d) is in any way qualified, the commissioner may require the licensee to take action as he or she deems appropriate to permit an independent accountant to remove the qualifications from the report, certificate, or opinion.

(i) The commissioner may reject any financial statement, report, certificate, or opinion by notifying the licensee or other person required to make the filing of its rejection and the cause of the rejection. Within 30 days after the receipt of the notice, the licensee or other person shall correct the deficiency and the failure so to do shall be deemed a violation of this division. The commissioner shall retain a copy of all rejected filings.

(j) The commissioner may make rules specifying the form and content of the reports and financial statements referred to in this section, and may require that those reports and financial statements be verified by the licensee in the manner as he or she may prescribe.

(k) Upon completion of the reports and financial statements referred to in subdivisions (a), (b), and (c), the independent accountant shall submit to the commissioner complete copies of the reports and financial statements at the same time that copies of the reports and financial statements are submitted to the licensee.

(l) A licensee who engages an independent accountant or other third-party contractor to reconcile trust account records shall request the

independent accountant or third-party contractor, at a minimum, to immediately notify the commissioner and Fidelity Corporation in the event of any of the following:

(1) The termination or voluntary withdrawal of the independent accountant or third-party contractor from the engagement.

(2) The discovery by the independent accountant or third-party contractor of an unreconcilable trust account debit balance. A debit balance exists if an escrow agent withdraws, pays out, or transfers money from an escrow account in excess of the amount to the credit of that account at the time of the withdrawal, payment, or transfer.

(3) The discovery by the independent accountant or third-party contractor that trust account reconciliations have not been performed for two months after the end of any calendar month.

(4) The discovery by the independent accountant or third-party contractor of exception items in trust account exception reports, that remain uncorrected for two months after the end of any calendar month.

Notification pursuant to this subdivision may be accomplished by transmitting to the commissioner and Fidelity Corporation, in either electronic or paper form, copies of trust account reconciliation exception reports. Nothing in this subdivision imposes any duty or obligation on an independent accountant or third-party contractor to Fidelity Corporation, members of Fidelity Corporation, or the commissioner.

(m) Nothing in this section shall be deemed to require a licensee to contract with a third party to reconcile trust account records.

SEC. 4. Section 17409 of the Financial Code is amended to read:

17409. (a) All moneys deposited in escrow to be delivered upon the close of the escrow or upon any other contingency shall be deposited and maintained in a noninterest-bearing demand or checking account in a bank, a state or federal savings bank, or a state or federal savings association or in a noninterest-bearing account subject to immediate withdrawal in an industrial loan company insured by the Federal Deposit Insurance Corporation and approved to receive those moneys by the commissioner. Thereafter, these moneys may be deposited in an interest-bearing account in a bank, a state or federal savings bank, a state or federal savings association, an industrial loan company approved to receive those moneys by the commissioner, or a state or federal credit union, if the depositor is qualified for membership under the bylaws of that credit union, and the moneys are maintained separate, distinct, and apart from funds belonging to the escrow agent. Those funds, when deposited, are to be designated as "trust funds," "escrow accounts," or under some other appropriate name indicating that the funds are not the funds of the escrow agent.

Upon request of the commissioner, a licensee shall furnish to the commissioner an authorization for examination of financial records of any trust funds or escrow accounts, maintained in a financial institution, in accordance with the procedures set forth in Section 7473 of the Government Code.

(b) A licensee engaged in the business of receiving escrows for deposit or delivery of the types specified in subdivision (c) of Section 17312 and of the types not specified therein shall maintain separate escrow trust accounts, for both types of escrow business in the same manner as provided in subdivision (a) of this section and Sections 17409.1, 17410, 17411, and 17411.1.

(c) Any agreement with a financial institution to establish a trust account pursuant to this section shall be accompanied by a letter from the licensee authorizing and requesting that the financial institution immediately notify the commissioner and Fidelity Corporation, in either electronic or paper form, when it becomes aware of either of the following:

(1) The closure of any account subject to this section, other than to transfer the funds to another designated trust account at the same financial institution in the name of the escrow agent or the remittance of the funds to the Controller's office for escheat purposes.

(2) The occurrence of any overdraft balance in an account subject to this section.

Nothing in this subdivision imposes any duty or obligation on a financial institution to Fidelity Corporation, members of Fidelity Corporation, or the commissioner.

CHAPTER 286

An act to amend Section 10176 of, and to add Sections 10087 and 10177.6 to, the Business and Professions Code, relating to real estate.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 10087 is added to the Business and Professions Code, to read:

10087. (a) In addition to acting pursuant to the authority provided under Sections 10086, 10176, and 10177, the commissioner may, after appropriate notice and opportunity for a hearing, by order, suspend, or

bar from any position of employment, management, or control, for a period not exceeding 36 months, a real estate salesperson or real estate broker, or an unlicensed person issued an order under Section 10086, if the commissioner finds either of the following:

(1) That the suspension or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the public.

(2) That the person has been convicted of or pleaded nolo contendere to any crime, or has been held liable in any civil action by final judgment, or any administrative judgment by any public agency, if that crime or civil or administrative judgment involved any offense involving dishonesty, fraud, or deceit, or any other offense reasonably related to the qualifications, functions, or duties of a person engaged in the real estate business in accordance with the provisions of this division.

(b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) of Division 3 of Title 2 of the Government Code). If no hearing is requested within 15 days after the mailing or service of that notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.

(c) Upon receipt of a notice of intention to issue an order pursuant to this section, the person who is the subject of the proposed order is immediately prohibited from engaging in any business activity involving real estate that is subject to regulation under this division.

(d) Persons suspended or barred under this section are prohibited from participating in any business activity of a real estate salesperson or a real estate broker and from engaging in any real estate-related business activity on the premises where a real estate salesperson or real estate broker is conducting business. Persons suspended or barred under this section are also prohibited from participating in any real estate-related business activity of a finance lender, residential mortgage lender, bank, credit union, escrow company, title company, or underwritten title company.

SEC. 2. Section 10176 of the Business and Professions Code is amended to read:

10176. The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate license at any time where

the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

- (a) Making any substantial misrepresentation.
- (b) Making any false promises of a character likely to influence, persuade or induce.
- (c) A continued and flagrant course of misrepresentation or making of false promises through real estate agents or salespersons.
- (d) Acting for more than one party in a transaction without the knowledge or consent of all parties thereto.
- (e) Commingling with his or her own money or property the money or other property of others which is received and held by him or her.
- (f) Claiming, demanding, or receiving a fee, compensation or commission under any exclusive agreement authorizing or employing a licensee to perform any acts set forth in Section 10131 for compensation or commission where the agreement does not contain a definite, specified date of final and complete termination.
- (g) The claiming or taking by a licensee of any secret or undisclosed amount of compensation, commission or profit or the failure of a licensee to reveal to the employer of the licensee the full amount of the licensee's compensation, commission or profit under any agreement authorizing or employing the licensee to do any acts for which a license is required under this chapter for compensation or commission prior to or coincident with the signing of an agreement evidencing the meeting of the minds of the contracting parties, regardless of the form of the agreement, whether evidenced by documents in an escrow or by any other or different procedure.
- (h) The use by a licensee of any provision allowing the licensee an option to purchase in an agreement authorizing or employing the licensee to sell, buy, or exchange real estate or a business opportunity for compensation or commission, except when the licensee prior to or coincident with election to exercise the option to purchase reveals in writing to the employer the full amount of licensee's profit and obtains the written consent of the employer approving the amount of the profit.
- (i) Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.
- (j) Obtaining the signature of a prospective purchaser to an agreement which provides that the prospective purchaser shall either transact the purchasing, leasing, renting or exchanging of a business opportunity property through the broker obtaining the signature, or pay a compensation to the broker if the property is purchased, leased, rented or exchanged without the broker first having obtained the written

authorization of the owner of the property concerned to offer the property for sale, lease, exchange or rent.

(k) Failing to disburse funds in accordance with a commitment to make a mortgage loan that is accepted by the applicant when the real estate broker represents to the applicant that the broker is either of the following:

(1) The lender.

(2) Authorized to issue the commitment on behalf of the lender or lenders in the mortgage loan transaction.

(l) Intentionally delaying the closing of a mortgage loan for the sole purpose of increasing interest, costs, fees, or charges payable by the borrower.

(m) Generating an inaccurate opinion of the value of residential real property, requested in connection with a debt forgiveness sale, in order to do either or both of the following:

(1) Manipulate the lienholder to reject the proposed debt forgiveness sale.

(2) Acquire a financial or business advantage, including a listing agreement, that directly results from the inaccurate opinion of value, with regard to the subject property.

SEC. 3. Section 10177.6 is added to the Business and Professions Code, to read:

10177.6. When an agent undertakes to arrange financing in connection with a sale, lease, or exchange of real property, or when a person or entity arranging financing in connection with the sale, lease, or exchange of real property undertakes to act as an agent with respect to that property, that agent, person, or entity shall, within 24 hours, make a written disclosure of those roles to all parties to the sale, lease, or exchange, and any related loan transaction. For purposes of this section, "agent" has the same meaning as defined in subdivision (a) of Section 2079.13 of the Civil Code.

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.

CHAPTER 287

An act to amend Sections 1002.1, 1002.2, 1002.3, 1002.4, and 1003.14 of the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1002.1 of the Military and Veterans Code is amended to read:

1002.1. A resolution of issuance may provide for the issuance of debentures in one or more series and for the aggregate principal amount of any series thereof. Any series of debentures may consist of serial debentures or of term debentures with sinking fund requirements or partially of serial debentures and partially of term debentures with sinking fund requirements. For any authorized issuance of debentures, the resolution may provide the department with the discretion to determine the number of series to be issued, the aggregate principal amount of each series, the designation of debentures within any such series as serial or term debentures, and the mandatory sinking account payments for term debentures, if any, subject to the aggregate principal amount of debentures authorized in the resolution.

SEC. 2. Section 1002.2 of the Military and Veterans Code is amended to read:

1002.2. A resolution of issuance may provide for the dates to be borne by debentures, and by each series, issued thereunder and for the dates of maturity thereof. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the dates of the debentures and maturity dates of the debentures, subject to the maximum maturity date authorized in the resolution.

SEC. 3. Section 1002.3 of the Military and Veterans Code is amended to read:

1002.3. A resolution of issuance may provide for date or dates for the payment of interest on debentures and the interest rate or rates, fixed or variable, or the method of determining such rate or rates. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the interest rates and payment dates, subject to the maximum rate of interest and the method of determination authorized in the resolution. The first interest payment may be at any time on or before one year from the date of the debenture.

The resolution may also provide the department with discretion to obtain credit enhancement or liquidity support for the authorized debentures and to determine the form of any such agreement.

SEC. 4. Section 1002.4 of the Military and Veterans Code is amended to read:

1002.4. A resolution of issuance may provide for the call and redemption of debentures issued thereunder, upon such terms, conditions and notice, and upon the payment of such premium, as may be fixed in said resolution. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the prices, terms and conditions for redemption, and the amount of premium, if any, not to exceed the maximum amount authorized in the resolution. No debenture shall be subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on the face of the debenture.

SEC. 5. Section 1003.14 of the Military and Veterans Code is amended to read:

1003.14. Debentures authorized under any resolution of issuance approved by the Veterans' Debenture Finance Committee shall be sold by the State Treasurer upon the written request of the department at public or private sale, as determined by the department with the approval of the Veterans' Debenture Finance Committee, and at those times and in those amounts that the department deems necessary to provide sufficient funds for the purposes for which the debentures are then authorized. Successive issues of debentures within the limits of the authorization for the issuance of debentures, if any of those limitations are included in the proceedings for the issuance of the debentures, shall be equally and regularly secured without preference, priority or distinction as to security or otherwise by reason of time of issue, or sale, except as debentures of various series may differ with respect to dates, numbers, interest rates, maturity, redemption provisions, sinking fund provisions, or otherwise as authorized in any resolution of issuance.

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 for the department to maintain the lowest possible interest rates to be paid by California veterans for farms and homes purchased by the department, it is necessary that this act take effect immediately.

CHAPTER 288

An act to amend Sections 1797.98a and 1797.98e of the Health and Safety Code, and to amend Section 16953 of the Welfare and Institutions Code, relating to emergency medical services.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1797.98a of the Health and Safety Code is amended to read:

1797.98a. (a) The fund provided for in this chapter shall be known as the Maddy Emergency Medical Services (EMS) Fund.

(b) (1) Each county may establish an emergency medical services fund, upon the adoption of a resolution by the board of supervisors. The moneys in the fund shall be available for the reimbursements required by this chapter. The fund shall be administered by each county, except that a county electing to have the state administer its medically indigent services program may also elect to have its emergency medical services fund administered by the state.

(2) Costs of administering the fund shall be reimbursed by the fund, based on the actual administrative costs, not to exceed 10 percent of the amount of the fund.

(3) All interest earned on moneys in the fund shall be deposited in the fund for disbursement as specified in this section.

(4) Each administering agency may maintain a reserve of up to 15 percent of the amount in the portions of the fund reimbursable to physicians and surgeons, pursuant to subparagraph (A) of, and to hospitals, pursuant to subparagraph (B) of, paragraph (5). Each administering agency may maintain a reserve of any amount in the portion of the fund that is distributed for other emergency medical services purposes as determined by each county, pursuant to subparagraph (C) of paragraph (5).

(5) The amount in the fund, reduced by the amount for administration and the reserve, shall be utilized to reimburse physicians and surgeons and hospitals for patients who do not make payment for emergency medical services and for other emergency medical services purposes as determined by each county according to the following schedule:

(A) Fifty-eight percent of the balance of the fund shall be distributed to physicians and surgeons for emergency services provided by all physicians and surgeons, except those physicians and surgeons employed

by county hospitals, in general acute care hospitals that provide basic, comprehensive, or standby emergency services pursuant to paragraph (3) or (5) of subdivision (f) of Section 1797.98e up to the time the patient is stabilized.

(B) Twenty-five percent of the fund shall be distributed only to hospitals providing disproportionate trauma and emergency medical care services.

(C) Seventeen percent of the fund shall be distributed for other emergency medical services purposes as determined by each county, including, but not limited to, the funding of regional poison control centers. Funding may be used for purchasing equipment and for capital projects only to the extent that these expenditures support the provision of emergency services and are consistent with the intent of this chapter.

(c) The source of the moneys in the fund shall be the penalty assessment made for this purpose, as provided in Section 76000 of the Government Code.

(d) Any physician and surgeon may be reimbursed for up to 50 percent of the amount claimed pursuant to subdivision (a) of Section 1797.98c for the initial cycle of reimbursements made by the administering agency in a given year, pursuant to Section 1797.98e. All funds remaining at the end of the fiscal year in excess of any reserve held and rolled over to the next year pursuant to paragraph (4) of subdivision (b) shall be distributed proportionally, based on the dollar amount of claims submitted and paid to all physicians and surgeons who submitted qualifying claims during that year.

(e) Of the money deposited into the fund pursuant to Section 76000.5 of the Government Code, 15 percent shall be utilized to provide funding for all pediatric trauma centers throughout the county, both publicly and privately owned and operated. The expenditure of money shall be limited to reimbursement to physicians and surgeons, and to hospitals for patients who do not make payment for emergency care services in hospitals up to the point of stabilization, or to hospitals for expanding the services provided to pediatric trauma patients at trauma centers and other hospitals providing care to pediatric trauma patients, or at pediatric trauma centers, including the purchase of equipment. Local emergency medical services (EMS) agencies may conduct a needs assessment of pediatric trauma services in the county to allocate these expenditures. Counties that do not maintain a pediatric trauma center shall utilize the money deposited into the fund pursuant to Section 76000.5 of the Government Code to improve access to, and coordination of, pediatric trauma and emergency services in the county, with preference for funding given to hospitals that specialize in services to children, and physicians and surgeons who provide emergency care for children. Funds spent for the purposes of

this section, shall be known as Richie's Fund. This subdivision shall remain in effect only until January 1, 2014, and shall have no force or effect on or after that date, unless a later enacted statute, that is chaptered before January 1, 2014, deletes or extends that date.

(f) Costs of administering money deposited into the fund pursuant to Section 76000.5 of the Government Code shall be reimbursed from the money collected, not to exceed 10 percent. This subdivision shall remain in effect only until January 1, 2014, and shall have no force or effect on or after that date, unless a later enacted statute, that is chaptered before January 1, 2014, deletes or extends that date.

SEC. 2. Section 1797.98e of the Health and Safety Code is amended to read:

1797.98e. (a) It is the intent of the Legislature that a simplified, cost-efficient system of administration of this chapter be developed so that the maximum amount of funds may be utilized to reimburse physicians and surgeons and for other emergency medical services purposes. The administering agency shall select an administering officer and shall establish procedures and time schedules for the submission and processing of proposed reimbursement requests submitted by physicians and surgeons. The schedule shall provide for disbursements of moneys in the Emergency Medical Services Fund on at least a quarterly basis to applicants who have submitted accurate and complete data for payment. When the administering agency determines that claims for payment for physician and surgeon services are of sufficient numbers and amounts that, if paid, the claims would exceed the total amount of funds available for payment, the administering agency shall fairly prorate, without preference, payments to each claimant at a level less than the maximum payment level. Each administering agency may encumber sufficient funds during one fiscal year to reimburse claimants for losses incurred during that fiscal year for which claims will not be received until after the fiscal year. The administering agency may, as necessary, request records and documentation to support the amounts of reimbursement requested by physicians and surgeons and the administering agency may review and audit the records for accuracy. Reimbursements requested and reimbursements made that are not supported by records may be denied to, and recouped from, physicians and surgeons. Physicians and surgeons found to submit requests for reimbursement that are inaccurate or unsupported by records may be excluded from submitting future requests for reimbursement. The administering officer shall not give preferential treatment to any facility, physician and surgeon, or category of physician and surgeon and shall not engage in practices that constitute a conflict of interest by favoring a facility or physician and surgeon with which the administering officer

has an operational or financial relationship. A hospital administrator of a hospital owned or operated by a county of a population of 250,000 or more as of January 1, 1991, or a person under the direct supervision of that person, shall not be the administering officer. The board of supervisors of a county or any other county agency may serve as the administering officer. The administering officer shall solicit input from physicians and surgeons and hospitals to review payment distribution methodologies to ensure fair and timely payments. This requirement may be fulfilled through the establishment of an advisory committee with representatives comprised of local physicians and surgeons and hospital administrators. In order to reduce the county's administrative burden, the administering officer may instead request an existing board, commission, or local medical society, or physicians and surgeons and hospital administrators, representative of the local community, to provide input and make recommendations on payment distribution methodologies.

(b) Each provider of health services that receives payment under this chapter shall keep and maintain records of the services rendered, the person to whom rendered, the date, and any additional information the administering agency may, by regulation, require, for a period of three years from the date the service was provided. The administering agency shall not require any additional information from a physician and surgeon providing emergency medical services that is not available in the patient record maintained by the entity listed in subdivision (f) where the emergency medical services are provided, nor shall the administering agency require a physician and surgeon to make eligibility determinations.

(c) During normal working hours, the administering agency may make any inspection and examination of a hospital's or physician and surgeon's books and records needed to carry out this chapter. A provider who has knowingly submitted a false request for reimbursement shall be guilty of civil fraud.

(d) Nothing in this chapter shall prevent a physician and surgeon from utilizing an agent who furnishes billing and collection services to the physician and surgeon to submit claims or receive payment for claims.

(e) All payments from the fund pursuant to Section 1797.98c to physicians and surgeons shall be limited to physicians and surgeons who, in person, provide onsite services in a clinical setting, including, but not limited to, radiology and pathology settings.

(f) All payments from the fund shall be limited to claims for care rendered by physicians and surgeons to patients who are initially medically screened, evaluated, treated, or stabilized in any of the following:

(1) A basic or comprehensive emergency department of a licensed general acute care hospital.

(2) A site that was approved by a county prior to January 1, 1990, as a paramedic receiving station for the treatment of emergency patients.

(3) A standby emergency department that was in existence on January 1, 1989, in a hospital specified in Section 124840.

(4) For the 1991–92 fiscal year and each fiscal year thereafter, a facility which contracted prior to January 1, 1990, with the National Park Service to provide emergency medical services.

(5) A standby emergency room in existence on January 1, 2007, in a hospital located in Los Angeles County that meets all of the following requirements:

(A) The requirements of subdivision (m) of Section 70413 and Sections 70415 and 70417 of Title 22 of the California Code of Regulations.

(B) Reported at least 18,000 emergency department patient encounters to the Office of Statewide Health Planning and Development in 2007 and continues to report at least 18,000 emergency department patient encounters to the Office of Statewide Health Planning and Development in each year thereafter.

(C) A hospital with a standby emergency department meeting the requirements of this paragraph shall do both of the following:

(i) Annually provide the State Department of Public Health and the local emergency medical services agency with certification that it meets the requirements of subparagraph (A). The department shall confirm the hospital's compliance with subparagraph (A).

(ii) Annually provide to the State Department of Public Health and the local emergency medical services agency the emergency department patient encounters it reports to the Office of Statewide Health Planning and Development to establish that it meets the requirement of subparagraph (B).

(g) Payments shall be made only for emergency medical services provided on the calendar day on which emergency medical services are first provided and on the immediately following two calendar days.

(h) Notwithstanding subdivision (g), if it is necessary to transfer the patient to a second facility providing a higher level of care for the treatment of the emergency condition, reimbursement shall be available for services provided at the facility to which the patient was transferred on the calendar day of transfer and on the immediately following two calendar days.

(i) Payment shall be made for medical screening examinations required by law to determine whether an emergency condition exists, notwithstanding the determination after the examination that a medical

emergency does not exist. Payment shall not be denied solely because a patient was not admitted to an acute care facility. Payment shall be made for services to an inpatient only when the inpatient has been admitted to a hospital from an entity specified in subdivision (f).

(j) The administering agency shall compile a quarterly and yearend summary of reimbursements paid to facilities and physicians and surgeons. The summary shall include, but shall not be limited to, the total number of claims submitted by physicians and surgeons in aggregate from each facility and the amount paid to each physician and surgeon. The administering agency shall provide copies of the summary and forms and instructions relating to making claims for reimbursement to the public, and may charge a fee not to exceed the reasonable costs of duplication.

(k) Each county shall establish an equitable and efficient mechanism for resolving disputes relating to claims for reimbursements from the fund. The mechanism shall include a requirement that disputes be submitted either to binding arbitration conducted pursuant to arbitration procedures set forth in Chapter 3 (commencing with Section 1282) and Chapter 4 (commencing with Section 1285) of Part 3 of Title 9 of the Code of Civil Procedure, or to a local medical society for resolution by neutral parties.

(l) Physicians and surgeons shall be eligible to receive payment for patient care services provided by, or in conjunction with, a properly credentialed nurse practitioner or physician's assistant for care rendered under the direct supervision of a physician and surgeon who is present in the facility where the patient is being treated and who is available for immediate consultation. Payment shall be limited to those claims that are substantiated by a medical record and that have been reviewed and countersigned by the supervising physician and surgeon in accordance with regulations established for the supervision of nurse practitioners and physician assistants in California.

SEC. 3. Section 16953 of the Welfare and Institutions Code is amended to read:

16953. (a) For purposes of this chapter "emergency services" means physician services in one of the following:

(1) A general acute care hospital which provides basic or comprehensive emergency services for emergency medical conditions.

(2) A site which was approved by a county prior to January 1, 1990, as a paramedic receiving station for the treatment of emergency patients, for emergency medical conditions.

(3) Beginning in the 1991-92 fiscal year and each fiscal year thereafter, in a facility which contracted prior to January 1, 1990, with

the National Park Service to provide emergency medical services, for emergency medical conditions.

(4) A standby emergency room in a hospital specified in Section 124840 of the Health and Safety Code, for emergency medical conditions.

(5) A standby emergency room in a hospital in existence on January 1, 2007, located in Los Angeles County that meets all of the following requirements:

(A) The requirements of subdivision (m) of Section 70413 and Sections 70415 and 70417 of Title 22 of the California Code of Regulations.

(B) Reported at least 18,000 emergency department patient encounters to the Office of Statewide Health Planning and Development in 2007 and continues to report at least 18,000 emergency department patient encounters to the Office of Statewide Health Planning and Development in each year thereafter.

(C) A hospital with a standby emergency department meeting the requirements of this paragraph shall do both of the following:

(i) Annually provide the State Department of Public Health and the local emergency medical services agency with certification that it meets the requirements of subparagraph (A). The department shall confirm the hospital's compliance with subparagraph (A).

(ii) Annually provide to the State Department of Public Health and the local emergency medical services agency the emergency department patient encounters it reports to the Office of Statewide Health Planning and Development to establish that it meets the requirement of subparagraph (B).

(b) For purposes of this chapter, "emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, which in the absence of immediate medical attention could reasonably be expected to result in any of the following:

(1) Placing the patient's health in serious jeopardy.

(2) Serious impairment to bodily functions.

(3) Serious dysfunction to any bodily organ or part.

(c) It is the intent of this section to allow reimbursement for all inpatient and outpatient services which are necessary for the treatment of an emergency medical condition as certified by the attending physician or other appropriate provider.

CHAPTER 289

An act to add Section 1797.9 to the Health and Safety Code, relating to emergency medical services.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares both of the following:

(a) It is the policy of the state to promote a readiness capability consisting of public safety or public use aircraft against threats to the state including earthquakes, flooding, fires, and other natural disasters, as well as promoting a readiness capability to respond to search and rescue incidents, terrorist incidents, large-scale hazardous materials events, or other manmade emergencies.

(b) Public aircraft for public safety uses are a scarce and valuable asset for the people of the State of California.

SEC. 2. Section 1797.9 is added to the Health and Safety Code, to read:

1797.9. (a) This division shall not be construed to regulate or authorize state or local regulation of any nonmedical aspects of the following:

- (1) Public aircraft certification or configuration.
- (2) Public aircraft maintenance procedures and documentation.
- (3) Piloting techniques and methods of piloting public aircraft.
- (4) Public aircraft crewmember qualifications.
- (5) Pilot certification or qualifications for public aircraft.

(b) For purposes of this section, "public aircraft" has the same meaning as in Section 1.1 of Title 14 of the Code of Federal Regulations.

CHAPTER 290

An act to amend Section 650 of the Business and Professions Code, and to amend Section 14107.2 of the Welfare and Institutions Code, relating to healing arts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 650 of the Business and Professions Code is amended to read:

650. (a) Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code, the offer, delivery, receipt, or acceptance by any person licensed under this division or the Chiropractic Initiative Act of any rebate, refund, commission, preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom these patients, clients, or customers are referred is unlawful.

(b) The payment or receipt of consideration for services other than the referral of patients which is based on a percentage of gross revenue or similar type of contractual arrangement shall not be unlawful if the consideration is commensurate with the value of the services furnished or with the fair rental value of any premises or equipment leased or provided by the recipient to the payer.

(c) The offer, delivery, receipt, or acceptance of any consideration between a federally qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code, and any individual or entity providing goods, items, services, donations, loans, or a combination thereof, to the health center entity pursuant to a contract, lease, grant, loan, or other agreement, if that agreement contributes to the ability of the health center entity to maintain or increase the availability, or enhance the quality, of services provided to a medically underserved population served by the health center, shall be permitted only to the extent sanctioned or permitted by federal law.

(d) Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code and in Sections 654.1 and 654.2, it shall not be unlawful for any person licensed under this division to refer a person to any laboratory, pharmacy, clinic (including entities exempt from licensure pursuant to Section 1206 of the Health and Safety Code), or health care facility solely because the licensee has a proprietary interest or coownership in the laboratory, pharmacy, clinic, or health care facility; provided, however, that the licensee's return on investment for that proprietary interest or coownership shall be based upon the amount of the capital investment or proportional ownership of the licensee which ownership interest is not based on the number or value of any patients referred. Any referral excepted under this section shall be unlawful if the prosecutor proves that there was no valid medical need for the referral.

(e) Except as provided in Chapter 2.3 (commencing with Section 1400) of Division 2 of the Health and Safety Code and in Sections 654.1 and 654.2, it shall not be unlawful to provide nonmonetary remuneration, in the form of hardware, software, or information technology and training services, as described in subsections (x) and (y) of Section 1001.952 of Title 42 of the Code of Federal Regulations, as amended October 4, 2007, as published in the Federal Register (72 Fed. Reg. 56632, 56644), and subsequently amended versions.

(f) "Health care facility" means a general acute care hospital, acute psychiatric hospital, skilled nursing facility, intermediate care facility, and any other health facility licensed by the State Department of Public Health under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(g) A violation of this section is a public offense and is punishable upon a first conviction by imprisonment in the county jail for not more than one year, or by imprisonment in the state prison, or by a fine not exceeding fifty thousand dollars (\$50,000), or by both that imprisonment and fine. A second or subsequent conviction is punishable by imprisonment in the state prison or by imprisonment in the state prison and a fine of fifty thousand dollars (\$50,000).

SEC. 2. Section 14107.2 of the Welfare and Institutions Code is amended to read:

14107.2. (a) Any person who solicits or receives any remuneration, including, but not restricted to, any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in valuable consideration of any kind, either:

(1) In return for the referral, or promised referral, of any individual to a person for the furnishing or arranging for the furnishing of any service or merchandise for which payment may be made, in whole or in part, under this chapter or Chapter 8 (commencing with Section 14200); or

(2) In return for the purchasing, leasing, ordering, or arranging for or recommending the purchasing, leasing, or ordering of any goods, facility, service or merchandise for which payment may be made, in whole or in part, under this chapter or Chapter 8 (commencing with Section 14200), is punishable upon a first conviction by imprisonment in a county jail for not longer than one year or state prison, or by a fine not exceeding ten thousand dollars (\$10,000), or by both that imprisonment and fine. A second or subsequent conviction shall be punishable by imprisonment in the state prison.

(b) Any person who offers or pays any remuneration, including, but not restricted to, any kickback, bribe, or rebate, directly or indirectly,

overtly or covertly, in cash or in valuable consideration of any kind, either:

(1) To refer any individual to a person for the furnishing or arranging for furnishing of any service or merchandise for which payment may be made, in whole or in part, under this chapter or Chapter 8 (commencing with Section 14200); or

(2) To purchase, lease, order, or arrange for or recommend the purchasing, leasing, or ordering of any goods, facility, service, or merchandise for which payment may be made, in whole or in part, under this chapter or Chapter 8 (commencing with Section 14200), is punishable upon a first conviction by imprisonment in a county jail for not longer than one year or state prison, or by a fine not exceeding ten thousand dollars (\$10,000), or by both that imprisonment and fine. A second or subsequent conviction shall be punishable by imprisonment in the state prison.

(c) Subdivisions (a) and (b) shall not apply to the following:

(1) Any amount paid by an employer to an employee, who has a bona fide employment relationship with that employer, for employment with provision of covered items or services.

(2) A discount or other reduction in price obtained by a provider of services or other entity under this chapter or Chapter 8 (commencing with Section 14200), if the reduction in price is properly disclosed and reflected in the costs claimed or charges made by the provider or entity under this chapter or Chapter 8 (commencing with Section 14200). This paragraph shall not apply to consultant pharmaceutical services rendered to nursing facilities nor to all categories of intermediate care facilities for the developmentally disabled.

(3) The practices or transactions between a federally qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code, and any individual or entity shall be permitted only to the extent sanctioned or permitted by federal law.

(4) The provision of nonmonetary remuneration in the form of hardware, software, or information technology and training services, as described in subsections (x) and (y) of Section 1001.952 of Title 42 of the Code of Federal Regulations, as amended October 4, 2007, as published in the Federal Register (77 Fed. Reg. 56632, 56644), and subsequently amended versions.

(d) For purposes of this section, “kickback” means a rebate or anything of value or advantage, present or prospective, or any promise or undertaking to give any rebate or thing of value or advantage, with a corrupt intent to unlawfully influence the person to whom it is given in actions undertaken by that person in his or her public, professional, or official capacity.

(e) The enforcement remedies provided under this section are not exclusive and shall not preclude the use of any other criminal or civil remedy.

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 state law conforms with existing federal law as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 291

An act to amend Sections 1523.2, 1530.5, 1534, 1546, 1548, 1568.07, 1568.0822, 1569.33, 1569.48, 1569.49, 1596.98, 1596.99, 1597.56, and 1597.62 of, and to add Sections 1534.1, 1550.7, 1558.3, 1568.0715, 1568.0825, 1568.094, 1569.351, 1569.510, 1569.595, 1596.818, 1596.8867, 1596.8899, and 1597.58 to, the Health and Safety Code, and to amend Section 18285 of the Welfare and Institutions Code, relating to community care facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. (a) The Legislature hereby finds and declares that the effective and efficient collection of civil penalties imposed for violations of state law and regulations is a means to ensure compliance with the laws protecting the health and safety of vulnerable populations in licensed community care facilities.

(b) It is the intent of the Legislature to do all of the following:

(1) Ensure that vulnerable persons in licensed facilities are protected from threats to health and safety, especially from violations of law where the nature or seriousness of the violation or the frequency of the violation warrants immediate action.

(2) Ensure that civil penalties are in addition to, and are not intended to supplant, other remedies available to the State Department of Social Services, such as suspension, revocation, or temporary suspension orders.

(3) Ensure overall program integrity in the operation of facilities licensed by the State Department of Social Services.

SEC. 2. Section 1523.2 of the Health and Safety Code is amended to read:

1523.2. (a) Beginning with the 1996–97 fiscal year, there is hereby created in the State Treasury the Technical Assistance Fund, from which money, upon appropriation by the Legislature in the Budget Act, shall be expended by the department to fund administrative and other activities in support of the licensing program.

(b) In each fiscal year, fees collected by the department pursuant to Sections 1523.1, 1568.05, 1569.185, and 1596.803 shall be deposited into the Technical Assistance Fund created pursuant to subdivision (a) and shall be expended by the department for the purpose of ensuring the health and safety of all individuals provided care and supervision by licensees and to support activities of the licensing program, including, but not limited to, monitoring facilities for compliance with applicable laws and regulations.

(c) Notwithstanding any other provision of law, revenues received by the department from payment of civil penalties imposed on licensed facilities pursuant to Sections 1522, 1536, 1547, 1548, 1568.0821, 1568.0822, 1568.09, 1569.17, 1569.485, and 1569.49 shall be deposited into the Technical Assistance Fund created pursuant to subdivision (a), and shall be expended by the department exclusively for the technical assistance, training, and education of licensees.

SEC. 3. Section 1530.5 of the Health and Safety Code is amended to read:

1530.5. (a) The department, in establishing regulations, including provisions for periodic inspections, under this chapter for foster family homes and certified family homes of foster family agencies, shall consider these homes as private residences, and shall establish regulations for these foster family homes and certified family homes of foster family agencies as an entirely separate regulation package from regulations for all other community care facilities. Certified family homes of foster family agencies shall not be subject to civil penalties pursuant to this chapter. Foster family homes shall not be subject to civil penalties pursuant to Section 1548, except for violations of a serious nature described in subdivision (b) of that section. Foster family homes also shall be subject to civil penalties pursuant to Sections 1522 and 1547. The department, in adopting and amending regulations for these foster family homes and certified family homes of foster family agencies, shall consult with foster parent and foster family agency organizations in order to ensure compliance with the requirement of this section.

(b) This section shall not apply to small family homes or foster family agencies as defined in Section 1502.

SEC. 4. Section 1534 of the Health and Safety Code is amended to read:

1534. (a) (1) Every licensed community care facility shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(A) The department shall conduct an annual unannounced visit to a facility under any of the following circumstances:

- (i) When a license is on probation.
- (ii) When the terms of agreement in a facility compliance plan require an annual evaluation.
- (iii) When an accusation against a licensee is pending.
- (iv) When a facility requires an annual visit as a condition of receiving federal financial participation.
- (v) In order to verify that a person who has been ordered out of a facility by the department is no longer at the facility.

(B) (i) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subparagraph (A). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(ii) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by an additional 10 percent of the facilities not subject to an evaluation under subparagraph (A). The department may request additional resources to increase the random sample by 10 percent.

(C) Under no circumstance shall the department visit a community care facility less often than once every five years.

(D) In order to facilitate direct contact with group home clients, the department may interview children who are clients of group homes at any public agency or private agency at which the client may be found, including, but not limited to, a juvenile hall, recreation or vocational program, or a nonpublic school. The department shall respect the rights of the child while conducting the interview, including informing the child that he or she has the right not to be interviewed and the right to have another adult present during the interview.

(2) The department shall notify the community care facility in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(3) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection

reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection.

(b) (1) Nothing in this section shall limit the authority of the department to inspect or evaluate a licensed foster family agency, a certified family home, or any aspect of a program where a licensed community care facility is certifying compliance with licensing requirements.

(2) Upon a finding of noncompliance by the department, the department may require a foster family agency to deny or revoke the certificate of approval of a certified family home, or take other action the department may deem necessary for the protection of a child placed with the family home. The family home shall be afforded the due process provided pursuant to this chapter.

(3) If the department requires a foster family agency to deny or revoke the certificate of approval, the department shall serve an order of denial or revocation upon the certified or prospective foster parent and foster family agency that shall notify the certified or prospective foster parent of the basis of the department's action and of the certified or prospective foster parent's right to a hearing.

(4) Within 15 days after the department serves an order of denial or revocation, the certified or prospective foster parent may file a written appeal of the department's decision with the department. The department's action shall be final if the certified or prospective foster parent does not file a written appeal within 15 days after the department serves the denial or revocation order.

(5) The department's order of the denial or revocation of the certificate of approval shall remain in effect until the hearing is completed and the director has made a final determination on the merits.

(6) A certified or prospective foster parent who files a written appeal of the department's order with the department pursuant to this section shall, as part of the written request, provide his or her current mailing address. The certified or prospective foster parent shall subsequently notify the department in writing of any change in mailing address, until the hearing process has been completed or terminated.

(7) Hearings held pursuant to this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code. In all proceedings conducted in accordance with this section the standard of proof shall be by a preponderance of the evidence.

(8) The department may institute or continue a disciplinary proceeding against a certified or prospective foster parent upon any ground provided by this section, enter an order denying or revoking the certificate of approval, or otherwise take disciplinary action against the certified or

prospective foster parent, notwithstanding any resignation, withdrawal of application, surrender of the certificate of approval, or denial or revocation of the certificate of approval by the foster family agency.

(9) A foster family agency's failure to comply with the department's order to deny or revoke the certificate of employment by placing or retaining children in care shall be grounds for disciplining the licensee pursuant to Section 1550.

SEC. 5. Section 1534.1 is added to the Health and Safety Code, to read:

1534.1. (a) The department shall ensure that the licensee's plan of correction is verifiable and measurable. The plan of correction shall specify what evidence is acceptable to establish that a deficiency has been corrected. This evidence shall be included in the department's facility file.

(b) The department shall specify in its licensing report all violations that, if not corrected, will have a direct and immediate risk to the health, safety, or personal rights of clients in care.

(c) The department shall complete all complaint investigations and place a note of final conclusion in the department's facility file, consistent with the confidentiality provisions in subdivision (c) of Section 1538, regardless of whether the licensee voluntarily surrendered the license.

SEC. 6. Section 1546 of the Health and Safety Code is amended to read:

1546. The department may require not more than 50 percent of each penalty assessed pursuant to Section 1548 to be transmitted to the department for use by the Community Care Licensing Division of the state department to establish an emergency resident relocation fund to be utilized for the relocation and care of residents when a facility's license is revoked or temporarily suspended, when appropriated by the Legislature. The money in the fund shall cover costs, including but not limited to, transportation expenses, expenses incurred in notifying family members, and any other costs directly associated with providing continuous care to the residents. The department shall seek the advice of providers in developing a state plan for emergency resident relocation.

SEC. 7. Section 1548 of the Health and Safety Code is amended to read:

1548. (a) In addition to the suspension, temporary suspension, or revocation of a license issued under this chapter, the department may levy a civil penalty.

(b) The amount of the civil penalty shall not be less than twenty-five dollars (\$25) or more than fifty dollars (\$50) per day for each violation of this chapter except where the nature or seriousness of the violation or the frequency of the violation warrants a higher penalty or an

immediate civil penalty assessment, or both, as determined by the department. In no event, shall a civil penalty assessment exceed one hundred fifty dollars (\$150) per day per violation.

(c) Notwithstanding Section 1534, the department shall assess an immediate civil penalty of one hundred fifty dollars (\$150) per day per violation for any of the following serious violations:

(1) (A) Fire clearance violations, including, but not limited to, overcapacity, ambulatory status, inoperable smoke alarms, and inoperable fire alarm systems. The civil penalty shall not be assessed if the licensee has done either of the following:

(i) Requested the appropriate fire clearance based on ambulatory, nonambulatory, or bedridden status, and the decision is pending.

(ii) Initiated eviction proceedings.

(B) A licensee denied a clearance for bedridden residents may appeal to the fire authority, and, if that appeal is denied, may subsequently appeal to the Office of the State Fire Marshal, and shall not be assessed an immediate civil penalty until the final appeal is decided, or after 60 days has passed from the date of the citation, whichever is earlier.

(2) Absence of supervision, as required by statute or regulation.

(3) Accessible bodies of water when prohibited in this chapter or regulations adopted pursuant to this chapter.

(4) Accessible firearms, ammunition, or both.

(5) Refused entry to a facility or any part of a facility in violation of Section 1533, 1534, or 1538.

(6) The presence of an excluded person on the premises.

(d) Notwithstanding Section 1534, any facility that is cited for repeating the same violation of this chapter within 12 months of the first violation is subject to an immediate civil penalty of one hundred fifty dollars (\$150) and fifty dollars (\$50) for each day the violation continues until the deficiency is corrected.

(e) Any facility that is assessed a civil penalty pursuant to subdivision (d) which repeats the same violation of this chapter within 12 months of the violation subject to subdivision (d) is subject to an immediate civil penalty of one hundred fifty dollars (\$150) for each day the violation continues until the deficiency is corrected.

(f) The department shall adopt regulations implementing this section.

(g) As provided in Section 11466.31 of the Welfare and Institutions Code, the department may offset civil penalties owed by a group home against moneys to be paid by a county for the care of minors after the group home has exhausted its appeal of the civil penalty assessment. The department shall provide the group home a reasonable opportunity to pay the civil penalty before instituting the offset provision.

SEC. 8. Section 1550.7 is added to the Health and Safety Code, to read:

1550.7. (a) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a temporary suspension of a license in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

(b) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a revocation of a license, in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

SEC. 9. Section 1558.3 is added to the Health and Safety Code, to read:

1558.3. The department shall conduct an unannounced visit to a facility within 30 days after the department serves an order of immediate exclusion from the facility upon the licensee or a person subject to immediate removal or exclusion from the facility pursuant to paragraph (3) of subdivision (c) of Section 1522 and subdivision (c) of Section 1558 and in order to ensure that the excluded person is not within the facility, unless the department previously has verified that the excluded person is not within the facility.

SEC. 9.2. Section 1568.07 of the Health and Safety Code is amended to read:

1568.07. (a) (1) Within 90 days after a facility accepts its first resident for placement following its initial licensure, the department shall inspect the facility to evaluate compliance with rules and regulations and to assess the facility's continuing ability to meet regulatory requirements. The licensee shall notify the department, within five business days after accepting its first resident for placement, that the facility has commenced operating.

(2) The department may take appropriate remedial action as provided for in this chapter.

(b) (1) Every licensed residential care facility shall be periodically inspected and evaluated for quality of care by a representative or representatives designated by the director. Evaluations shall be conducted at least annually and as often as necessary to ensure the quality of care being provided.

(2) During each licensing inspection the department shall determine if the facility meets regulatory standards, including, but not limited to, providing residents with the appropriate level of care based on the facility's license, providing adequate staffing and services, updated resident records and assessments, and compliance with basic health and safety standards.

(3) If the department determines that a resident requires a higher level of care than the facility is authorized to provide, the department may initiate a professional level of care assessment by an assessor approved by the department. An assessment shall be conducted in consultation with the resident, the resident's physician and surgeon, and the resident's case manager, and shall reflect the desires of the resident, the resident's physician and surgeon, and the resident's case manager. The assessment also shall recognize that certain illnesses are episodic in nature and that the resident's need for a higher level of care may be temporary.

(4) The department shall notify the residential care facility in writing of all deficiencies in its compliance with this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(5) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection.

(c) Any duly authorized officer, employee, or agent of the department may, upon presentation of proper identification, enter and inspect any place providing personal care, supervision, and services, at any time, with or without advance notice, to secure compliance with, or to prevent a violation of, this chapter.

(d) No licensee shall discriminate or retaliate in any manner against any person receiving the services of the facility of the licensee, or against any employee of the facility, on the basis, or for the reason, that a person or employee or any other person has initiated or participated in an inspection pursuant to Section 1568.071.

(e) Any person who, without lawful authorization from a duly authorized officer, employee, or agent of the department, informs an owner, operator, employee, agent, or resident of a residential care facility, of an impending or proposed inspection or evaluation of that facility by personnel of the department, is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not to exceed one thousand dollars (\$1,000), by imprisonment in the county jail for a period not to exceed 180 days, or by both a fine and imprisonment.

SEC. 10. Section 1568.0715 is added to the Health and Safety Code, to read:

1568.0715. (a) The department shall ensure that the licensee's plan of correction is verifiable and measurable. The plan of correction shall specify what evidence is acceptable to establish that a deficiency has been corrected. This evidence shall be included in the department's facility file.

(b) The department shall specify in its licensing report all violations that, if not corrected, will have a direct and immediate risk to the health, safety, or personal rights of residents in care.

(c) The department shall complete all complaint investigations and place a note of final conclusion in the department's facility file, regardless of whether the licensee voluntarily surrendered the license.

SEC. 11. Section 1568.0822 of the Health and Safety Code is amended to read:

1568.0822. (a) In addition to the suspension, temporary suspension, or revocation of a license issued under this chapter, the department may levy a civil penalty. The department shall adopt regulations setting forth the appeal procedures for deficiencies.

(b) The amount of the civil penalty shall not be less than twenty-five dollars (\$25) or more than fifty dollars (\$50) per day for each violation of this chapter, except where the nature or seriousness of the violation or the frequency of the violation warrants a higher penalty or an immediate civil penalty assessment, or both, as determined by the department. In no event shall a civil penalty assessment exceed one hundred fifty dollars (\$150) per day per violation.

(c) Notwithstanding Section 1568.07, the department shall assess an immediate civil penalty of one hundred fifty dollars (\$150) per day per violation for any of the following serious violations:

(1) (A) Fire clearance violations, including, but not limited to, overcapacity, ambulatory status, inoperable smoke alarms, and inoperable fire alarm systems. The civil penalty shall not be assessed if the licensee has done either of the following:

(i) Requested the appropriate fire clearance based on ambulatory, nonambulatory, or bedridden status, and the decision is pending.

(ii) Initiated eviction proceedings.

(B) A licensee denied a clearance for bedridden residents may appeal to the fire authority, and, if that appeal is denied, may subsequently appeal to the Office of the State Fire Marshal, and shall not be assessed an immediate civil penalty until the final appeal is decided, or after 60 days has passed from the date of the citation, whichever is earlier.

(2) Absence of supervision, as required by statute and regulation.

(3) Accessible bodies of water, when prohibited in this chapter or regulations adopted pursuant to this chapter.

(4) Accessible firearms, ammunition, or both.

(5) Refused entry to a facility or any part of a facility in violation of Section 1568.07 or 1568.071.

(6) The presence of an excluded person on the premises.

(d) Notwithstanding Section 1568.07, any residential care facility that is cited for repeating the same violation of this chapter within 12 months

of the first violation is subject to an immediate civil penalty of one hundred fifty dollars (\$150) and fifty dollars (\$50) for each day the violation continues until the deficiency is corrected.

(e) Any residential care facility that is assessed a civil penalty pursuant to subdivision (d) which repeats the same violation of this chapter within 12 months of the violation subject to subdivision (d) shall be assessed an immediate civil penalty of one thousand dollars (\$1,000) and one hundred dollars (\$100) for each day the violation continues until the deficiency is corrected, provided that the violation is a serious violation.

(f) The department shall adopt regulations implementing this section.

SEC. 12. Section 1568.0825 is added to the Health and Safety Code, to read:

1568.0825. (a) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a temporary suspension of a license in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

(b) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a revocation of a license in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

SEC. 13. Section 1568.094 is added to the Health and Safety Code, to read:

1568.094. The department shall conduct an unannounced visit to a facility within 30 days after the department serves an order of immediate exclusion from the facility upon the licensee or a person subject to immediate removal or exclusion from the facility pursuant to paragraph (4) of subdivision (c) of Section 1568.09 and subdivision (c) of Section 1568.092 in order to ensure that the excluded person is not within the facility, unless the department previously has verified that the excluded person is not within the facility.

SEC. 13.2. Section 1569.33 of the Health and Safety Code is amended to read:

1569.33. (a) Every licensed residential care facility for the elderly shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(b) The department shall conduct an annual unannounced visit of a facility under any of the following circumstances:

- (1) When a license is on probation.
- (2) When the terms of agreement in a facility compliance plan require an annual evaluation.
- (3) When an accusation against a licensee is pending.

(4) When a facility requires an annual visit as a condition of receiving federal financial participation.

(5) In order to verify that a person who has been ordered out of the facility for the elderly by the department is no longer at the facility.

(c) (1) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department.

(2) If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of the facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a residential care facility for the elderly less often than once every five years.

(e) The department shall notify the residential care facility for the elderly in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(f) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection.

(g) As a part of the department's evaluation process, the department shall review the plan of operation, training logs, and marketing materials of any residential care facility for the elderly that advertises or promotes special care, special programming, or a special environment for persons with dementia to monitor compliance with Sections 1569.626 and 1569.627.

SEC. 14. Section 1569.351 is added to the Health and Safety Code, to read:

1569.351. (a) The department shall ensure that the licensee's plan of correction is verifiable and measurable. The plan of correction shall specify what evidence is acceptable to establish that a deficiency has been corrected. This evidence shall be included in the department's facility file.

(b) The department shall specify in its licensing report all violations that, if not corrected, will have a direct and immediate risk to the health, safety, or personal rights of residents in care.

(c) The department shall complete all complaint investigations and place a note of final conclusion in the department's facility file, regardless of whether the licensee voluntarily surrendered the license.

SEC. 15. Section 1569.48 of the Health and Safety Code is amended to read:

1569.48. A fund may be established to which not more than 50 percent of each penalty assessed pursuant to Section 1569.49 is transmitted to the department for use by the Community Care Licensing Division of the department to establish an emergency resident relocation fund to be utilized for the relocation and care of residents when a facility's license is revoked or temporarily suspended, when appropriated by the Legislature. The money in the fund shall cover costs, including, but not limited to, transportation expenses, expenses incurred in notifying family members, and any other costs directly associated with providing continuous care to the residents. The department shall seek the advice of providers in developing a state plan for emergency resident relocation.

SEC. 16. Section 1569.49 of the Health and Safety Code is amended to read:

1569.49. (a) In addition to the suspension, temporary suspension, or revocation of a license issued under this chapter, the department may levy a civil penalty. The department shall adopt regulations setting forth the appeal procedures for deficiencies.

(b) The amount of the civil penalty shall not be less than twenty-five dollars (\$25) or more than fifty dollars (\$50) per day for each violation of this chapter except where the nature or seriousness of the violation or the frequency of the violation warrants a higher penalty or an immediate civil penalty assessment, or both, as determined by the department. In no event, shall a civil penalty assessment exceed one hundred fifty dollars (\$150) per day per violation.

(c) Notwithstanding Section 1569.33, the department shall assess an immediate civil penalty of one hundred fifty dollars (\$150) per day per violation for any of the following serious violations:

(1) (A) Fire clearance violations, including, but not limited to, overcapacity, ambulatory status, inoperable smoke alarms, and inoperable fire alarm systems. The civil penalty shall not be assessed if the licensee has done either of the following:

(i) Requested the appropriate fire clearance based on ambulatory, nonambulatory, or bedridden status, and the decision is pending.

(ii) Initiated eviction proceedings.

(B) A licensee denied a clearance for bedridden residents may appeal to the fire authority, and, if that appeal is denied, may subsequently appeal to the Office of the State Fire Marshal, and shall not be assessed an immediate civil penalty until the final appeal is decided, or after 60 days has passed from the date of the citation, whichever is earlier.

(2) Absence of supervision as required by statute or regulation.

(3) Accessible bodies of water, when prohibited in this chapter or regulations adopted pursuant to this chapter.

(4) Accessible firearms, ammunition, or both.

(5) Refused entry to a facility or any part of a facility in violation of Section 1569.32, 1569.33, or 1569.35.

(6) The presence of an excluded person on the premises.

(d) Notwithstanding Section 1569.33, any residential care facility for the elderly that is cited for repeating the same violation of this chapter within 12 months of the first violation is subject to an immediate civil penalty of one hundred fifty dollars (\$150) and fifty dollars (\$50) for each day the violation continues until the deficiency is corrected.

(e) Any residential care facility for the elderly that is assessed a civil penalty pursuant to subdivision (d) which repeats the same violation of this chapter within 12 months of the violation subject to subdivision (d) shall be assessed an immediate civil penalty of one thousand dollars (\$1,000) and one hundred dollars (\$100) for each day the violation continues until the deficiency is corrected.

(f) The department shall adopt regulations implementing this section.

SEC. 17. Section 1569.510 is added to the Health and Safety Code, to read:

1569.510. (a) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a temporary suspension of a license in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

(b) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a revocation of a license in order to ensure that the facility is nonoperational, unless the department previously has verified that the facility is nonoperational.

SEC. 18. Section 1569.595 is added to the Health and Safety Code, to read:

1569.595. The department shall conduct an unannounced visit to a facility within 30 days after the department serves an order of immediate exclusion from the facility upon the licensee or a person subject to immediate removal or exclusion from the facility pursuant to paragraph (3) of subdivision (c) of Section 1569.17 and subdivision (c) of Section 1569.58 in order to ensure that the excluded person is not within the facility, unless the department previously has verified that the excluded person is not within the facility.

SEC. 19. Section 1596.818 is added to the Health and Safety Code, to read:

1596.818. (a) The department shall specify in its licensing report all violations that, if not corrected, will have a direct and immediate risk to the health, safety, or personal rights of children in care.

(b) The department shall complete all complaint investigations and place a note of final conclusion in the department's facility file, consistent with the confidentiality requirements of Section 1596.853, regardless of whether the licensee voluntarily surrendered his or her license.

SEC. 20. Section 1596.8867 is added to the Health and Safety Code, to read:

1596.8867. (a) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a temporary suspension of a license, in order to ensure that the facility is nonoperational, unless the department has previously verified that the facility is nonoperational.

(b) The department shall conduct an unannounced visit to a facility within 30 days after the effective date of a revocation of a license in order to ensure that the facility is nonoperational, unless the department has previously verified that the facility is nonoperational.

SEC. 21. Section 1596.8899 is added to the Health and Safety Code, to read:

1596.8899. The department shall conduct an unannounced visit to a facility within 30 days after the department serves an order of immediate exclusion from the facility upon the licensee or a person subject to immediate removal or exclusion from the facility pursuant to paragraph (2) of subdivision (c) of Section 1596.871 or subdivision (c) of Section 1596.8897 in order to ensure that the excluded person is not within the facility, unless the department previously has verified that the excluded person is not within the facility.

SEC. 22. Section 1596.98 of the Health and Safety Code is amended to read:

1596.98. (a) The department shall notify the day care center in writing of all deficiencies in its compliance with this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the center. Upon a finding of noncompliance, the department may levy a civil penalty which shall be paid to the department each day until the department finds the center in compliance.

(b) In developing a plan of correction both the licensee and the department shall give due consideration to the following factors:

- (1) The gravity of the violation.
- (2) The history of previous violations.
- (3) The possibility of a threat to the health or safety of any child in the facility.

- (4) The number of children affected by the violation.
- (5) The availability of equipment or personnel necessary to correct the violation, if appropriate.
- (c) The department shall ensure that the licensee's plan of correction is verifiable and measurable. The plan of correction shall specify what evidence is acceptable to establish that a deficiency has been corrected. This evidence shall be included in the department's facility file.
- (d) The department shall adopt regulations establishing procedures for the imposition of civil penalties under this section.

SEC. 23. Section 1596.99 of the Health and Safety Code is amended to read:

1596.99. (a) In addition to the suspension, temporary suspension, or revocation of a license issued under this chapter or Chapter 3.4 (commencing with Section 1596.70), the department may levy a civil penalty.

(b) The amount of the civil penalty shall not be less than twenty-five dollars (\$25) nor more than fifty dollars (\$50) per day for each violation of this chapter except where the nature or seriousness of the violation or the frequency of the violation warrants a higher penalty or an immediate civil penalty assessment, or both, as determined by the department. In no event shall a civil penalty assessment exceed one hundred fifty dollars (\$150) per day per violation.

(c) Notwithstanding Sections 1596.893a, 1596.893b, and 1596.98, the department shall assess an immediate civil penalty of one hundred fifty (\$150) per day per violation for any of the following serious violations:

(1) Fire clearance violations, including, but not limited to, overcapacity, inoperable smoke alarms, and inoperable fire alarm systems.

(2) Absence of supervision, including, but not limited to, a child left unattended, supervision of a child by a person under 18 years of age, and lack of supervision resulting in a child wandering away.

(3) Accessible bodies of water.

(4) Accessible firearms, ammunition, or both.

(5) Refused entry to a facility or any part of a facility in violation of Section 1596.852, 1596.853, or 1597.09.

(6) The presence of an excluded person on the premises.

(d) Notwithstanding Sections 1596.893a, 1596.893b, and 1596.98, any day care center that is cited for repeating the same violation of this chapter or Chapter 3.4 (commencing with Section 1596.70), within 12 months of the first violation is subject to an immediate civil penalty of one hundred fifty dollars (\$150) for each day the violation continues until the deficiency is corrected.

(e) Any day care center that is assessed a civil penalty under subdivision (d) and that repeats the same violation of this chapter within 12 months of the violation subject to subdivision (d) shall be assessed an immediate civil penalty of one hundred fifty dollars (\$150) for each day the violation continues until the deficiency is corrected.

(f) Notwithstanding any other provision of law, revenues received by the state from the payment of civil penalties imposed on licensed child care centers pursuant to this chapter or Chapter 3.4 (commencing with Section 1596.70), shall be deposited in the Child Health and Safety Fund, created pursuant to Chapter 4.6 (commencing with Section 18285) of Part 6 of Division 9 of the Welfare and Institutions Code, and shall be expended, upon appropriation by the Legislature, pursuant to subdivision (f) of Section 18285 of the Welfare and Institutions Code exclusively for the technical assistance, orientation, training, and education of licensed day care center providers.

SEC. 24. Section 1597.56 of the Health and Safety Code is amended to read:

1597.56. (a) The department shall notify a family day care home in writing of all deficiencies in its compliance with this act and the rules and regulations adopted pursuant to this act, and shall set a reasonable length of time for compliance by the family day care home. Upon a finding of noncompliance with a plan of correction, the department may levy a civil penalty that shall be paid to the department each day until the department finds the family day care home in compliance.

(b) In developing a plan of correction, both the licensee and the department shall give due consideration to the following factors:

- (1) The gravity of the violation.
- (2) The history of previous violations.
- (3) The possibility of a threat to the health or safety of any child in the facility.
- (4) The number of children affected by the violation.
- (5) The availability of equipment or personnel necessary to correct the violation, if appropriate.

(c) The department shall ensure that the licensee's plan of correction is verifiable and measurable. The plan of correction shall specify what evidence is acceptable to establish that a deficiency has been corrected. This evidence shall be included in the department's facility file.

(d) The department shall adopt regulations establishing procedures for the imposition of civil penalties under this section.

SEC. 25. Section 1597.58 is added to the Health and Safety Code, to read:

1597.58. (a) In addition to the suspension, temporary suspension, or revocation of a license issued under this chapter, the department may levy a civil penalty.

(b) The amount of the civil penalty shall not be less than twenty-five dollars (\$25) nor more than fifty dollars (\$50) per day for each violation of this chapter except where the nature or seriousness of the violation or the frequency of the violation warrants a higher penalty or an immediate civil penalty assessment or both, as determined by the department. In no event shall a civil penalty assessment exceed one hundred fifty dollars (\$150) per day per violation.

(c) Notwithstanding Sections 1596.893a, 1596.893b, 1597.56, and 1597.62 the department shall assess an immediate civil penalty of one hundred fifty dollars (\$150) per day per violation for any of the following serious violations:

(1) Any violation that results in the injury, illness, or death of a child.
(2) Absence of supervision, including, but not limited to, a child left unattended, a child left alone with a person under 18 years of age, and lack of supervision resulting in a child wandering away.

(3) Accessible bodies of water.

(4) Accessible firearms, ammunition, or both.

(5) Refused entry to a facility or any part of a facility in violation of Sections 1596.852, 1596.853, 1597.55a and 1597.55b.

(6) The presence of an excluded person on the premises.

(d) Notwithstanding Sections 1596.893a, 1596.893b, 1597.56 and 1597.62, any family day care home that is cited for repeating the same violation of this chapter or Chapter 3.4 (commencing with Section 1596.70), within 12 months of the first violation is subject to an immediate civil penalty assessment of up to one hundred fifty dollars (\$150) and may be assessed up to fifty dollars (\$50) for each day the violation continues until the deficiency is corrected.

(e) Any family day care home that is assessed a civil penalty under subdivision (d) that repeats the same violation of this chapter within 12 months of the violation subject to subdivision (d) shall be assessed an immediate assessment of up to one hundred fifty dollars (\$150) and may be assessed up to one hundred fifty dollars (\$150) for each day the violation continues until the deficiency is corrected.

(f) Notwithstanding any other provision of law, revenues received by the state from the payment of civil penalties imposed on licensed family day care homes pursuant to this chapter or Chapter 3.4 (commencing with Section 1596.70), shall be deposited in the Child Health and Safety Fund, created pursuant to Chapter 4.6 (commencing with Section 18285) of Part 6 of Division 9 of the Welfare and Institutions Code, and shall be expended, upon appropriation by the Legislature, pursuant to

subdivision (f) of Section 18285 of the Welfare and Institutions Code exclusively for the technical assistance, orientation, training, and education of licensed family day care home providers.

SEC. 25.2. Section 1597.62 of the Health and Safety Code is amended to read:

1597.62. (a) The department may impose civil penalties of not less than twenty-five dollars (\$25) and not more than fifty dollars (\$50) per day per violation for uncorrected violations that present an immediate or potential risk to the health and safety of children in care. The penalties shall be imposed in accordance with Sections 1596.893b and 1597.56.

(b) The department shall implement this section only to the extent funds are available in accordance with Section 18285.5 of the Welfare and Institutions Code.

SEC. 26. Section 18285 of the Welfare and Institutions Code is amended to read:

18285. (a) There is hereby created in the State Treasury the Child Health and Safety Fund for the purposes specified in this section.

(b) Moneys for this fund shall be derived from the license plate program provided for pursuant to Section 5028 of the Vehicle Code and from civil penalties on child day care facility providers.

(c) Moneys in the fund shall be expended, upon appropriation by the Legislature, for the purposes specified in subdivisions (d), (e) and (f).

(d) Fifty percent of moneys derived from the license plate program pursuant to Section 5072 of the Vehicle Code shall be available, upon appropriation, to the State Department of Social Services for the purpose of administering provisions of Sections 1596.816, 1596.87, 1596.872b, 1596.893b 1596.895, 1596.95, 1597.091, 1597.54, 1597.541, 1597.542, 1597.55b and 1597.62 of the Health and Safety Code. The State Department of Social Services shall allocate these special funds according to the following priorities:

(1) Site visits performed pursuant to Sections 1597.091 and 1597.55b of the Health and Safety Code.

(2) The monitoring responsibility of the child care advocate program.

(3) Training for investigative and licensing field staff.

(4) Other aspects of the child care advocate program performed pursuant to Section 1596.872b of the Health and Safety Code.

(5) The salary of the chief of the child care licensing branch.

In order to implement the list of priorities set forth in this subdivision, and to complete implementation of subdivision (a) of Section 1596.816 of the Health and Safety Code, the State Department of Social Services may, as necessary, fund appropriate administrative support costs.

(e) Fifty percent of moneys derived from the license plate program pursuant to Section 5072 of the Vehicle Code shall be available, upon

appropriation, for programs which address any of the following child health and safety concerns and that are either to be carried out within a two-year period or whose implementation is dependent upon one-time initial funding:

(1) Child abuse prevention, except that not more than 25 percent of the moneys in this fund shall be used for this purpose. Ninety percent of the 25 percent shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, for the support of child abuse prevention services in the community, and 10 percent of the 25 percent shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969, for public education, training, and technical assistance.

(2) Vehicular safety, including restraint warnings and education programs.

(3) Drowning prevention.

(4) Playground safety standards.

(5) Bicycle safety.

(6) Gun safety.

(7) Fire safety.

(8) Poison control and safety.

(9) In-home safety.

(10) Childhood lead poisoning.

(11) Sudden infant death syndrome.

(f) Moneys derived from civil penalties imposed on child day care facility providers shall be made available, upon appropriation, to the State Department of Social Services exclusively for the technical assistance, orientation, training, and education of child day care facility providers.

SEC. 27. The department may, with input from stakeholders, adopt emergency regulations necessary to implement this act. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare. The regulations shall become effective immediately upon filing with the Secretary of State. The regulations shall not remain in effect more than 180 days, unless the adopting agency complies with all the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, as required by subdivision (e) of Section 11346.1 of the Government Code.

SEC. 28. 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 need to provide, at the earliest possible time, that all facilities licensed by the State Department of Social Services are subject to immediate civil penalties for a violation of a serious nature and to ensure that language exists and is consistent for all facility categories.

CHAPTER 292

An act to amend Sections 11055, 11057, and 11377 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 11055 of the Health and Safety Code is amended to read:

11055. (a) The controlled substances listed in this section are included in Schedule II.

(b) Any of the following substances, except those narcotic drugs listed in other schedules, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by combination of extraction and chemical synthesis:

(1) Opium, opiate, and any salt, compound, derivative, or preparation of opium or opiate, with the exception of naloxone hydrochloride (N-allyl-14-hydroxy-nordihydromorphinone hydrochloride), but including the following:

- (A) Raw opium.
- (B) Opium extracts.
- (C) Opium fluid extracts.
- (D) Powdered opium.
- (E) Granulated opium.
- (F) Tincture of opium.
- (G) Apomorphine.
- (H) Codeine.
- (I) Ethylmorphine.
- (J) Hydrocodone.
- (K) Hydromorphone.
- (L) Metopon.
- (M) Morphine.
- (N) Oxycodone.

- (O) Oxymorphone.
- (P) Thebaine.
- (2) Any salt, compound, isomer, or derivative, whether natural or synthetic, of the substances referred to in paragraph (1), but not including the isoquinoline alkaloids of opium.
- (3) Opium poppy and poppy straw.
- (4) Coca leaves and any salt, compound, derivative, or preparation of coca leaves, but not including decocainized coca leaves or extractions which do not contain cocaine or ecgonine.
- (5) Concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid, or powder form which contains the phenanthrene alkaloids of the opium poppy).
- (6) Cocaine, except as specified in Section 11054.
- (7) Ecgonine, whether natural or synthetic, or any salt, isomer, derivative, or preparation thereof.
- (c) Opiates. Unless specifically excepted or unless in another schedule, any of the following opiates, including its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers whenever the existence of those isomers, esters, ethers, and salts is possible within the specific chemical designation, dextrophan and levopropoxyphene excepted:
 - (1) Alfentanyl.
 - (2) Alphaprodine.
 - (3) Anileridine.
 - (4) Bezitramide.
 - (5) Bulk dextropropoxyphene (nondosage forms).
 - (6) Dihydrocodeine.
 - (7) Diphenoxylate.
 - (8) Fentanyl.
 - (9) Isomethadone.
 - (10) Levoalphacetylmethadol, also known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM. This substance is authorized for the treatment of narcotic addicts under federal law (see Part 291 (commencing with Section 291.501) and Part 1308 (commencing with Section 1308.01) of Title 21 of the Code of Federal Regulations).
 - (11) Levomethorphan.
 - (12) Levorphanol.
 - (13) Metazocine.
 - (14) Methadone.
 - (15) Methadone-Intermediate, 4-cyano-2-dimethylamino-4,4-diphenyl butane.

(16) Moramide-Intermediate, 2-methyl-3-morpholino-1,1-diphenylpropane-carboxylic acid.

(17) Pethidine (meperidine).

(18) Pethidine-Intermediate-A, 4-cyano-1-methyl-4-phenylpiperidine.

(19) Pethidine-Intermediate-B, ethyl-4-phenylpiperidine-4-carboxylate.

(20) Pethidine-Intermediate-C, 1-methyl-4-phenylpiperidine-4-carboxylic acid.

(21) Phenazocine.

(22) Piminodine.

(23) Racemethorphan.

(24) Racemorphan.

(25) Sufentanyl.

(d) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers.

(2) Methamphetamine, its salts, isomers, and salts of its isomers.

(3) Dimethylamphetamine (N,N-dimethylamphetamine), its salts, isomers, and salts of its isomers.

(4) N-Ethylmethamphetamine (N-ethyl, N-methylamphetamine), its salts, isomers, and salts of its isomers.

(5) Phenmetrazine and its salts.

(6) Methylphenidate.

(7) Khat, which includes all parts of the plant classified botanically as *Catha Edulis*, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.

(8) Cathinone (also known as alpha-aminopropiophenone, 2-aminopropiophenone, and norephedrone).

(e) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Amobarbital.

(2) Pentobarbital.

(3) Phencyclidines, including the following:

(A) 1-(1-phenylcyclohexyl) piperidine (PCP).

(B) 1-(1-phenylcyclohexyl) morpholine (PCM).

(C) Any analog of phencyclidine which is added by the Attorney General by regulation pursuant to this paragraph.

The Attorney General, or his or her designee, may, by rule or regulation, add additional analogs of phencyclidine to those enumerated in this paragraph after notice, posting, and hearing pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Attorney General shall, in the calendar year of the regular session of the Legislature in which the rule or regulation is adopted, submit a draft of a proposed bill to each house of the Legislature which would incorporate the analogs into this code. No rule or regulation shall remain in effect beyond January 1 after the calendar year of the regular session in which the draft of the proposed bill is submitted to each house. However, if the draft of the proposed bill is submitted during a recess of the Legislature exceeding 45 calendar days, the rule or regulation shall be effective until January 1 after the next calendar year.

(4) Secobarbital.

(5) Glutethimide.

(f) Immediate precursors. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances:

(1) Immediate precursor to amphetamine and methamphetamine:

(A) Phenylacetone. Some trade or other names: phenyl-2 propanone; P2P; benzyl methyl ketone; methyl benzyl ketone.

(2) Immediate precursors to phencyclidine (PCP):

(A) 1-phenylcyclohexylamine.

(B) 1-piperidinocyclohexane carbonitrile (PCC).

SEC. 2. Section 11057 of the Health and Safety Code is amended to read:

11057. (a) The controlled substances listed in this section are included in Schedule IV.

(b) Schedule IV shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

(c) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

(1) Not more than 1 milligram of difenoxin and not less than 25 micrograms of atropine sulfate per dosage unit.

(2) Dextropropoxyphene (alpha-(+)-4-dimethylamino-1, 2-diphenyl-3-methyl-2-propionoxybutane).

(3) Butorphanol.

(d) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) Alprazolam.
- (2) Barbital.
- (3) Chloral betaine.
- (4) Chloral hydrate.
- (5) Chlordiazepoxide.
- (6) Clobazam.
- (7) Clonazepam.
- (8) Clorazepate.
- (9) Diazepam.
- (10) Estazolam.
- (11) Ethchlorvynol.
- (12) Ethinamate.
- (13) Flunitrazepam.
- (14) Flurazepam.
- (15) Halazepam.
- (16) Lorazepam.
- (17) Mebutamate.
- (18) Meprobamate.
- (19) Methohexital.
- (20) Methylphenobarbital (Mephobarbital).
- (21) Midazolam.
- (22) Nitrazepam.
- (23) Oxazepam.
- (24) Paraldehyde.
- (25) Petrichoral.
- (26) Phenobarbital.
- (27) Prazepam.
- (28) Quazepam.
- (29) Temazepam.
- (30) Triazolam.
- (31) Zaleplon.
- (32) Zolpidem.

(e) Fenfluramine. Any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers (whether optical, position, or geometric), and salts of those

isomers, whenever the existence of those salts, isomers, and salts of isomers is possible:

(1) Fenfluramine.

(f) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers (whether optical, position, or geometric), and salts of those isomers is possible within the specific chemical designation:

(1) Diethylpropion.

(2) Mazindol.

(3) Modafinil.

(4) Phentermine.

(5) Pemoline (including organometallic complexes and chelates thereof).

(6) Pipradrol.

(7) SPA ((-)-1-dimethylamino-1,2-diphenylethane).

(8) Cathine ((+)-norpseudoephedrine).

(g) Other substances. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture or preparation which contains any quantity of pentazocine, including its salts.

SEC. 3. Section 11377 of the Health and Safety Code is amended to read:

11377. (a) Except as authorized by law and as otherwise provided in subdivision (b) or Section 11375, or in Article 7 (commencing with Section 4211) of Chapter 9 of Division 2 of the Business and Professions Code, every person who possesses any controlled substance which is (1) classified in Schedule III, IV, or V, and which is not a narcotic drug, (2) specified in subdivision (d) of Section 11054, except paragraphs (13), (14), (15), and (20) of subdivision (d), (3) specified in paragraph (11) of subdivision (c) of Section 11056, (4) specified in paragraph (2) or (3) of subdivision (f) of Section 11054, or (5) specified in subdivision (d), (e), or (f) of Section 11055, unless upon the prescription of a physician, dentist, podiatrist, or veterinarian, licensed to practice in this state, shall be punished by imprisonment in a county jail for a period of not more than one year or in the state prison.

(b) (1) Any person who violates subdivision (a) by unlawfully possessing a controlled substance specified in subdivision (f) of Section 11056, and who has not previously been convicted of a violation involving a controlled substance specified in subdivision (f) of Section 11056, is guilty of a misdemeanor.

(2) Any person who violates subdivision (a) by unlawfully possessing a controlled substance specified in subdivision (g) of Section 11056 is guilty of a misdemeanor.

(3) Any person who violates subdivision (a) by unlawfully possessing a controlled substance specified in paragraph (7) or (8) of subdivision (d) of Section 11055 is guilty of a misdemeanor.

(4) Any person who violates subdivision (a) by unlawfully possessing a controlled substance specified in paragraph (8) of subdivision (f) of Section 11057 is guilty of a misdemeanor.

(c) In addition to any fine assessed under subdivision (b), the judge may assess a fine not to exceed seventy dollars (\$70) against any person who violates subdivision (a), with the proceeds of this fine to be used in accordance with Section 1463.23 of the Penal Code. The court shall, however, take into consideration the defendant's ability to pay, and no defendant shall be denied probation because of his or her inability to pay the fine permitted under this subdivision.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 293

An act to amend Sections 1821, 1822, 2250, 2323, 2340, 2350, 2352, 2620, and 3140 of, and to add Chapter 7 (commencing with Section 1970) to Part 3 of Division 4 of, the Probate Code, relating to guardians and conservators.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1821 of the Probate Code is amended to read:
1821. (a) The petition shall request that a conservator be appointed for the person or estate, or both, shall specify the name, address, and telephone number of the proposed conservator and the name, address, and telephone number of the proposed conservatee, and state the reasons

why a conservatorship is necessary. Unless the petitioner is a bank or other entity authorized to conduct the business of a trust company, the petitioner shall also file supplemental information as to why the appointment of a conservator is required. The supplemental information to be submitted shall include a brief statement of facts addressed to each of the following categories:

(1) The inability of the proposed conservatee to properly provide for his or her needs for physical health, food, clothing, and shelter.

(2) The location of the proposed conservatee's residence and the ability of the proposed conservatee to live in the residence while under conservatorship.

(3) Alternatives to conservatorship considered by the petitioner and reasons why those alternatives are not available.

(4) Health or social services provided to the proposed conservatee during the year preceding the filing of the petition, when the petitioner has information as to those services.

(5) The inability of the proposed conservatee to substantially manage his or her own financial resources, or to resist fraud or undue influence.

The facts required to address the categories set forth in paragraphs (1) to (5), inclusive, shall be set forth by the petitioner when he or she has knowledge of the facts or by the declarations or affidavits of other persons having knowledge of those facts.

Where any of the categories set forth in paragraphs (1) to (5), inclusive, are not applicable to the proposed conservatorship, the petitioner shall so indicate and state on the supplemental information form the reasons therefor.

The Judicial Council shall develop a supplemental information form for the information required pursuant to paragraphs (1) to (5), inclusive, after consultation with individuals or organizations approved by the Judicial Council, who represent public conservators, court investigators, the State Bar, specialists with experience in performing assessments and coordinating community-based services, and legal services for the elderly and disabled.

The supplemental information form shall be separate and distinct from the form for the petition. The supplemental information shall be confidential and shall be made available only to parties, persons given notice of the petition who have requested this supplemental information or who have appeared in the proceedings, their attorneys, and the court. The court shall have discretion at any other time to release the supplemental information to other persons if it would serve the interests of the conservatee. The clerk of the court shall make provision for limiting disclosure of the supplemental information exclusively to persons entitled thereto under this section.

(b) The petition shall set forth, so far as they are known to the petitioner, the names and addresses of the spouse or domestic partner, and of the relatives of the proposed conservatee within the second degree. If no spouse or domestic partner of the proposed conservatee or relatives of the proposed conservatee within the second degree are known to the petitioner, the petition shall set forth, so far as they are known to the petitioner, the names and addresses of the following persons who, for the purposes of Section 1822, shall all be deemed to be relatives:

(1) A spouse or domestic partner of a predeceased parent of a proposed conservatee.

(2) The children of a predeceased spouse or domestic partner of a proposed conservatee.

(3) The siblings of the proposed conservatee's parents, if any, but if none, then the natural and adoptive children of the proposed conservatee's parents' siblings.

(4) The natural and adoptive children of the proposed conservatee's siblings.

(c) Unless the petition for appointment of a temporary guardian or a temporary conservator is filed together with a petition for appointment of a guardian or a conservator, if the petitioner is licensed under the Professional Fiduciaries Act, Chapter 6 (commencing with Section 6500) of Division 3 of the Business and Professions Code, the petition shall include both of the following:

(1) A statement of the petitioner's license information.

(2) A statement explaining who engaged the petitioner or how the petitioner was engaged to file the petition for appointment of a conservator and what prior relationship the petitioner had with the proposed conservatee or the proposed conservatee's family or friends.

(d) If the petition is filed by a person other than the proposed conservatee, the petition shall include a declaration of due diligence showing both of the following:

(1) Either the efforts to find the proposed conservatee's relatives or why it was not feasible to contact any of them.

(2) Either the preferences of the proposed conservatee concerning the appointment of a conservator and the appointment of the proposed conservator or why it was not feasible to ascertain those preferences.

(e) If the petition is filed by a person other than the proposed conservatee, the petition shall state whether or not the petitioner is a creditor or debtor, or the agent of a creditor or debtor, of the proposed conservatee.

(f) If the proposed conservatee is a patient in or on leave of absence from a state institution under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services and

that fact is known to the petitioner, the petition shall state that fact and name the institution.

(g) The petition shall state, so far as is known to the petitioner, whether or not the proposed conservatee is receiving or is entitled to receive benefits from the Veterans Administration and the estimated amount of the monthly benefit payable by the Veterans Administration for the proposed conservatee.

(h) The petition may include an application for any order or orders authorized under this division, including, but not limited to, orders under Chapter 4 (commencing with Section 1870).

(i) The petition may include a further statement that the proposed conservatee is not willing to attend the hearing on the petition, does not wish to contest the establishment of the conservatorship, and does not object to the proposed conservator or prefer that another person act as conservator.

(j) In the case of an allegedly developmentally disabled adult, the petition shall set forth the following:

(1) The nature and degree of the alleged disability, the specific duties and powers requested by or for the limited conservator, and the limitations of civil and legal rights requested to be included in the court's order of appointment.

(2) Whether or not the proposed limited conservatee is or is alleged to be developmentally disabled.

Reports submitted pursuant to Section 416.8 of the Health and Safety Code meet the requirements of this section, and conservatorships filed pursuant to Article 7.5 (commencing with Section 416) of Part 1 of Division 1 of the Health and Safety Code are exempt from providing the supplemental information required by this section, so long as the guidelines adopted by the State Department of Developmental Services for regional centers require the same information that is required pursuant to this section.

SEC. 2. Section 1822 of the Probate Code is amended to read:

1822. (a) At least 15 days before the hearing on the petition for appointment of a conservator, notice of the time and place of the hearing shall be given as provided in this section. The notice shall be accompanied by a copy of the petition. The court may not shorten the time for giving the notice of hearing under this section.

(b) Notice shall be mailed to the following persons:

(1) The spouse, if any, or registered domestic partner, if any, of the proposed conservatee at the address stated in the petition.

(2) The relatives named in the petition at their addresses stated in the petition.

(c) If notice is required by Section 1461 to be given to the Director of Mental Health or the Director of Developmental Services, notice shall be mailed as so required.

(d) If the petition states that the proposed conservatee is receiving or is entitled to receive benefits from the Veterans Administration, notice shall be mailed to the Office of the Veterans Administration referred to in Section 1461.5.

(e) If the proposed conservatee is a person with developmental disabilities, at least 30 days before the day of the hearing on the petition, the petitioner shall mail a notice of the hearing and a copy of the petition to the regional center identified in Section 1827.5.

(f) If the petition states that the petitioner and the proposed conservator have no prior relationship with the proposed conservatee and are not nominated by a family member, friend, or other person with a relationship to the proposed conservatee, notice shall be mailed to the public guardian of the county in which the petition is filed.

SEC. 3. Chapter 7 (commencing with Section 1970) is added to Part 3 of Division 4 of the Probate Code, to read:

CHAPTER 7. UNWARRANTED PETITIONS

1970. (a) The Legislature finds that unwarranted petitions, applications, or motions other than discovery motions after a conservatorship has been established create an environment that can be harmful to the conservatee and are inconsistent with the goal of protecting the conservatee.

(b) Notwithstanding Section 391 of the Code of Civil Procedure, if a person other than the conservatee files a petition for termination of the conservatorship, or instruction to the conservator, that is unmeritorious or intended to harass or annoy the conservator, and the person has previously filed pleadings in the conservatorship proceedings that were unmeritorious or intended to harass or annoy the conservator, the petition shall be grounds for the court to determine that the person is a vexatious litigant for the purposes of Title 3A (commencing with Section 391) of Part 2 of the Code of Civil Procedure. For these purposes, the term "new litigation" shall include petitions for visitation, termination of the conservatorship, or instruction to the conservator.

SEC. 4. Section 2250 of the Probate Code is amended to read:

2250. (a) On or after the filing of a petition for appointment of a guardian or conservator, any person entitled to petition for appointment of the guardian or conservator may file a petition for appointment of:

- (1) A temporary guardian of the person or estate or both.
- (2) A temporary conservator of the person or estate or both.

(b) The petition shall state facts which establish good cause for appointment of the temporary guardian or temporary conservator. The court, upon that petition or other showing as it may require, may appoint a temporary guardian of the person or estate or both, or a temporary conservator of the person or estate or both, to serve pending the final determination of the court upon the petition for the appointment of the guardian or conservator.

(c) If the petitioner is a private professional conservator under Section 2341 or licensed under the Professional Fiduciaries Act, Chapter 6 (commencing with Section 6500) of Division 3 of the Business and Professions Code, the petition for appointment of a temporary conservator shall include both of the following:

- (1) A statement of the petitioner's registration or license information.
- (2) A statement explaining who engaged the petitioner or how the petitioner was engaged to file the petition for appointment of a temporary conservator and what prior relationship the petitioner had with the proposed conservatee or the proposed conservatee's family or friends, unless that information is included in a petition for appointment of a general conservator filed at the same time by the person who filed the petition for appointment of a temporary conservator.

(d) If the petition is filed by a party other than the proposed conservatee, the petition shall include a declaration of due diligence showing both of the following:

- (1) Either the efforts to find the proposed conservatee's relatives named in the petition for appointment of a general conservator or why it was not feasible to contact any of them.
- (2) Either the preferences of the proposed conservatee concerning the appointment of a temporary conservator and the appointment of the proposed temporary conservator or why it was not feasible to ascertain those preferences.

(e) Unless the court for good cause otherwise orders, at least five court days before the hearing on the petition, notice of the hearing shall be given as follows:

- (1) Notice of the hearing shall be personally delivered to the proposed ward if he or she is 12 years of age or older, to the parent or parents of the proposed ward, and to any person having a valid visitation order with the proposed ward that was effective at the time of the filing of the petition. Notice of the hearing shall not be delivered to the proposed ward if he or she is under 12 years of age. In a proceeding for temporary guardianship of the person, evidence that a custodial parent has died or become incapacitated, and that the petitioner is the nominee of the custodial parent, may constitute good cause for the court to order that this notice not be delivered.

(2) Notice of the hearing shall be personally delivered to the proposed conservatee, and notice of the hearing shall be served on the persons required to be named in the petition for appointment of conservator. If the petition states that the petitioner and the proposed conservator have no prior relationship with the proposed conservatee and has not been nominated by a family member, friend, or other person with a relationship to the proposed conservatee, notice of hearing shall be served on the public guardian of the county in which the petition is filed.

(3) A copy of the petition for temporary appointment shall be served with the notice of hearing.

(f) If a temporary guardianship is granted ex parte and the hearing on the general guardianship petition is not to be held within 30 days of the granting of the temporary guardianship, the court shall set a hearing within 30 days to reconsider the temporary guardianship. Notice of the hearing for reconsideration of the temporary guardianship shall be provided pursuant to Section 1511, except that the court may for good cause shorten the time for the notice of the hearing.

(g) Visitation orders with the proposed ward granted prior to the filing of a petition for temporary guardianship shall remain in effect, unless for good cause the court orders otherwise.

(h) (1) If a temporary conservatorship is granted ex parte, and a petition to terminate the temporary conservatorship is filed more than 15 days before the first hearing on the general petition for appointment of conservator, the court shall set a hearing within 15 days of the filing of the petition for termination of the temporary conservatorship to reconsider the temporary conservatorship. Unless the court otherwise orders, notice of the hearing on the petition to terminate the temporary conservatorship shall be given at least 10 days prior to the hearing.

(2) If a petition to terminate the temporary conservatorship is filed within 15 days before the first hearing on the general petition for appointment of conservator, the court shall set the hearing at the same time that the hearing on the general petition is set. Unless the court otherwise orders, notice of the hearing on the petition to terminate the temporary conservatorship pursuant to this section shall be given at least five court days prior to the hearing.

(i) If the court suspends powers of the guardian or conservator under Section 2334 or 2654 or under any other provision of this division, the court may appoint a temporary guardian or conservator to exercise those powers until the powers are restored to the guardian or conservator or a new guardian or conservator is appointed.

(j) If for any reason a vacancy occurs in the office of guardian or conservator, the court, on a petition filed under subdivision (a) or on its own motion, may appoint a temporary guardian or conservator to exercise

the powers of the guardian or conservator until a new guardian or conservator is appointed.

(k) On or before January 1, 2008, the Judicial Council shall adopt a rule of court that establishes uniform standards for good cause exceptions to the notice required by subdivision (e), limiting those exceptions to only cases when waiver of the notice is essential to protect the proposed conservatee or ward, or the estate of the proposed conservatee or ward, from substantial harm.

SEC. 5. Section 2323 of the Probate Code is amended to read:

2323. (a) The court may dispense with the requirement of a bond if it appears likely that the estate will satisfy the conditions of subdivision (a) of Section 2628 for its duration.

(b) If at any time it appears that the estate does not satisfy the conditions of subdivision (a) of Section 2628, the court shall require the filing of a bond unless the court determines that good cause exists, as provided in Section 2321.

SEC. 6. Section 2340 of the Probate Code, as added by Section 5 of Chapter 491 of the Statutes of 2006, is amended to read:

2340. A superior court may not appoint a person to carry out the duties of a professional fiduciary, or permit a person to continue those duties, unless he or she holds a valid, unexpired, unsuspended license as a professional fiduciary under Chapter 6 (commencing with Section 6500) of Division 3 of the Business and Professions Code, is exempt from the definition of "professional fiduciary" under Section 6501 of the Business and Professions Code, or is exempt from the licensing requirements of Section 6530 of the Business and Professions Code.

SEC. 7. Section 2350 of the Probate Code is amended to read:

2350. As used in this chapter:

- (a) "Conservator" means the conservator of the person.
- (b) "Guardian" means the guardian of the person.
- (c) "Residence" does not include a regional center established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

SEC. 8. Section 2352 of the Probate Code is amended to read:

2352. (a) The guardian may establish the residence of the ward at any place within this state without the permission of the court. The guardian shall select the least restrictive appropriate residence that is available and necessary to meet the needs of the ward, and that is in the best interests of the ward.

(b) The conservator may establish the residence of the conservatee at any place within this state without the permission of the court. The conservator shall select the least restrictive appropriate residence, as described in Section 2352.5, that is available and necessary to meet the

needs of the conservatee, and that is in the best interests of the conservatee.

(c) If permission of the court is first obtained, a guardian or conservator may establish the residence of a ward or conservatee at a place not within this state. Notice of the hearing on the petition to establish the residence of the ward or conservatee out of state, together with a copy of the petition, shall be given in the manner required by subdivision (a) of Section 1460 to all persons entitled to notice under subdivision (b) of Section 1511 or subdivision (b) of Section 1822.

(d) An order under subdivision (c) shall require the guardian or conservator either to return the ward or conservatee to this state, or to cause a guardianship or conservatorship proceeding or its equivalent to be commenced in the place of the new residence, when the ward or conservatee has resided in the place of new residence for a period of four months or a longer or shorter period specified in the order.

(e) (1) The guardian or conservator shall file a notice of change of residence with the court within 30 days of the date of the change. The guardian or conservator shall include in the notice of change of residence a declaration stating that the ward's or conservatee's change of residence is consistent with the standard described in subdivision (b).

(2) The guardian or conservator shall mail a copy of the notice to all persons entitled to notice under subdivision (b) of Section 1511 or subdivision (b) of Section 1822 and shall file proof of service of the notice with the court. The court may, for good cause, waive the mailing requirement pursuant to this paragraph in order to prevent harm to the conservatee or ward.

(3) If the guardian or conservator proposes to remove the ward or conservatee from his or her personal residence, except as provided by subdivision (c), the guardian or conservator shall mail a notice of his or her intention to change the residence of the ward or conservatee to all persons entitled to notice under subdivision (b) of Section 1511 and subdivision (b) of Section 1822. In the absence of an emergency, that notice shall be mailed at least 15 days before the proposed removal of the ward or conservatee from his or her personal residence. If the notice is served less than 15 days prior to the proposed removal of the ward or conservatee, the guardian or conservatee shall set forth the basis for the emergency in the notice. The guardian or conservator shall file proof of service of that notice with the court.

(f) This section does not apply where the court has made an order under Section 2351 pursuant to which the conservatee retains the right to establish his or her own residence.

(g) As used in this section, “guardian” or “conservator” includes a proposed guardian or proposed conservator and “ward” or “conservatee” includes a proposed ward or proposed conservatee.

(h) This section does not apply to a person with developmental disabilities for whom the Director of the Department of Developmental Services or a regional center, established pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code, acts as the conservator.

SEC. 9. Section 2620 of the Probate Code is amended to read:

2620. (a) At the expiration of one year from the time of appointment and thereafter not less frequently than biennially, unless otherwise ordered by the court to be more frequent, the guardian or conservator shall present the accounting of the assets of the estate of the ward or conservatee to the court for settlement and allowance in the manner provided in Chapter 4 (commencing with Section 1060) of Part 1 of Division 3. By January 1, 2008, the Judicial Council, in consultation with the California Judges Association, the California Association of Superior Court Investigators, the California State Association of Public Administrators, Public Guardians, and Public Conservators, the State Bar of California, and the California Society of Certified Public Accountants, shall develop a standard accounting form, a simplified accounting form, and rules for when the simplified accounting form may be used. After January 1, 2008, all accountings submitted pursuant to this section shall be submitted on the Judicial Council form.

(b) The final court accounting of the guardian or conservator following the death of the ward or conservatee shall include a court accounting for the period that ended on the date of death and a separate accounting for the period subsequent to the date of death.

(c) Along with each court accounting, the guardian or conservator shall file supporting documents, as provided in this section.

(1) For purposes of this subdivision, the term “account statement” shall include any original account statement from any institution, as defined in Section 2890, or any financial institution, as defined in Section 2892, in which money or other assets of the estate are held or deposited.

(2) The filing shall include all account statements showing the account balance at the beginning of the accounting period and the account balance as of the closing date of the accounting period of the court accounting. If the court accounting is the first court accounting of the guardianship or conservatorship, the guardian or conservator shall provide to the court all account statements showing the account balance immediately preceding the date the conservator or guardian was appointed and all account statements showing the account balance as of the closing date of the first court accounting.

(3) If the guardian or conservator is a private professional or licensed guardian or conservator, the guardian or conservator shall also file all original account statements, as described above, showing the balance as of all periods covered by the accounting.

(4) The filing shall include the original, closing escrow statement received showing the charges and credits for any sale of real property of the estate.

(5) If the ward or conservatee is in a residential care facility or a long-term care facility, the filing shall include the original bill statements for the facility.

(6) This subdivision shall not apply to the public guardian if the money belonging to the estate is pooled with money belonging to other estates pursuant to Section 2940 and Article 3 (commencing with Section 7640) of Chapter 4 of Part 1 of Division 7. Nothing in this section shall affect any other duty or responsibility of the public guardian with regard to managing money belonging to the estate or filing accountings with the court.

(7) If any document to be filed or lodged with the court under this section contains the ward's or conservatee's social security number or any other personal information regarding the ward or conservatee that would not ordinarily be disclosed in a court accounting, an inventory and appraisal, or other nonconfidential pleadings filed in the action, the account statement or other document shall be attached to a separate affidavit describing the character of the document, captioned "CONFIDENTIAL FINANCIAL STATEMENT" in capital letters. Except as otherwise ordered by the court, the clerk of the court shall keep the document confidential except to the court and subject to disclosure only upon an order of the court. The guardian or conservator may redact the ward's or conservatee's social security number from any document lodged with the court under this section.

(8) Courts may provide by local rule that the court shall retain all documents lodged with it under this subdivision until the court's determination of the guardian's or conservator's account has become final, at which time the supporting documents shall be returned to the depositing guardian or conservator or delivered to any successor appointed by the court.

(d) Each accounting is subject to random or discretionary, full or partial review by the court. The review may include consideration of any information necessary to determine the accuracy of the accounting. If the accounting has any material error, the court shall make an express finding as to the severity of the error and what further action is appropriate in response to the error, if any. Among the actions available to the court is immediate suspension of the guardian or conservator

without further notice or proceedings and appointment of a temporary guardian or conservator or removal of the guardian or conservator pursuant to Section 2650 and appointment of a temporary guardian or conservator.

(e) The guardian or conservator shall make available for inspection and copying, upon reasonable notice, to any person designated by the court to verify the accuracy of the accounting, all books and records, including receipts for any expenditures, of the guardianship or conservatorship.

SEC. 10. Section 3140 of the Probate Code is amended to read:

3140. (a) A conservator served pursuant to this article shall, and the Director of Mental Health or the Director of Developmental Services given notice pursuant to Section 1461 may, appear at the hearing and represent a spouse alleged to lack legal capacity for the proposed transaction.

(b) The court may, in its discretion, appoint an investigator to review the proposed transaction and report to the court regarding its advisability.

(c) If the court determines that a spouse alleged to lack legal capacity has not competently retained independent counsel, the court may in its discretion appoint the public guardian, public administrator, or a guardian ad litem to represent the interests of the spouse.

(d) (1) If a spouse alleged to lack legal capacity is unable to retain legal counsel, upon request of the spouse, the court shall appoint the public defender or private counsel under Section 1471 to represent the spouse and, if that appointment is made, Section 1472 applies.

(2) If the petition proposes a transfer of substantial assets to the petitioner from the other spouse and the court determines that the spouse has not competently retained independent counsel for the proceeding, the court may, in its discretion, appoint counsel for the other spouse if the court determines that appointment would be helpful to resolve the matter or necessary to protect the interests of the other spouse.

(e) Except as provided in subdivision paragraph (1) of subdivision (d), the court may fix a reasonable fee, to be paid out of the proceeds of the transaction or otherwise as the court may direct, for all services rendered by privately engaged counsel, the public guardian, public administrator, or guardian ad litem, and by counsel for such persons.

CHAPTER 294

An act to amend Sections 1288.5 and 1288.8 of, and to add Sections 1279.6, 1279.7, 1288.45 and 1288.95 to, the Health and Safety Code, relating to health facilities.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) During the past two decades, health-care-associated infections (HAI), especially those that are resistant to commonly used antibiotics, have increased dramatically in California.

(2) There is currently no system within the State Department of Public Health to determine the incidence or prevalence of HAI or to determine if current infection prevention and control measures are effective in reducing HAI.

(3) A significant percentage of HAI can be prevented with intense programs for surveillance and the development, implementation, and constant evaluation and monitoring of prevention strategies.

(4) There is currently inadequate regulatory oversight of hospital surveillance, prevention, and control programs by the department.

(5) The protection of patients in a general acute care hospital is of paramount importance to the citizens of California.

(6) Existing state law requires the department to establish and maintain an inspection and reporting system to ensure that general acute care hospitals are in compliance with state statutes and regulations. Existing law also requires general acute care hospitals receiving funding from the federal Centers for Medicare and Medicaid Services to be in compliance with the federal regulations known as the “conditions of participation.”

(b) It is the intent of the Legislature to enact legislation to ensure the occurrence of all of the following:

(1) Establishment of an infection surveillance, prevention, and control program within the State Department of Public Health.

(2) Dissemination of current evidence-based standards of hospital infection surveillance, prevention, and control practices.

(3) Improvement of regulatory oversight.

(4) Reports of the incidence rate of designated HAI are made to the department, and as applicable, to the National Healthcare Safety Network (NHSN) of the federal Centers for Disease Control and Prevention.

(5) Development and implementation of an Internet-based public reporting system on HAI.

(6) Maintenance of a sanitary environment and patient hygiene to avoid transmission of pathogens that cause HAI.

SEC. 2. Section 1279.6 is added to the Health and Safety Code, to read:

1279.6. (a) A health facility, as defined in subdivision (a), (b), (c), or (f) of Section 1250, shall develop, implement, and comply with a patient safety plan for the purpose of improving the health and safety of patients and reducing preventable patient safety events. The patient safety plan shall be developed by the facility, in consultation with the facility's various health care professionals.

(b) The patient safety plan required pursuant to subdivision (a) shall, at a minimum, provide for the establishment of all of the following:

(1) A patient safety committee or equivalent committee in composition and function. The committee shall be composed of the facility's various health care professionals, including, but not limited to, physicians, nurses, pharmacists, and administrators. The committee shall do all of the following:

(A) Review and approve the patient safety plan.

(B) Receive and review reports of patient safety events as defined in subdivision (c).

(C) Monitor implementation of corrective actions for patient safety events.

(D) Make recommendations to eliminate future patient safety events.

(E) Review and revise the patient safety plan, at least once a year, but more often if necessary, to evaluate and update the plan, and to incorporate advancements in patient safety practices.

(2) A reporting system for patient safety events that allows anyone involved, including, but not limited to, health care practitioners, facility employees, patients, and visitors, to make a report of a patient safety event to the health facility.

(3) A process for a team of facility staff to conduct analyses, including, but not limited to, root cause analyses of patient safety events. The team shall be composed of the facility's various categories of health care professionals, with the appropriate competencies to conduct the required analyses.

(4) A reporting process that supports and encourages a culture of safety and reporting patient safety events.

(5) A process for providing ongoing patient safety training for facility personnel and health care practitioners.

(c) For the purposes of this section, patient safety events shall be defined by the patient safety plan and shall include, but not be limited to, all adverse events or potential adverse events as described in Section 1279.1 that are determined to be preventable, and health-care-associated infections (HAI), as defined in the federal Centers for Disease Control and Prevention's National Healthcare Safety Network, or its successor,

unless the department accepts the recommendation of the Healthcare Associated Infection Advisory Committee, or its successor, that are determined to be preventable.

SEC. 3. Section 1279.7 is added to the Health and Safety Code, to read:

1279.7. (a) A health facility, as defined in subdivision (a), (b), (c), or (f) of Section 1250, shall implement a facility-wide hand hygiene program.

(b) Beginning January 1, 2011, a health facility, as defined in subdivision (a), (b), (c), or (f) of Section 1250, is prohibited from using an intravenous connection, epidural connection, or enteral feeding connection that would fit into a connection port other than the type it was intended for, unless an emergency or urgent situation exists and the prohibition impairs the ability to provide health care.

SEC. 4. Section 1288.45 is added to the Health and Safety Code, to begin Article 3.5 of Chapter 2 of Division 2, to read:

1288.45. For purposes of this article, the following definitions shall apply:

(a) "Advisory committee" or "HAI-AC" means the Healthcare Associated Infection Advisory Committee established pursuant to Section 1288.5.

(b) "Health-care-associated infection," "health facility acquired infection," or "HAI" means an infection defined by the National Health and Safety Network of the federal Centers for Disease Control and Prevention, unless the department adopts a definition consistent with the recommendations of the advisory committee or its successor.

(c) "Hospital" means a general acute care hospital as defined pursuant to subdivision (a) of Section 1250.

(d) "Infection prevention professional" means a registered nurse, medical technologist, or other salaried employee or consultant who, within two years of appointment, will meet the education and experience requirements for certification established by the national Certification Board for Infection Control and Epidemiology (CBIC), but does not include a physician who is appointed or receives a stipend as the infection prevention and control committee chairperson or hospital epidemiologist.

(e) "MRSA" means methicillin-resistant *Staphylococcus aureus*.

(f) "National Healthcare Safety Network" or "NHSN" means a secure, Internet-based system developed and managed by the federal Centers for Disease Control and Prevention (CDC) to collect, analyze, and report risk-adjusted HAI data related to the incidence of HAI and the process measures implemented to prevent these infections.

(g) "Program" means the health care infection surveillance, prevention, and control program within the department.

SEC. 5. Section 1288.5 of the Health and Safety Code is amended to read:

1288.5. (a) By July 1, 2007, the department shall appoint a Healthcare Associated Infection Advisory Committee (HAI-AC) that shall make recommendations related to methods of reporting cases of hospital acquired infections occurring in general acute care hospitals, and shall make recommendations on the use of national guidelines and the public reporting of process measures for preventing the spread of HAI that are reported to the department pursuant to subdivision (b) of Section 1288.8.

(b) The advisory committee shall include persons with expertise in the surveillance, prevention, and control of hospital-acquired infections, including department staff, local health department officials, health care infection control professionals, hospital administration professionals, health care providers, health care consumers, physicians with expertise in infectious disease and hospital epidemiology, and integrated health care systems experts or representatives.

(c) The advisory committee shall meet at least every quarter and shall serve without compensation, but shall be reimbursed for travel-related expenses that include transportation, lodging, and meals at the state per diem reimbursement rate.

(d) In addition to the responsibilities enumerated in subdivision (a), the advisory committee shall do all of the following:

(1) Review and evaluate federal and state legislation, regulations, and accreditation standards and communicate to the department how hospital infection prevention and control programs will be impacted.

(2) In accordance with subdivision (a) of Section 1288.6, recommend a method by which the number of infection prevention professionals would be assessed in each hospital.

(3) Recommend an educational curriculum by which health facility evaluator nurses and department consultants would be trained to survey for hospital infection surveillance, prevention, and control programs.

(4) Recommend a method by which hospitals are audited to determine the validity and reliability of data submitted to the NHSN and the department.

(5) Recommend a standardized method by which an HAI occurring after hospital discharge would be identified.

(6) Recommend a method by which risk-adjusted HAI data would be reported to the public, the Legislature, and the Governor.

(7) Recommend a standardized method by which department health facility evaluator nurses and consultants would evaluate health care workers for compliance with infection prevention procedures including, but not limited to, hand hygiene and environmental sanitation procedures.

(8) Recommend a method by which all hospital infection prevention professionals would be trained to use the NHSN HAI surveillance reporting system.

SEC. 6. Section 1288.8 of the Health and Safety Code is amended to read:

1288.8. (a) By January 1, 2008, the department shall take all of the following actions to protect against HAI in general acute care hospitals statewide:

(1) Implement an HAI surveillance and prevention program designed to assess the department's resource needs, educate health facility evaluator nurses in HAI, and educate department staff on methods of implementing recommendations for disease prevention.

(2) Revise existing and adopt new administrative regulations, as necessary, to incorporate current federal Centers for Disease Control and Prevention (CDC) guidelines and standards for HAI prevention.

(3) Require that general acute care hospitals develop a process for evaluating the judicious use of antibiotics, the results of which shall be monitored jointly by appropriate representatives and committees involved in quality improvement activities.

(b) On and after January 1, 2008, each general acute care hospital shall implement and annually report to the department on its implementation of infection surveillance and infection prevention process measures that have been recommended by the federal Centers for Disease Control and Prevention Healthcare Infection Control Practices Advisory Committee, as suitable for a mandatory public reporting program. Initially, these process measures shall include the CDC guidelines for central line insertion practices, surgical antimicrobial prophylaxis, and influenza vaccination of patients and healthcare personnel. In consultation with the advisory committee, the department shall make this information public no later than six months after receiving the data.

(c) The advisory committee shall make recommendations for phasing in the implementation and public reporting of additional process measures and outcome measures by January 1, 2008, and, in doing so, shall consider the measures recommended by the CDC.

(d) Each general acute care hospital shall also submit data on implemented process measures to the National Healthcare Safety Network of the CDC, or to any other scientifically valid national HAI reporting system based upon the recommendation of the federal Centers for Disease Control and Prevention Healthcare Infection Control Practices Advisory Committee or to another scientifically valid reporting database, as determined by the department based on the recommendations of the HAI-AC. Hospitals shall utilize the federal Centers for Disease Control and Prevention definitions and methodology for surveillance of HAI.

Hospitals participating in the California Hospital Assessment and Reporting Task Force (CHART) shall publicly report those HAI measures as agreed to by all CHART hospitals.

(e) In addition to the requirements in subdivision (a), the department shall establish an infection surveillance, prevention, and control program to do all of the following:

(1) Designate infection prevention professionals to serve as consultants to the licensing and certification program.

(2) Provide education and training to department health facility evaluator nurses and consultants to effectively survey hospitals for compliance with infection surveillance, prevention, and control recommendations, as well as state and federal statutes and regulations.

(3) By January 1, 2011, in consultation with the HAI-AC, develop a scientifically valid statewide electronic reporting system or utilize an existing scientifically valid database system capable of receiving electronically transmitted reports from hospitals related to HAI.

(4) Provide current infection prevention and control information to the public on the Internet.

(5) Beginning January 1, 2011, provide to the Governor, the Legislature, and the Chairs of the Senate Committee on Health and Assembly Committee on Health, and post on the department's Web site, an annual report of publicly reported HAI infection information received and reported pursuant to this article.

SEC. 7. Section 1288.95 is added to the Health and Safety Code, to read:

1288.95. (a) No later than January 1, 2010, a physician designated as a hospital epidemiologist or infection surveillance, prevention, and control committee chairperson shall participate in a continuing medical education (CME) training program offered by the federal Centers for Disease Control and Prevention (CDC) and the Society for Healthcare Epidemiologists of America, or other recognized professional organization. The CME program shall be specific to infection surveillance, prevention, and control. Documentation of attendance shall be placed in the physician's credentialing file.

(b) Beginning January 2010, all staff and contract physicians and all other licensed independent contractors, including, but not limited to, nurse practitioners and physician assistants, shall be trained in methods to prevent transmission of HAI, including, but not limited to, MRSA and *Clostridium difficile* infection.

(c) By January 2010, all permanent and temporary hospital employees and contractual staff, including students, shall be trained in hospital-specific infection prevention and control policies, including, but not limited to, hand hygiene, facility-specific isolation procedures,

patient hygiene, and environmental sanitation procedures. The training shall be given annually and when new policies have been adopted by the infection surveillance, prevention, and control committee.

(d) Environmental services staff shall be trained by the hospital and shall be observed for compliance with hospital sanitation measures. The training shall be given at the start of employment, when new prevention measures have been adopted, and annually thereafter. Cultures of the environment may be randomly obtained by the hospital to determine compliance with hospital sanitation procedures.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 295

An act to add and repeal Section 1256.01 of the Health and Safety Code, relating to public health.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Hospitals in California with cardiac catheterization laboratory service and without cardiac surgery services are currently limited to performing certain diagnostic and unscheduled interventional procedures. These parameters were established by the Legislature over 20 years ago, when interventional cardiology was in its infancy, as a precautionary measure against complications.

(b) Technological and methodological advances in interventional cardiology have greatly improved patient outcomes.

(c) Multiple studies have demonstrated that performance of primary and elective percutaneous coronary intervention (PCI) in hospital-based cardiac catheterization laboratories, with offsite cardiac surgery backup, results in numerous benefits to patients, including all of the following:

(1) Improved patient outcomes due to the correlation between the volume of procedures performed and the outcome. For example, as patient volume increases, patient outcomes improve.

(2) Provision of diagnosis and therapeutic treatment in one procedure at one hospital, instead of two procedures at two different hospitals.

(3) Improved access to care and continuity of care since patients may undergo interventional cardiology procedures closer to home.

(4) Reduction of pressure to create and maintain low-volume cardiac surgery centers primarily to support interventional cardiology, thus allowing for a better allocation of resources.

(d) Economic benefits associated with shorter hospital stays and reduced numbers of discharges and transfers indicate that elective PCI at hospitals with offsite cardiac surgery backup is a cost-effective alternative to limiting elective PCI to hospitals with onsite cardiac surgery.

(e) Primary PCI is the treatment of choice for ST segment elevation myocardial infarction (STEMI) patients, however it should be performed within a 90-minute window of time. Upon arrival in many emergency rooms, STEMI patients often do not receive primary PCI because it is not available in that hospital, and hospital-to-hospital transfer cannot be accomplished within the optimal 90-minute door-to-balloon time. Among the factors affecting achievement of this benchmark is the experience level of the hospital and its staff, and the difficulty of providing coverage 24 hours per day, 365 days per year. One strategy for overcoming these factors, and thus improving access to lifesaving PCI, is to permit hospitals capable of performing PCI to perform both primary and elective PCI. Higher total PCI volumes will increase the experience and capabilities of the facility, interventional cardiologists, and personnel, resulting in improved outcomes.

(f) The American College of Cardiology (ACC), the American Heart Association (AHA), and the Society for Cardiovascular Angiography and Interventions (SCAI) issued a report titled "2005 Guidelines Update for Percutaneous Coronary Intervention." The ACC/AHA/SCAI guidelines acknowledge that several centers with offsite cardiac surgery backup have reported satisfactory results in performing elective PCI based on careful case selection and well-defined arrangements for immediate transfer to a surgical program if needed. Nevertheless, the ACC/AHA/SCAI guidelines do not recommend elective PCI without onsite cardiac surgery, but note that this recommendation may be subject to revision as clinical data and experience increase.

(g) After publication of the ACC/AHA/SCAI guidelines, the SCAI issued recommendations for performing elective and primary PCI in hospitals without onsite cardiac surgery in recognition of the reality that

elective PCI without onsite cardiac surgery is already performed in 28 states and around the world without regard to whether cardiac surgery backup is available onsite or offsite.

(h) Due to the unique demographics and distribution of California's population, the Legislature finds that it is appropriate to gather clinical data and experience regarding elective PCI in hospitals with offsite cardiac surgery backup in order to enable California licensed health care facilities and physicians to maintain the highest standard of health care for Californians. For the foregoing reasons, it is the intent of the Legislature to establish the Elective Percutaneous Coronary Intervention (PCI) Pilot Program to allow general acute care hospitals that are licensed to perform cardiac catheterization laboratory service in California, and that meet additional rigorous requirements, to also perform scheduled, elective percutaneous transluminal coronary angioplasty and stent placement for eligible patients.

SEC. 2. Section 1256.01 is added to the Health and Safety Code, to read:

1256.01. (a) The Elective Percutaneous Coronary Intervention (PCI) Pilot Program is hereby established in the department. The purpose of the pilot program is to allow the department to authorize up to six general acute care hospitals that are licensed to provide cardiac catheterization laboratory service in California, and that meet the requirements of this section, to perform scheduled, elective percutaneous transluminal coronary angioplasty and stent placement for eligible patients.

(b) For purposes of this section, the following terms have the following meanings:

(1) "Elective Percutaneous Coronary Intervention (elective PCI)" means scheduled percutaneous transluminal coronary angioplasty and stent placement. Elective PCI does not include urgent or emergent PCI that is scheduled on an ad hoc basis.

(2) "Eligible hospital" means a general acute care hospital that has a licensed cardiac catheterization laboratory and is in compliance with all applicable state and federal licensing laws and regulations.

(3) "Interventionalist" means a licensed cardiologist who meets the requirements for performing elective PCI at a pilot hospital.

(4) "Pilot hospital" means a hospital participating in the Elective Percutaneous Coronary Intervention (PCI) Pilot Program established by this section.

(5) "Primary percutaneous coronary intervention (primary PCI)" means percutaneous transluminal coronary angioplasty and stent placement that is emergent in nature for acute myocardial infarction and that is performed before administration of thrombolytic agents.

(6) "Receiving hospital" means a licensed general acute care hospital with cardiac surgery services that has entered into a transfer agreement with a pilot hospital.

(7) "STEMI" means ST segment elevation myocardial infarction, a type of heart attack, or myocardial infarction, that is caused by a prolonged period of blocked blood supply, which affects a large area of the heart muscle, and causes changes on an electrocardiogram and in the blood levels of key chemical markers.

(8) "Transfer agreement" means an agreement between the eligible hospital and the receiving hospital that meets all of the requirements of this section.

(c) To participate in the pilot program, an eligible hospital shall demonstrate that it complies with the recommendations of the SCAI for performance of PCI without onsite cardiac surgery, as those recommendations may evolve over time, and meets all of the following criteria:

(1) Performs at least 36 primary PCI procedures annually, has the capacity to perform at least 200 primary and elective PCI procedures annually, and by year two of participation in the pilot program, actually performs at least 200 primary and elective procedures, including at least 36 primary PCI procedures.

(2) Has an on-call schedule with operation of the cardiac catheterization laboratory 24 hours per day, 365 days per year.

(3) Performs primary PCI as the treatment of first choice for STEMI, and has policies and procedures that require the tracking of door-to-balloon times, with a goal of 90 minutes or less, and requires that outlier cases be carefully reviewed for process improvement opportunities.

(4) Permits only interventionists who meet the following requirements to perform elective PCI under the pilot program:

(A) Perform at least 100 total PCI procedures per year, including at least 18 primary PCI per year.

(B) Have lifetime experience of at least 500 total PCI procedures as primary operator.

(C) Have complication rates and outcomes equivalent or superior to national benchmarks established by the American College of Cardiology.

(D) Hold board certification by the American Board of Internal Medicine in Interventional Cardiology and Cardiovascular Diseases.

(E) Actively participate in the eligible hospital's quality improvement program.

(5) Employs experienced nursing and technical laboratory staff with training in interventional laboratories. Cardiac catheterization laboratory

personnel must have demonstrated competency treating acutely ill patients with hemodynamic and electrical instability.

(6) Employs experienced intensive care unit nursing staff who have demonstrated competency with invasive hemodynamic monitoring, temporary pacemaker operation, and intraaortic balloon pump management. Nursing personnel must be capable of managing endotracheal intubation and ventilator management both onsite and during transfer, if necessary. The eligible hospital shall demonstrate sufficient staffing capacity in the intensive care unit to provide posttreatment care for patients undergoing elective PCI.

(7) Has a well-equipped and maintained cardiac catheterization laboratory with high resolution digital imaging capability and intraaortic balloon pump support compatible with transport vehicles. The ability for the real-time transfer of images and hemodynamic data via T-1 transmission line as well as audio and video images to review terminals for consultation at the receiving hospital is ideal.

(8) Has an appropriate inventory of interventional equipment, including guide catheters, balloons, and stents in multiple sizes, thrombectomy and distal protection devices, covered stents, temporary pacemakers, and pericardiocentesis trays. Pressure wire devices and intravascular ultrasound equipment are optimal, but not mandatory.

(9) Provides evidence showing the full support from hospital administration in fulfilling the necessary institutional requirements, including, but not limited to, appropriate support services such as respiratory care and blood banking.

(10) Has a written transfer agreement for the emergency transfer of patients to a facility with cardiac surgery services. Transport protocols shall be developed and tested a minimum of twice per year, and must ensure the immediate and efficient transfer of patients, within 60 minutes, 24 hours per day, seven days per week, from the eligible hospital to the receiving hospital. The time for transfer of patients shall be calculated from the time it is determined that transfer of a patient for emergency cardiac surgery is necessary at the eligible hospital, to the time that the patient arrives at the receiving hospital.

(11) Has onsite rigorous data collection, outcomes analysis, benchmarking, quality improvement, and formalized periodic case review.

(12) Participates in the American College of Cardiology-National Cardiovascular Data Registry.

(13) Provides evidence in its application that demonstrates the use of rigorous case selection for patients undergoing elective PCI. Patient selection criteria will meet all of the following requirements, or otherwise

be consistent with the recommendations of the SCAI, as those recommendations may evolve.

(A) Patient selection shall be based on the interventionalist's professional medical judgment, which may include, but is not limited to, consideration of the patient's risk, the patient's lesion risk, and the patient's overall health status.

(B) For purposes of this section, "patient risk" means the expected clinical risk in case of occlusion or other serious complication caused by the procedure. "High patient risk" may include, but is not limited to, patients with any of the following features: decompensated congestive heart failure (Killip class 3) without evidence for active ischemia, recent cardiovascular attack, advanced malignancy, known clotting disorders; left ventricular ejection fraction less than or equal to 25 percent; left main stenosis greater than or equal to 50 percent or three-vessel disease unprotected by prior bypass surgery greater than 70 percent stenosis in the proximal segment of all major epicardial coronary arteries; single target lesion that jeopardizes over 50 percent of remaining viable myocardium.

(C) For purposes of this section, "lesion risk" means the probability that the procedure will cause acute vessel occlusion or other serious complication. "High lesion risk" may include, but is not limited to, lesions in open vessels with any of the following characteristics: diffuse disease (greater than 2 cm in length) and excessive tortuosity of proximal segments; more than moderate calcification of a stenosis or proximal segments; location in an extremely angulated segment (greater than 90 percent); inability to protect major side branches; degenerated older vein grafts with friable lesions; substantial thrombus in the vessel or at the lesion site; and any other feature that may, in the interventionalist's judgment, impede stent deployment.

(D) In evaluating patient risk and lesion risk to determine patient eligibility for inclusion in the pilot program, the interventionalist shall apply the strategy set forth by the SCAI as set forth below, or as it may otherwise evolve:

(i) A high-risk patient with a high-risk lesion shall not be included in the pilot program.

(ii) A high-risk patient with a not high-risk lesion may be included in the pilot program upon confirmation that a cardiac surgeon and an operating room are immediately available if necessary.

(iii) A not high-risk patient with a high-risk lesion may be included in the pilot program.

(iv) A not high-risk patient with a not high-risk lesion may be included in the pilot program.

(14) Will include evidence of institutional review board (IRB) approval of its participation in the pilot program for as long as ACC/AHA/SCAI guidelines categorize elective PCI with offsite cardiac surgery as a Class III indication.

(15) Shall demonstrate evidence of the process for obtaining written informed consent from patients prior to undergoing elective PCI. The application shall include a copy of the eligible hospital's informed consent form applicable to elective PCI. Evidence of IRB approval of the informed consent form will also be provided for as long as ACC/AHA/SCAI guidelines categorize elective PCI with offsite cardiac surgery a Class III indication.

(d) Consistent with this section, the department shall invite eligible hospitals to submit an application to participate in the Elective PCI Pilot Program. The applications shall include sufficient information to demonstrate compliance with the standards set forth in this section, and additionally include the effective date for initiating elective PCI service, the general service area, a description of the population to be served, a description of the services to be provided, a description of backup emergency services, the availability of comprehensive care, and the qualifications of the general acute care hospital providing the emergency treatment. The department may require that additional information be submitted with the application. Failure to include any required criteria or additional information shall disqualify the applicant from the application process and from consideration for participation in the pilot program. The department may select up to six general acute care hospitals for participation in the Elective PCI Pilot Program based on the applicant's ability to meet or exceed the criteria described in this section.

(e) An advisory oversight committee comprised of one interventionalist from each pilot hospital, an equal number of cardiologists from nonpilot hospitals, and a representative of the department shall be created to oversee, monitor, and make recommendations to the department concerning the pilot program. In designating the cardiologists from nonpilot hospitals to the committee, the department shall consider the recommendations of the California Chapter of the American College of Cardiology. The advisory oversight committee shall submit at least two reports to the department during the pilot period. The oversight committee shall conduct a final report at the conclusion of the pilot program, including recommendations for the continuation or termination of the pilot program.

(f) If at any time a pilot hospital fails to meet the criteria set forth in this section for being a pilot hospital or fails to safeguard patient safety, as determined by the department, that pilot hospital shall be removed from participation in the pilot program by the department.

(g) Each pilot hospital shall provide quarterly reports to the department and the oversight committee that include statistical data and patient information relating to the number of elective PCI procedures performed, the interventionalists performing elective PCI procedures, and the outcomes of those procedures. In addition, pilot hospitals shall include in the report recommendations, if any, for modifications to the pilot program and any other information the pilot hospitals deem relevant for evaluating the success of the pilot program in delivering improved patient care. The department and the oversight committee may make site visits to any pilot hospital at any time.

(h) The department shall prepare and submit a report to the Legislature on the results of the Elective PCI Pilot Program. The report shall be submitted no later than 90 days after termination of the pilot program. The report shall include, but not be limited to, an evaluation of the pilot program's cost, safety, and quality of care. The report shall also include a comparison of elective PCI performed in connection with the Elective PCI Pilot Program, and elective PCI performed in hospitals with onsite cardiac surgery services. The report shall further recommend whether elective PCI without onsite cardiac surgery should be continued in California, and if so, under what conditions.

(i) The department may charge pilot hospitals a supplemental licensing fee, the amount of which shall not exceed the cost to the department of overseeing the pilot program.

(j) The department may contract with a professional entity with medical program knowledge to meet the requirements of this section.

(k) This section shall remain in effect only until January 1, 2014, allowing up to two years for implementation and at least three years during which the pilot program will be operational. As of January 1, 2014, this section is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

CHAPTER 296

An act to add Sections 1255.8 and 1288.55 to the Health and Safety Code, relating to health.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) (1) The protection of patients in California health facilities is of paramount importance to the citizens of this state.

(2) During the past two decades health-care-associated infections, especially those that are resistant to commonly used antibiotics, have increased dramatically.

(3) The State Department of Public Health needs to develop a better, more efficient system to monitor and report the incidence of antibiotic-resistant and other organisms causing infection that are acquired by patients in health facilities.

(4) The department needs to establish and maintain a comprehensive inspection and reporting system for health facilities that will ensure that those facilities comply with state laws and regulations designed to reduce the incidence of health-care-associated infections.

(b) It is, therefore, the intent of the Legislature to enact legislation that will do all of the following:

(1) Ensure that California's standards for protecting patients from exposure to pathogens in health facilities, including Methicillin-resistant *Staphylococcus aureus* (MRSA), are adequate to reduce the incidence of antibiotic-resistant organisms causing infection acquired by patients in these facilities.

(2) Ensure that the department develops and implements an Internet-based public reporting system that provides updated information regarding the incidence of infections, including associated pathogens acquired in health facilities, as well as the number of infection control personnel relative to the number of licensed beds.

(3) Ensure that health facilities implement improved procedures intended to maintain sanitary standards in these facilities, reduce transmission of pathogens that cause infection, and provide adequate training to health care professionals regarding the prevention and treatment of health-care-associated MRSA and other health-care-associated infections in these facilities.

SEC. 2. This act shall be known, and may be cited, as the Medical Facility Infection Control and Prevention Act or Nile's Law.

SEC. 3. Section 1255.8 is added to the Health and Safety Code, to read:

1255.8. (a) For purposes of this section, the following terms have the following meanings:

(1) "Colonized" means that a pathogen is present on the patient's body, but is not causing any signs or symptoms of an infection.

(2) "Committee" means the Healthcare Associated Infection Advisory Committee established pursuant to Section 1288.5.

(3) "Health facility" means a facility as defined in subdivision (a) of Section 1250.

(4) “Health-care-associated infection,” “health-facility-acquired infection,” or “HAI” means a health-care-associated infection as defined by the National Healthcare Safety Network of the federal Centers for Disease Control and Prevention, unless the department adopts a definition consistent with the recommendations of the committee or its successor.

(5) “MRSA” means Methicillin-resistant *Staphylococcus aureus*.

(b) (1) Each patient who is admitted to a health facility shall be tested for MRSA in the following cases, within 24 hours of admission:

(A) The patient is scheduled for inpatient surgery and has a documented medical condition making the patient susceptible to infection, based either upon federal Centers for Disease Control and Prevention findings or the recommendations of the committee or its successor.

(B) It has been documented that the patient has been previously discharged from a general acute care hospital within 30 days prior to the current hospital admission.

(C) The patient will be admitted to an intensive care unit or burn unit of the hospital.

(D) The patient receives inpatient dialysis treatment.

(E) The patient is being transferred from a skilled nursing facility.

(2) The department may interpret this subdivision to take into account the recommendations of the federal Centers for Disease Control and Prevention, or recommendations of the committee or its successor.

(3) If a patient tests positive for MRSA, the attending physician shall inform the patient or the patient’s representative immediately or as soon as practically possible.

(4) A patient who tests positive for MRSA infection shall, prior to discharge, receive oral and written instruction regarding aftercare and precautions to prevent the spread of the infection to others.

(c) Commencing January 1, 2011, a patient tested in accordance with subdivision (b) and who shows evidence of increased risk of invasive MRSA shall again be tested for MRSA immediately prior to discharge from the facility. This subdivision shall not apply to a patient who has tested positive for MRSA infection or colonization upon entering the facility.

(d) A patient who is tested pursuant to subdivision (c) and who tests positive for MRSA infection shall receive oral and written instructions regarding aftercare and precautions to prevent the spread of the infection to others.

(e) The infection control policy required pursuant to Section 70739 of Title 22 of the California Code of Regulations, at a minimum, shall include all of the following:

(1) Procedures to reduce health care associated infections.

(2) Regular disinfection of all restrooms, countertops, furniture, televisions, telephones, bedding, office equipment, and surfaces in patient rooms, nursing stations, and storage units.

(3) Regular removal of accumulations of bodily fluids and intravenous substances, and cleaning and disinfection of all movable medical equipment, including point-of-care testing devices such as glucometers, and transportable medical devices.

(4) Regular cleaning and disinfection of all surfaces in common areas in the facility such as elevators, meeting rooms, and lounges.

(f) Each facility shall designate an infection control officer who, in conjunction with the hospital infection control committee, shall ensure implementation of the testing and reporting provisions of this section and other hospital infection control efforts. The reports shall be presented to the appropriate committee within the facility for review. The name of the infection control officer shall be made publicly available, upon request.

(g) The department shall establish a health care acquired infection program pursuant to this section.

SEC. 4. Section 1288.55 is added to the Health and Safety Code, to read:

1288.55. (a) (1) Each health facility, as defined in paragraph (3) of subdivision (a) of Section 1255.8, shall quarterly report all cases of health-care-associated MRSA bloodstream infection, health-care-associated clostridium difficile infection, and health-care-associated Vancomycin-resistant enterococcal bloodstream infection, and the number of inpatient days.

(2) Each health facility shall report quarterly to the department all central line associated bloodstream infections and the total central line days.

(3) Each health facility shall report quarterly to the department all health-care-associated surgical site infections of deep or organ space surgical sites, health-care-associated infections of orthopedic surgical sites, cardiac surgical sites, and gastrointestinal surgical sites designated as clean and clean-contaminated, and the number of surgeries involving deep or organ space, and orthopedic, cardiac, and gastrointestinal surgeries designated clean and clean-contaminated.

(b) The department's licensing and certification program shall do all of the following:

(1) Commencing January 1, 2011, post on the department's Web site information regarding the incidence rate of health-care-acquired central line associated bloodstream infections acquired at each health facility in California, including information on the number of inpatient days.

(2) Commencing January 1, 2012, post on the department's Web site information regarding the incidence rate of deep or organ space surgical site infections, orthopedic, cardiac, and gastrointestinal surgical procedures designated as clean and clean-contaminated, acquired at each health facility in California, including information on the number of inpatient days.

(3) No later than January 1, 2011, post on the department's Web site information regarding the incidence rate of health-care-associated MRSA bloodstream infection, health-care-associated clostridium difficile infection, and health-care-associated Vancomycin-resistant enterococcal bloodstream infection, at each health facility in California, including information on the number of inpatient days.

(c) Any information reported publicly as required under this section shall meet all of the following requirements:

(1) The department shall follow a risk adjustment process that is consistent with the federal Centers for Disease Control and Prevention's National Healthcare Safety Network (NHSN), or its successor, risk adjustment, and use its definitions, unless the department adopts, by regulation, a fair and equitable risk adjustment process that is consistent with the recommendations of the Healthcare Associated Infection Advisory Committee (HAI-AC), established pursuant to Section 1288.5, or its successor.

(2) For purposes of reporting, as required in subdivisions (a) and (b), an infection shall be reported using the NHSN definitions unless the department accepts the recommendation of the HAI-AC or its successor.

(3) If the federal Centers for Disease Control and Prevention do not use a public reporting model for specific health-care-acquired infections, then the department shall base its public reporting of incidence rate on the number of inpatient days for infection reporting, or the number of specified device days for relevant device-related infections, and the number of specified surgeries conducted for surgical site infection reporting, unless the department adopts a public reporting model that is consistent with recommendations of the HAI-AC or its successor.

(d) Health facilities that report data pursuant to the system shall report this data to the NHSN and the department, as appropriate.

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.

CHAPTER 297

An act to amend Section 469 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Businesses having an aggregate cost of one hundred thousand dollars (\$100,000) or more in personal property are required to file annually a statement with the assessor identifying the property to facilitate its proper and uniform assessment.

(b) Existing law requires assessors to conduct audits to encourage accurate reporting.

(c) Therefore, it is the intent of the Legislature in enacting this act to provide assessors with discretion in selecting which business taxpayers to audit, thereby adding an element of unpredictability to the audit process and ultimately advancing the policy goals of the audit process, and furthering the constitutional requirement of equal and uniform assessment.

SEC. 2. Section 469 of the Revenue and Taxation Code is amended to read:

469. (a) The assessor shall annually conduct a significant number of audits of the books and records of taxpayers engaged in a profession, trade, or business who own, claim, possess, or control locally assessable trade fixtures and business tangible personal property in the county to encourage the accurate and proper reporting of property as required by this article. The assessor shall conduct an audit of those taxpayers as provided by subdivision (b).

(1) For purposes of this section, “significant number of audits” means at least 75 percent of the fiscal year average of the total number of audits the assessor was required to have conducted during the 2002–03 fiscal year to the 2005–06 fiscal year, inclusive, on those taxpayers in the county that had a full value of four hundred thousand dollars (\$400,000) or more of locally assessable trade fixtures and business tangible personal property.

(2) The assessor is not required to audit a taxpayer that is fully exempt from property taxation under other provisions of law for purposes of the requirements of this section.

(3) If the board audits a taxpayer because the taxpayer's assessment was selected in a sampling of assessments from the local assessment rolls pursuant to Section 15640 of the Government Code, that audit may be deemed an audit by the assessor for purposes of the requirements of this section.

(b) Each year the audits required by subdivision (a) shall be conducted in the following manner:

(1) Fifty percent of the audits required by subdivision (a) shall be performed on taxpayers selected from a pool of those taxpayers that have the largest assessments of locally assessable trade fixtures and business tangible personal property in the county.

(A) This pool of taxpayers shall be determined as follows:

(i) The assessor shall rank all of the taxpayers in the county in descending order by the total locally assessed value of both trade fixtures and business tangible personal property.

(ii) The assessor shall select a qualified number of those taxpayers with the largest assessments for inclusion in the pool. The qualified number shall be that number equal to 50 percent of the audits required by subdivision (a) multiplied by four.

(B) Taxpayers in the pool shall be audited at least once within each four-year period following the latest fiscal year covered by a preceding audit and the audit may combine multiple fiscal years. The assessor is relieved of the requirement to audit the taxpayer at least once every four years if the assessor determines that the taxpayer's assessments are no longer large enough for inclusion in the pool.

(2) The remaining 50 percent of the required audits, as determined by paragraph (1) of subdivision (a), shall be selected in a manner that is fair and equitable to all taxpayers and may be based on evidence of underreporting as determined by the assessor.

(3) Nothing in this subdivision is intended to prohibit the audit of any taxpayer more frequently than once every four years.

(c) With respect to any audit of the books of a profession, trade, or business, regardless of the full value of the trade fixtures and business tangible personal property owned, claimed, possessed, or controlled by the taxpayer, the following shall apply:

(1) Upon completion of an audit of the taxpayer's books and records, the taxpayer shall be given the assessor's findings in writing with respect to data that would alter any previously enrolled assessment.

(2) Equalization of the property by a county board of equalization or assessment appeals board pursuant to Chapter 1 (commencing with

Section 1601) of Part 3 of this division shall not preclude a subsequent audit and shall not preclude the assessor from levying an escape assessment in appropriate instances, but shall preclude an escape assessment being levied on that portion of the assessment that was the subject of the equalization hearing.

(3) If the result of an audit for any year discloses property subject to an escape assessment, then the original assessment of all property of the assessee at the location of the profession, trade, or business for that year shall be subject to review, equalization and adjustment by the county board of equalization or assessment appeals board pursuant to Chapter 1 (commencing with Section 1601) of Part 3 of this division, except in those instances when the property had previously been equalized for the year in question.

(4) If the audit for any particular tax year discloses that the property of the taxpayer was incorrectly valued or misclassified for any cause, to the extent that this error caused the property to be assessed at a higher value than the assessor would have entered on the roll had the incorrect valuation or misclassification not occurred, then the assessor shall notify the taxpayer of the amount of the excess valuation or misclassification, and the fact that a claim for cancellation or refund may be filed with the county as provided by Sections 4986 and 5096.

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.

CHAPTER 298

An act to add Section 71.7.5 to the Harbors and Navigation Code, and to amend Sections 7 and 14 of Chapter 1617 of the Statutes of 1982, relating to harbors.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 71.7.5 is added to the Harbors and Navigation Code, to read:

71.7.5. Notwithstanding any other provision of this chapter, Section 40 of this code, Section 30233 of the Public Resources Code, or any

contract or agreement to the contrary, Sonoma County may provide facilities at the Spud Point Marina for commercial, recreational, or other vessels, in numbers that it determines appropriate, subject only to the following:

(a) Sonoma County may maintain an advisory committee for the Spud Point Marina, whose membership is representative of the marina users, and shall give the advisory committee at least 30 days' notice before changing any berthing rates at the Spud Point Marina, and shall consider, but is not obligated to follow, any recommendations of the advisory committee.

(b) Sonoma County may establish different berthing rates and any other charges for commercial, recreational, or other vessels, if the board of supervisors determines that the differing rates or charges are in the public interest, and if any loans from the department are outstanding, are necessary to provide revenue to repay those loans. However, if any loans are outstanding, berthing rates at the Spud Point Marina for recreational vessels shall not exceed the highest rates charged for berthing within the Spud Point Marina market area for recreational vessels.

SEC. 2. Section 7 of Chapter 1617 of the Statutes of 1982 is amended to read:

Sec. 7. Item 3680-101-516 of the Budget Act of 1982 (Chapter 326 of the Statutes of 1982) is amended to read:

3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....		17,999,000
Schedule:		
(a) Launching facility grants.....	3,283,000	
(1) Big Bear.....	270,000	
(2) Discovery Park.....	85,000	
(3) East Bay.....	105,000	
(4) Elkhorn.....	100,000	
(5) Eureka.....	350,000	
(6) Floating restrooms.....	150,000	
(7) Ramp repairs.....	100,000	
(8) Lake Morena.....	350,000	
(9) Lake San Antonio.....	500,000	
(10) Morro Bay.....	313,000	
(11) Moss Landing.....	375,000	
(12) Oceanside.....	55,000	
(13) Shelter Cove.....	280,000	
(14) Vallejo.....	250,000	
(b) Loans: Local Government.....		12,000,000

(1) Balboa Yacht Basin.....	2,500,000
(2) Diesel Street Marina.....	600,000
(3) Downtown Shore.....	600,000
(4) Martinez Marina.....	300,000
(5) Santa Cruz Harbor.....	600,000
(6) Planning loans.....	100,000
(7) Cabrillo Beach Marina.....	4,000,000
(8) Spud Point Marina.....	3,200,000
(9) Emergency storm repairs.....	100,000
(c) Boating safety and enforcement.....	2,716,000

Provisions:

1. The funds appropriated in category (b) are for loans to be made to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Boating and Waterways.
2. The funds appropriated in category (a) are for grants to cities, counties, districts, or other public agencies pursuant to Section 72.5 of the Harbors and Navigation Code to be used for construction and development of small craft launching facilities.
3. The funds allocated for boating safety and enforcement programs are pursuant to Section 663.7 of the Harbors and Navigation Code.
4. The funds appropriated in category (b) (9) are for allocation by the Director of Finance to provide for repairs, authorized by the Director of Finance, of damage at small craft harbor facilities constructed pursuant to Sections 70.2, 71.4, and 72.5 of the Harbors and Navigation Code, caused by emergency conditions, including, but not limited to, tidal waves or severe storms, and for payment of deficiencies in appropriations for the Department of Boating and Waterways which may be authorized by the Director of Finance; the sum of \$100,000 or so much thereof as may be necessary, is appropriated from the Harbors and Watercraft Revolving Fund.
5. No funds appropriated for the Eureka launching facility in category (a) (5) shall be encumbered or expended unless and until an environmental impact report is completed and approved for the project.

6. No more than \$1,400,000 appropriated for the Spud Point Marina project by category (b) (8) shall be encumbered or expended unless and until the cash surplus in the Harbors and Watercraft Revolving Fund equals or exceeds \$100,000.
7. The funds appropriated in category (b) shall not be available for expenditure unless the Boating and Waterways Commission establishes the interest rate to be charged for 1982–83 fiscal year loans for public marina and harbor development at 7.9 percent.

SEC. 3. Section 14 of Chapter 1617 of the Statutes of 1982 is amended to read:

Sec. 14. The Legislature finds and declares that the commercial fishing industry is involved with the public interest and that it directly affects the public health and welfare by providing food and jobs. The Legislature further finds and declares that the Spud Point Marina project is necessary for the long-term survival of the industry between San Francisco Bay and Fort Bragg, an area that depends economically on the industry, and that maximum cooperation and participation by state and local public agencies is necessary to develop the marina.

SEC. 4. The Legislature finds and declares that there are unique circumstances concerning the need to provide the County of Sonoma with the flexibility necessary to operate, manage, and maintain the Spud Point Marina under changed and changing circumstances recognized by the renegotiation of the loan contract between the Department of Boating and Waterways and the County of Sonoma, necessitating the enactment of the procedures contained in this act. It is therefore declared that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and that the special legislation contained in Sections 1, 2, and 3 of this act is necessarily applicable only to the County of Sonoma.

CHAPTER 299

An act to amend Section 2881.1 of, and to repeal and add Section 4511.2 of, the Business and Professions Code, relating to nursing.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 2881.1 of the Business and Professions Code is amended to read:

2881.1. The board shall deny the application for accreditation made by, and shall revoke the accreditation given to, any school of vocational nursing that does not give to student applicants credit, in the field of nursing, for previous education and the opportunity to obtain credit for other acquired knowledge by the use of challenge examinations or other methods of evaluation.

The board shall prescribe, by regulation, the education for which credit is to be given and the amount of credit that is to be given for each type of education, including the amount of credit to be given to a certified nurse assistant, a nurse assistant who has provided direct nursing services in health facilities, and an applicant who has successfully completed equivalent courses offered by a secondary school that is accredited by the Department of Education in any state or by a nationally recognized regional accrediting body. These courses shall be assessed for equivalency by the vocational nursing school.

SEC. 2. Section 4511.2 of the Business and Professions Code is repealed.

SEC. 3. Section 4511.2 is added to the Business and Professions Code, to read:

4511.2. The board shall deny the application for accreditation made by, and shall revoke the accreditation given to, any psychiatric technician school that does not give to student applicants credit, in the fields of nursing and psychiatric technician practice, for previous education and the opportunity to obtain credit for other acquired knowledge by the use of challenge examinations or other methods of evaluation.

The board shall prescribe, by regulation, the education for which credit is to be given and the amount of credit that is to be given for each type of education, including the amount of credit to be given to a psychiatric technician assistant, a certified nurse assistant, a nurse assistant who has provided direct nursing services in health facilities, and an applicant who has successfully completed equivalent courses offered by a secondary school that is accredited by the Department of Education in any state or by a nationally recognized, regional accrediting body. These courses shall be assessed for equivalency by the psychiatric technician school.

CHAPTER 300

An act to amend Sections 1625.5, 1638, 1675, 1703, 1704, 1733, 1749, 1749.3, 1749.31, 1749.4, 1750.5, 1849, 14029, 14091, and 14094 of, to amend and renumber and add Section 14090.1 of, to add Section 15059.1 to, to repeal Section 1745 of, and to repeal and add Section 1746 of, the Insurance Code, relating to licensing.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1625.5 of the Insurance Code is amended to read:

1625.5. (a) A personal lines licensee is a person authorized to transact automobile insurance, as defined in Section 660, including insurance for recreational vehicles used for noncommercial purposes, personal watercraft insurance, residential property insurance, as defined in Section 10087, including earthquake and flood insurance, inland marine insurance covering personal property, and umbrella or excess liability insurance providing coverage when written over one or more underlying automobile or residential property insurance policies, and a personal lines broker-agent license is a license to so act.

(b) A license under this section shall be applied for and renewed, following successful completion of a qualifying examination on this code, ethics, and products sold under the license, in the same manner as is provided in this chapter for a license to act as a fire and casualty broker-agent, except as provided in subdivision (c) or where provided otherwise.

(c) A person licensed as a personal lines agent who makes an application to the commissioner to become a fire and casualty broker-agent pursuant to Section 1625 shall do all of the following:

- (1) Submit an application on a form provided by the commissioner.
- (2) Complete prelicensing education as specified in Section 1749.
- (3) Take and pass a qualifying examination pursuant to Section 1676.
- (d) Notwithstanding any other provision of law, for a personal lines license:

(1) "License term" for a personal lines license means all of that two-year period beginning as described in either subdivision (a) or (b) of Section 1629, as applicable, and ending the second succeeding year on the last calendar day of the month in which the initial license was issued.

(2) "License year" for a personal lines license shall be determined for each entity as follows:

(A) Upon initial licensing, the license year starts on the date the license is issued.

(B) Subsequently, each license year starts the first day of the month following the month in which the initial license was issued.

(C) A license year ends the following calendar year on the last calendar day of the month in which the initial license was issued.

SEC. 2. Section 1638 of the Insurance Code is amended to read:

1638. (a) A nonresident license is a license issued to a person not a resident of this state.

A person is a resident of this state if either of the following applies:

(1) He or she occupies a dwelling in this state and intends this state to be his or her domicile.

(2) He or she maintains his or her principal place of business in this state.

(b) A person licensed under this chapter may designate only one state as his or her resident state.

SEC. 3. Section 1675 of the Insurance Code is amended to read:

1675. Except as provided in Section 1680, the following applicants who have theretofore been licensed under this code are exempt from the requirements of this article:

(a) An applicant for a license to act as a fire and casualty broker-agent who has been licensed as a fire and casualty broker-agent or surplus line broker during any part of the license year in which the application is filed or the immediately preceding license year.

(b) An applicant for a license to act as a life-only agent who has been licensed as a life-only agent during any part of the license year in which the application is filed or the immediately preceding license year.

(c) An applicant for a license to act as an accident and health agent who has been licensed as an accident and health agent during any part of the license year in which the application is filed or the immediately preceding license year.

(d) An applicant for a license to act as a travel insurance agent.

(e) An applicant specifically exempted from the particular qualifying examination requirement by other provisions of this code.

(f) A nonresident licensee who applies for a fire and casualty broker-agent, personal lines broker-agent, or life agent resident license in this state, and who is currently licensed for the same lines of authority in the state of his or her current resident license, shall not be required to complete an examination. The application must be received within 90 days of the cancellation of the applicant's resident license and the producer database records, maintained by the National Association of

Insurance Commissioners, must indicate that the producer is licensed in good standing for the line of authority requested.

SEC. 4. Section 1703 of the Insurance Code is amended to read:

1703. Every applicant for an original license under this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), or Chapter 7 (commencing with Section 1800) shall, as part of the application, endorse an authorization for disclosure to the commissioner of financial records of any fiduciary funds as defined in Section 1733, pursuant to Section 7473 of the Government Code. The authorization shall continue in force and effect for so long as the licensee continues to be licensed by the department.

SEC. 5. Section 1704 of the Insurance Code is amended to read:

1704. (a) Any person acting as a licensee under this chapter shall not act as an agent of an insurer unless the insurer has filed with the commissioner a notice of appointment, executed by the insurer, appointing the licensee as the insurer's agent. Every fire and casualty broker-agent acting in the capacity of an insurance solicitor shall have filed on his or her behalf with the commissioner a notice executed by an insurance agent or insurance broker appointing and agreeing to employ the solicitor as an employee within this state. Additional notices of appointment may be filed by other insurers before the license is issued and thereafter as long as the license remains in force. The authority to transact insurance given to a licensee by an insurer or fire and casualty broker-agent, as the case may be, by appointment shall be effective as of the date the notice of appointment is signed. That authority to transact shall apply to transactions occurring after that date and for the purpose of determining the insurer's or fire and casualty broker-agent's liability for acts of the appointed licensee. No notice of appointment of a life agent, fire and casualty broker-agent, or travel insurance agent shall be filed under this subdivision unless the licensee being appointed has consented to that filing. Each appointment made under this subdivision shall by its terms continue in force until:

(1) The cancellation or expiration of the license applied for or held at the time the appointment was filed.

(2) The filing of a notice of termination by the insurer or employing fire and casualty broker-agent, or by the appointed life agent, fire and casualty broker-agent, travel insurance agent, or insurance solicitor.

(b) Upon the termination of all appointments, or all endorsements naming the licensee on the license of an organization licensee, and the cancellation of the bond required pursuant to Section 1662 if acting as a broker, the permanent license shall not be canceled, but shall become inactive. It may be renewed pursuant to Section 1718. It may be reactivated at any time prior to its expiration by the filing of a new

appointment pursuant to this section, Section 1707, and Section 1751.3, or the filing of a new bond pursuant to Section 1662. An inactive license shall not permit its holder to transact any insurance for which a valid, active license is required.

(c) Upon the termination of all appointments of a person licensed under a certificate of convenience, such certificate shall be canceled and shall be returned by its lawful custodian to the commissioner.

(d) A fire and casualty broker-agent appointing an insurance solicitor pursuant to this section, if a natural person, must be the holder of a permanent license to act as a fire and casualty broker-agent or the holder of a certificate of convenience so to act issued pursuant to either subdivision (a) or (b) of Section 1685. If the fire and casualty broker-agent is an organization, it must be the holder of a permanent license.

(e) The filing of an incomplete or deficient action notice with the department shall require the filing of an amended, complete action notice, together with the payment of the fee therefor specified in subdivision (n) of Section 1751.

(f) A notice of appointment appointing a solicitor may be filed by a second or subsequent fire and casualty broker-agent. The broker-agent seeking to appoint the solicitor shall enter into an agreement with all other fire and casualty broker-agents with whom the insurance solicitor has an existing appointment. The agreement shall govern how the broker-agents will determine on which fire and casualty broker-agent's behalf the solicitor is working when dealing with individuals who are customers of none of the fire and casualty broker-agents with whom the solicitor has an appointment. If the agreement does not identify which broker-agent or broker-agents are liable for the act of the solicitor, all fire and casualty broker-agents with whom the solicitor is appointed at the time of the act shall be jointly and severally liable for that act.

SEC. 6. Section 1733 of the Insurance Code is amended to read:

1733. All funds received by any person acting as a licensee under this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), or Chapter 7 (commencing with Section 1800), as premium or return premium on or under any policy of insurance or undertaking of bail, are received and held by that person in his or her fiduciary capacity. Any such person who diverts or appropriates those fiduciary funds to his or her own use is guilty of theft and punishable for theft as provided by law. Any premium that a premium financier agrees to advance pursuant to the terms of a premium finance agreement shall constitute fiduciary funds as defined in this section only if actually received by a person licensed in one or more of the capacities herein specified.

SEC. 7. Section 1745 of the Insurance Code is repealed.

SEC. 8. Section 1746 of the Insurance Code is repealed.

SEC. 9. Section 1746 is added to the Insurance Code, to read:

1746. (a) For purposes of this section, the following definitions shall apply:

(1) "License" includes any type of license issued by the commissioner pursuant to this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), Chapter 6.5 (commencing with Section 1781.1), Chapter 7 (commencing with Section 1800), and Chapter 8 (commencing with Section 1831) of Part 2 of Division 1, Chapter 4 (commencing with Section 12280) of Part 5 of Division 2, and Chapter 1 (commencing with Section 14000) and Chapter 2 (commencing with Section 15000) of Division 5.

(2) "Licensee" includes applicants for, and holders of, individual and organization licenses. With respect to organization licenses, the term also includes the organization's officers, directors, partners, members, and controlling persons, as defined in subdivision (b) of Section 1668.5.

(3) "Minor misstatement" means an incorrect statement on one of the insurance license application background questions that does not affect the licensee's ability to satisfy his or her duties under the license or his or her suitability for licensure.

(4) "Notify" means mailing a notice to the licensee at the address the licensee most recently filed with the commissioner.

(b) If the commissioner determines that a licensee has violated any section listed in subdivision (g), other than subparagraph (B) of paragraph (1) of subdivision (g), and elects to proceed on the violation, the commissioner shall notify the licensee of the violation. Within 21 calendar days, which may be extended to 45 calendar days if the licensee is temporarily incapacitated due to illness or injury, or is on vacation, the licensee must establish to the commissioner's satisfaction that the violation has been corrected. If, after the licensee responds, or after 45 calendar days have passed, the licensee fails to establish to the commissioner's satisfaction that the violation has been corrected, the commissioner shall, in lieu of proceeding pursuant to Section 1668 or Section 1738, issue a citation and order to the licensee and notify the licensee that a citation and order have been issued.

(c) If the commissioner determines that a licensee has made a minor misstatement in an application for a new license or an application to renew a license, or in a document filed in support of an application, and elects to proceed on the violation, the commissioner shall notify the licensee requesting a justification for the misstatement. Within 21 calendar days, which may be extended to 45 calendar days if the licensee is temporarily incapacitated due to illness or injury or is on vacation, the

licensee shall provide the justification in writing. If, after the licensee responds, or 45 calendar days have passed, the licensee fails to justify the misstatement to the commissioner's satisfaction, the commissioner shall, in lieu of proceeding pursuant to subdivision (h) of Section 1668 or Section 1738, issue a citation and order to the licensee and notify the licensee that the citation and order have been issued.

(d) Notwithstanding subdivisions (b) and (c), the commissioner may proceed against a licensee pursuant to Section 1668 or 1738 for violations of offenses listed in subdivision (g) or when the commissioner determines that the licensee has made a minor misstatement in an application for a new license or an application to renew a license, or in a document filed in support of an application, under any of the following circumstances:

(1) The department has issued two or more prior notices pursuant to subdivision (b) or (c) to the licensee within the preceding 36 months.

(2) The department files an action against the licensee under Section 1668 or 1738 containing allegations that are in addition to an allegation of a violation of an offense listed in subdivision (g) or a minor misstatement.

(3) The department, within the preceding 36 months, has disciplined a licensee under Section 1668 or 1738.

(4) The licensee has violated Section 1727 in a manner that gives the commissioner good cause to proceed under Section 1738 or Section 1747.

(e) A notice issued pursuant to either subdivision (b) or (c) shall specify all of the following:

(1) The section violated.

(2) The time or period of the violation.

(3) The facts supporting the determination of the violation.

(4) The amount of the penalty for the violation if it is not corrected, or for the misstatement if it is not justified.

(5) A telephone number and address for the unit in the department issuing the notice. The unit listed shall respond in a timely manner to any communication from the licensee regarding the notice.

(f) (1) A citation and order issued pursuant to this section shall specify all of the following:

(A) The section violated.

(B) The time or period of the violation.

(C) The facts supporting the determination of the violation.

(D) The amount of the penalty for the violation.

(E) The date payment of the penalty is required, which shall not be less than 21 calendar days from the date of the notice.

(F) Instructions for paying the penalty.

(G) The licensee's right to contest, and the procedure for contesting, the citation and order.

(H) A telephone number and address for the unit in the department issuing the notice or citation. The unit listed shall respond in a timely manner to any communication from the licensee regarding the notice or citation and order. The department shall assign personnel sufficient to carry out these responsibilities.

(2) A citation and order shall become final 21 calendar days after the date of the notice, unless the licensee requests a hearing. All of the following shall apply to these hearings:

(A) The hearing shall be held within 60 calendar days following receipt of the request for the hearing. The licensee may request one continuance, not to exceed 21 calendar days.

(B) The licensee shall have the choice of a hearing by mail, telephone, or in person. An in-person hearing shall be conducted in whichever of the following offices of the Department of Insurance is closest to the business or residence address of the licensee, at the election of the licensee: Fresno, Los Angeles, Sacramento, San Diego, or San Francisco. If the licensee requests a hearing in Fresno or San Diego, the commissioner may defer the hearing for up to an additional 60 calendar days if necessary in order to schedule at least five hearings in a single day.

(C) The hearing shall be conducted in accordance with written procedures established by the commissioner. The written procedures shall comply with Sections 11445.40 to 11445.60, inclusive, of the Government Code.

(D) The hearing shall provide an independent, objective, fair, and impartial review of the citation and order. The hearing officer shall be trained and qualified to conduct the hearing in an objective, fair, and impartial manner. The hearing officer shall not be, or be managed or controlled by, a person whose primary duties are investigating violations, issuing citations, collecting citation penalties, or otherwise processing citations. The hearing officer's continued employment, performance evaluation, compensation, or benefits, shall not, directly or indirectly, be linked to the amount of citations and orders affirmed by the hearing officer.

(E) The employee who issued the citation and order may, but shall not be required to, participate in the hearing. The citation and order shall be prima facie evidence of the violation, and the department shall not be required to produce any evidence other than the citation and order.

(F) Within 14 calendar days following the conclusion of the hearing, the hearing officer shall notify the licensee and the appropriate person within the department of the decision.

(3) The hearing officer's decision, if adopted by the commissioner, shall constitute a final order of the commissioner, from which judicial review may be obtained pursuant to subdivision (a) of Section 1094.5 of the Code of Civil Procedure.

(g) (1) For the first penalty imposed upon a licensee for a single offense, if the licensee has not provided evidence to the commissioner showing that the offense was corrected within 45 days, or if the last penalty for the same single offense was imposed three years or more prior to the imposition of the current penalty, the commissioner shall levy penalties in accordance with the following schedule:

(A) For a violation of Section 1647.5, five hundred dollars (\$500).

(B) For the commission of a minor misstatement, three hundred dollars (\$300).

(C) For a violation of Section 1724.5, five hundred dollars (\$500).

(D) For a violation of Section 1725, two hundred dollars (\$200).

(E) For a violation of Section 1727, five hundred dollars (\$500).

(F) For a violation of Section 1729, two hundred dollars (\$200).

(G) For a violation of Section 1729.2, five hundred dollars (\$500).

(H) For a violation of Section 1729.5, two hundred dollars (\$200).

(2) The commissioner may double the fine listed above for a single offense if the offense was committed within three years of the commission of the same single offense for which the licensee was previously notified of a violation.

(3) Any money collected as a result of the imposition of a penalty shall be deposited into the General Fund, after reimbursement to the commissioner of costs incurred in investigating and prosecuting the violation.

(h) Any citation and order issued pursuant to this section, and any proceeding to impose a penalty conducted by the department pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, are exempt from the requirements of Section 1738, Section 12968, and paragraph (1) of subdivision (b) of Section 12921, and shall not be reported to the National Association of Insurance Commissioner's Regulatory Information Retrieval System (RIRS) database or similar databases. However, the citation and order shall become part of the licensee's licensing file. The issuance of a notice, citation, or order under this section shall not constitute a disciplinary action against the licensee, and shall not be construed as an administrative action for purposes of Section 1729.2.

(i) If a licensee has exhausted the administrative remedies provided in this section and failed to pay a penalty imposed by a citation and order, the commissioner may, without providing an additional hearing, suspend, refuse to issue, or refuse to renew, a license. Before acting pursuant to

this subdivision, the commissioner shall send a delinquency notice advising the licensee that his or her license may be suspended, not issued, or not renewed, if the penalty is not paid within 21 calendar days. If, after the 21st calendar day, the penalty remains unpaid, the commissioner may suspend, refuse to issue, or refuse to renew the licensee's license until the licensee pays the delinquent penalty. A suspension, refusal to issue, or refusal to renew pursuant to this subdivision shall be reported to the National Association of Insurance Commissioner's Regulatory Information Retrieval System (RIRS) database or similar databases.

SEC. 10. Section 1749 of the Insurance Code is amended to read:

1749. The department shall require all new applicants for license as a fire and casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life-only agent, or accident and health agent to meet prelicensing education standards as follows:

(a) Require a minimum of 40 hours of prelicensing study as a prerequisite to qualification for a fire and casualty broker-agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(b) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a personal lines broker-agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(c) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a life-only agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(d) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a limited lines automobile insurance agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements under this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(e) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for an accident and health insurance agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements under this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department. This curriculum shall also include instruction in workers' compensation and general principles of employers' liability.

(f) In addition to the 40 hours prelicensing education required to qualify for a license as a fire and casualty broker-agent, the 20 hours prelicensing education required to qualify for a license as a personal lines broker-agent, a life-only agent, or an accident and health agent, or the 20 hours prelicensing education required to qualify for a license as a limited lines automobile insurance agent, the department shall require 12 hours of study on ethics and this code. Where an applicant seeks a license for more than one of the following license types: a fire and casualty broker-agent license, a personal lines broker-agent license, a life-only license, or an accident and health license, the applicant shall only be required to complete one 12-hour course on ethics and this code. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval.

(g) An applicant for a life-only agent license, an accident and health license, a personal lines broker-agent license, or a limited lines automobile insurance agent license, who is currently licensed as such in another state and who has completed 20 hours of prelicensing education as a requirement for licensing in that state shall be required to complete only the course of study on ethics and the Insurance Code, as required by Section 1749. Additionally, any applicant for such a license holding one or more of the designations specified in subdivisions (a) to (p), inclusive, of Section 1749.4 shall be exempted from any requirement for courses in general insurance that would otherwise be a condition of issuance of the license.

(h) An applicant for a fire and casualty broker-agent license who is currently licensed as such in another state and who has completed 40 hours of prelicensing education as a requirement for licensing in that state shall be required to complete only the course of study on ethics and this code, as required by subdivision (f). Additionally, any applicant for such a license holding one or more of the designations specified in subdivisions (a) to (p), inclusive, of Section 1749.4, shall be exempted from any requirement for courses in general insurance that would otherwise be a condition of issuance of a license.

(i) An applicant for a fire and casualty broker-agent license who is licensed as a personal lines agent shall complete a minimum of 20 hours prelicensing study as a prerequisite. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. The applicant shall not be required to repeat any prelicensing requirements completed as a prerequisite to being licensed as a personal lines agent.

(j) Review and approval of prelicensing courses not conducted in a classroom, as referenced in subdivisions (a) to (i), inclusive, shall include an evaluation of the safeguards in place to ensure that the student completing the course is the person enrolled in the course, methods used to monitor the students' attendance are adequate, methods for the student to interact with the entity providing the training exist, and methods used to record the times spent completing the course are adequate.

(k) Prelicensing certificates of completion expire three years from the completion date of the course, whether or not a license is issued.

SEC. 11. Section 1749.3 of the Insurance Code is amended to read:

1749.3. (a) An individual licensed as a life-only agent or an accident and health agent and also licensed as a fire and casualty broker-agent, or an individual only licensed as a fire and casualty broker-agent, shall complete those courses, programs of instruction, or seminars approved by the commissioner for the type of license held. Completion of specified product training required in subdivision (d) of Section 1749.33, subdivision (b) of Section 1749.8, and paragraph (4) of subdivision (a) of Section 10234.93 may result in the completion of more than the minimum of required continuing education hours. The minimum number of hours required is as follows:

(b) During each of the first four 12-month periods following the date of the original license issuance, a minimum of 25 hours.

(c) Any licensee who has complied with subdivision (b) in the first four years, shall thereafter satisfactorily complete 24 hours of instruction prior to renewal of the license. These hours of instruction may be completed at any time prior to renewal of the license.

(d) An individual licensed as a fire and casualty broker-agent and as a life-only agent or an accident and health agent shall satisfy the requirements of this section by demonstrating completion of the courses, programs of instruction, or seminars approved by the commissioner for any of the license types listed in subdivision (a).

(e) A licensee shall not be required to comply with the requirements of this article if the licensee submits proof satisfactory to the commissioner that he or she has been a licensee in good standing for 30 continuous years in this state and is 70 years of age or older.

SEC. 12. Section 1749.31 of the Insurance Code is amended to read:

1749.31. (a) An individual licensed as a personal lines broker-agent shall complete required continuing education courses, programs of instruction, or seminars approved by the commissioner. The personal lines broker-agent shall complete 20 hours during each two-year license term as defined in subdivision (d) of Section 1625.5.

(b) An individual licensed as a personal lines broker-agent and as a life-only agent or accident and health agent shall satisfy the requirements of this section by satisfactorily completing 24 hours of instruction prior to renewal of the license.

SEC. 13. Section 1749.4 of the Insurance Code is amended to read:

1749.4. The courses or programs of instruction successfully completed that shall be deemed to meet the standards for continuing educational requirements, and the number of classroom hours for which they are equivalent, are as follows:

(a) Any part of the Life Underwriter Training Council Fellow (LUTCF) program totaling 30 hours for the life-only license and the accident and health license.

(b) Any part of the Chartered Life Underwriter (CLU) curriculum totaling 30 hours for the life-only license and the accident and health license.

(c) Any part of the Accredited Advisor in Insurance (AAI) program totaling 25 hours for the fire casualty broker-agent license.

(d) Any part of the Chartered Property Casualty Underwriter (CPCU) program totaling 30 hours for the fire casualty broker-agent license.

(e) Any part of the Certified Insurance Counselor (CIC) program totaling 25 hours for the life-only or accident health agent license and the fire casualty broker-agent license.

(f) Any part of the Certified Employee Benefit Specialists (CEBS) program totaling 25 hours for the life-only license and the accident and health license.

(g) Any part of the Chartered Financial Consultant (ChFC) program totaling 30 hours for the life-only license.

(h) Any part of the Certified Financial Planner (CFP) program totaling 30 hours for the life-only license.

(i) Any part of the Fellow, Life Management Institute (FLMI) program totaling 30 hours for the life-only license and the accident and health license.

(j) Any part of the Health Insurance Associate (HIA) program totaling 25 hours for the accident and health license.

(k) Any part of the Registered Employee Benefits Consultant (REBC) program totaling 30 hours for the accident and health license.

(l) Any part of the Registered Health Underwriter (RHU) program totaling 30 hours for the accident and health license.

(m) Any part of the Associate in Risk Management (ARM) program totaling 30 hours for the fire casualty broker-agent license.

(n) Any insurance-related course approved by the curriculum board and the commissioner taught by an accredited college or university per credit hour granted totaling 15 hours.

(o) Any course or program of instruction or seminar developed or sponsored by an authorized insurer, recognized agents' association, or insurance trade association, or any independent program of instruction shall, if approved by the curriculum board and the commissioner, qualify for the equivalency of the number of classroom hours assigned thereto by the curriculum board and the commissioner.

(p) Any correspondence course approved by the curriculum board and the commissioner shall qualify for the equivalency of the number of classroom hours assigned thereto by the commissioner.

SEC. 14. Section 1750.5 of the Insurance Code is amended to read:

1750.5. The fee for filing an application for a nonresident license described in Section 1639, and renewal thereof or changes in outstanding licenses, shall be the same amount that is established in this code for a resident license of the same type. If the applicant's state, territory of the United States, commonwealth, or Canadian province of residence has fees for any nonresident insurance license greater than for a like resident license, the commissioner may charge a fee equal to the amount a California resident would be required to pay to obtain a like license for a like term in the applicant's state, territory of the United States, commonwealth, or Canadian province of residence.

The fee for filing an application for a nonresident limited lines license described in Section 1639, and renewal thereof or changes in outstanding licenses, shall be the same amount that is established in this code for a resident fire and casualty broker-agent license. This section shall not be construed to require a countersignature on a policy or contract, or the payment of a countersignature fee.

SEC. 15. Section 1849 of the Insurance Code is amended to read:

1849. The department may, from time to time, publish rules and regulations regarding the initial and continuing qualifications to obtain the life and disability insurance analyst license. No person shall be eligible for a life and disability insurance analyst license unless for five years preceding the date of the examination, he or she has been licensed as both a life-only and accident and health licensee pursuant to paragraphs (1) and (2) of subdivision (a) of Section 1626.

SEC. 16. Section 14029 of the Insurance Code is amended to read:

14029. (a) The business of each licensee shall be operated under the active direction, control, charge, or management of the licensee, if the

licensee is qualified, or the person who has qualified to act as the licensee's manager, if the licensee is not qualified.

(b) No person shall act as a manager of a licensee until he or she has complied with each of the following:

(1) Demonstrated his or her qualifications by a written or oral examination, or a combination of both, if required by the commissioner.

(2) Made a satisfactory showing to the commissioner that he or she has the qualifications prescribed by Section 14025 and that none of the facts stated in Section 14028 or 14028.5 exist as to him or her.

(c) If the manager, who has qualified as provided in this section, ceases for any reason whatsoever to be connected with the licensee to whom the license is issued, the licensee shall notify the commissioner in writing 30 days from the cessation. If notice is given, the license shall remain in force for a reasonable length of time to be determined by the rules of the commissioner pending the qualifications, as provided in this chapter, of another manager. If the licensee fails to notify the commissioner within the 30-day period, his or her license shall be subject to suspension or revocation and may be reinstated only upon the filing of an application for reinstatement, payment of the reinstatement fee, if any is due, and the qualification of a manager as provided herein.

(d) Every manager shall renew his or her authority by satisfying the requirements of Article 8 (commencing with Section 14090).

SEC. 17. Section 14090.1 of the Insurance Code is amended and renumbered to read:

14090.2. Notwithstanding Section 14090, the commissioner may establish license periods and renewal dates for all licenses issued pursuant to this chapter so as to distribute the renewal work to permit the most efficient and economical use of personnel and equipment. In such cases, to the extent practicable, provision shall be made for the proration or other adjustment of fees so that no person shall be required to pay more than that which he or she would have been required to pay had no change in license periods or renewal dates been made.

SEC. 18. Section 14090.1 is added to the Insurance Code, to read:

14090.1. (a) An individual who holds an insurance adjuster license and who is not exempt under subdivision (b) of this section shall satisfactorily complete a minimum of 24 hours, including ethics, of continuing education courses pertinent to the duties and responsibilities of an insurance adjuster license reported to the insurance commissioner on a biennial basis in conjunction with his or her license renewal cycle.

(b) This section does not apply to either of the following:

(1) A licensee not licensed for one full year prior to the end of the applicable continuing education biennium.

(2) A licensee holding a nonresident insurance adjuster license who has met the continuing education requirements of his or her designated resident state.

SEC. 19. Section 14091 of the Insurance Code is amended to read:

14091. Except as otherwise provided in this article, an expired license or branch office certificate may be renewed at any time within one year after its expiration on the filing of an application for renewal on a form prescribed by the commissioner, and the payment of the renewal fee in effect on the last preceding regular renewal date. The licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license or certificate shall continue in effect through the date provided in Section 14090 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

Renewal of a license or certificate shall not prohibit the bringing of disciplinary proceedings for an act committed before the effective date of the renewal.

SEC. 20. Section 14094 of the Insurance Code is amended to read:

14094. A license or branch office certificate which is not renewed within one year after its expiration may not be renewed, restored, reinstated, or reissued thereafter; and a license which expired before October 1, 1958, and was not reinstated before October 1, 1961, may not be renewed, restored, reinstated, or reissued.

The holder of the license or certificate may obtain a new license or certificate only on compliance with all of the provisions of this chapter relating to the issuance of an original license or certificate.

SEC. 21. Section 15059.1 is added to the Insurance Code, to read:

15059.1. (a) An individual who holds a public insurance adjuster license and who is not exempt under subdivision (b) shall satisfactorily complete a minimum of 24 hours, including ethics, of continuing education courses pertinent to the duties and responsibilities of a public insurance adjuster license, to be reported to the insurance commissioner on a biennial basis in conjunction with his or her license renewal cycle.

(b) This section shall not apply to:

(1) A licensee not licensed for one full year prior to the end of the applicable continuing education biennium.

(2) A licensee holding a nonresident public insurance adjuster license who has met the continuing education requirements of his or her designated state or residence.

CHAPTER 301

An act to amend Sections 2636, 2660, and 2688 of, to add Sections 2660.3 and 2660.7 to, and to repeal Sections 2605, 2636.1, 2637, 2655.4, and 2655.5 of, the Business and Professions Code, relating to physical therapists.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 2605 of the Business and Professions Code is repealed.

SEC. 2. Section 2636 of the Business and Professions Code is amended to read:

2636. (a) Except as otherwise provided in this chapter, no person shall receive a license under this chapter without first successfully passing the following examinations:

(1) An examination under the direction of the board to demonstrate the applicant's knowledge of the laws and regulations related to the practice of physical therapy in California. The examination shall reasonably test the applicant's knowledge of these laws and regulations.

(2) The national physical therapy examination for the applicant's licensure category. The examination for licensure as a physical therapist shall test entry-level competence to practice physical therapy. The examination for licensure as a physical therapist assistant shall test entry-level competence to practice as a physical therapist assistant in the technical application of physical therapy services.

(b) An applicant may take the examinations for licensure as a physical therapist or for licensure as a physical therapist assistant after the applicant has met the educational requirements for that particular category of licensure.

(c) The examinations required by the board for a license under this chapter may be conducted by the board or by a public or private organization specified by the board. The examinations may be conducted under a uniform examination system and, for that purpose, the board

may make arrangements with organizations furnishing examination materials as may, in its discretion, be desirable.

(d) The board shall establish a passing score for the examinations for licensure as a physical therapist and for the examinations for licensure as a physical therapist assistant. The board shall issue a license to an applicant who is otherwise qualified for licensure under this chapter and who receives a passing score as established by the board on the examinations.

SEC. 3. Section 2636.1 of the Business and Professions Code is repealed.

SEC. 4. Section 2637 of the Business and Professions Code is repealed.

SEC. 5. Section 2655.4 of the Business and Professions Code is repealed.

SEC. 6. Section 2655.5 of the Business and Professions Code is repealed.

SEC. 7. Section 2660 of the Business and Professions Code is amended to read:

2660. The board may, after the conduct of appropriate proceedings under the Administrative Procedure Act, suspend for not more than 12 months, or revoke, or impose probationary conditions upon any license, certificate, or approval issued under this chapter for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

- (a) Advertising in violation of Section 17500.
- (b) Fraud in the procurement of any license under this chapter.
- (c) Procuring or aiding or offering to procure or aid in criminal abortion.
- (d) Conviction of a crime that substantially relates to the qualifications, functions, or duties of a physical therapist or physical therapist assistant. The record of conviction or a certified copy thereof shall be conclusive evidence of that conviction.
- (e) Habitual intemperance.
- (f) Addiction to the excessive use of any habit-forming drug.
- (g) Gross negligence in his or her practice as a physical therapist or physical therapist assistant.
- (h) Conviction of a violation of any of the provisions of this chapter or of the Medical Practice Act, or violating, or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter or of the Medical Practice Act.
- (i) The aiding or abetting of any person to violate this chapter or any regulations duly adopted under this chapter.

(j) The aiding or abetting of any person to engage in the unlawful practice of physical therapy.

(k) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties of a physical therapist or physical therapist assistant.

(l) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the board, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the board shall consider referencing the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the board shall consult with the Medical Board of California, the California Board of Podiatric Medicine, the Dental Board of California, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians of the State of California, to encourage appropriate consistency in the implementation of this subdivision.

The board shall seek to ensure that licensees are informed of the responsibility of licensees and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

(m) The commission of verbal abuse or sexual harassment.

SEC. 8. Section 2660.3 is added to the Business and Professions Code, to read:

2660.3. In lieu of filing or prosecuting a formal accusation against a licensee, the board may, upon stipulation or agreement by the licensee, issue a public letter of reprimand after it has conducted an investigation or inspection as provided for in this chapter. The board shall notify the licensee of its intention to issue the letter 30 days before the intended issuance date of the letter. The licensee shall indicate in writing at least 15 days prior to the letter's intended issuance date whether he or she agrees to the issuance of the letter. The board, at its option, may extend the time within which the licensee may respond to its notification. If the licensee does not agree to the issuance of the letter, the board shall not issue the letter and may proceed to file the accusation. The board may use a public letter of reprimand only for minor violations, as defined by the board, committed by the licensee. A public letter of reprimand issued

pursuant to this section shall be disclosed by the board to an inquiring member of the public and shall be posted on the boards Internet Web site.

SEC. 9. Section 2660.7 is added to the Business and Professions Code, to read:

2660.7. In addition to the penalties prescribed by Section 123, if the board determines that an applicant for licensure or a licensee has engaged, or has attempted to engage, in conduct that subverts or undermines the integrity of the examination process as described in Section 123, the board may disqualify the applicant from taking the examination or may deny his or her application for licensure or may revoke the license of the licensee.

SEC. 10. Section 2688 of the Business and Professions Code is amended to read:

2688. The amount of fees assessed in connection with licenses issued under this chapter is as follows:

(a) (1) The fee for an application for licensure as a physical therapist submitted to the board prior to March 1, 2009, shall be seventy-five dollars (\$75). The fee for an application submitted under Section 2653 to the board prior to March 1, 2009, shall be one hundred twenty-five dollars (\$125).

(2) The fee for an application for licensure as a physical therapist submitted to the board on or after March 1, 2009, shall be one hundred twenty-five dollars (\$125). The fee for an application submitted under Section 2653 to the board on or after March 1, 2009, shall be two hundred dollars (\$200).

(3) Notwithstanding paragraphs (1) and (2), the board may decrease or increase the amount of an application fee under this subdivision to an amount that does not exceed the cost of administering the application process, but in no event shall the application fee amount exceed three hundred dollars (\$300).

(b) The examination and reexamination fees for the physical therapist examination, physical therapist assistant examination, and the examination to demonstrate knowledge of the California rules and regulations related to the practice of physical therapy shall be the actual cost to the board of the development and writing of, or purchase of the examination, and grading of each written examination, plus the actual cost of administering each examination. The board, at its discretion, may require the licensure applicant to pay the fee for the examinations required by Section 2636 directly to the organization conducting the examination.

(c) (1) The fee for a physical therapist license issued prior to March 1, 2009, shall be seventy-five dollars (\$75).

(2) The fee for a physical therapist license issued on or after March 1, 2009, shall be one hundred dollars (\$100).

(3) Notwithstanding paragraphs (1) and (2), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of administering the process to issue the license, but in no event shall the fee to issue the license exceed one hundred fifty dollars (\$150).

(d) (1) The fee to renew a physical therapist license that expires prior to April 1, 2009, shall be one hundred fifty dollars (\$150).

(2) The fee to renew a physical therapist license that expires on or after April 1, 2009, shall be two hundred dollars (\$200).

(3) Notwithstanding paragraphs (1) and (2), the board may decrease or increase the amount of the renewal fee under this subdivision to an amount that does not exceed the cost of the renewal process, but in no event shall the renewal fee amount exceed three hundred dollars (\$300).

(e) (1) The fee for application and for issuance of a physical therapist assistant license shall be seventy-five dollars (\$75) for an application submitted to the board prior to March 1, 2009.

(2) The fee for application and for issuance of a physical therapist assistant license shall be one hundred twenty-five dollars (\$125) for an application submitted to the board on or after March 1, 2009. The fee for an application submitted under Section 2653 to the board on or after March 1, 2009, shall be two hundred dollars (\$200).

(3) Notwithstanding paragraphs (1) and (2), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of administering the application process, but in no event shall the application fee amount exceed three hundred dollars (\$300).

(f) (1) The fee to renew a physical therapist assistant license that expires prior to April 1, 2009, shall be one hundred fifty dollars (\$150).

(2) The fee to renew a physical therapist assistant license that expires on or after April 1, 2009, shall be two hundred dollars (\$200).

(3) Notwithstanding paragraphs (1) and (2), the board may decrease or increase the amount of the renewal fee under this subdivision to an amount that does not exceed the cost of the renewal process, but in no event shall the renewal fee amount exceed three hundred dollars (\$300).

(g) Notwithstanding Section 163.5, the delinquency fee shall be 50 percent of the renewal fee in effect.

(h) (1) The duplicate wall certificate fee shall be fifty dollars (\$50). The duplicate renewal receipt fee amount shall be fifty dollars (\$50).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not

exceed the cost of issuing duplicates, but in no event shall that fee exceed one hundred dollars (\$100).

(i) (1) The endorsement or letter of good standing fee shall be sixty dollars (\$60).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of issuing an endorsement or letter, but in no event shall the fee amount exceed one hundred dollars (\$100).

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.

CHAPTER 302

An act to amend Section 130350.5 of, and to add Section 130350.4 to, the Public Utilities Code, relating to transportation.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 130350.4 is added to the Public Utilities Code, to read:

130350.4. The Legislature finds and declares all of the following:

(a) In authorizing the Los Angeles County Metropolitan Transportation Authority (MTA) to impose a transaction and use tax pursuant to Section 130350.5, the Legislature intends for the net revenues derived from the tax to be used to fund a transportation investment program that provides mobility, health, and safety benefits to the people residing in all regions of the County of Los Angeles.

(b) For purposes of proposing to the voters of the County of Los Angeles the imposition of a 0.5 percent transaction and use tax at the election held on November 4, 2008, pursuant to subdivision (b) of Section 130350.5, the MTA adopted, on July 24, 2008, a local ordinance that includes as "Attachment A" a plan for the expenditure of the net revenues derived from the imposition of the tax. The adoption of Attachment A

constitutes the adoption of an expenditure plan pursuant to subdivision (f) of Section 130350.5.

(c) In addition to the projects and funding amounts identified in paragraph (3) of subdivision (b) of 130350.5, the adopted expenditure plan includes other high-priority projects and funding amounts for the region, including, but not limited to, the following projects:

(1) Green Line Extension to the Los Angeles International Airport – two hundred million dollars (\$200,000,000).

(2) Interstate 710 North Gap Closure (tunnel) – seven hundred eighty million dollars (\$780,000,000).

(3) Gold Line Eastside Extension – one billion two hundred seventy-one million dollars (\$1,271,000,000).

(4) Interstate 605 Corridor “Hot Spot” Interchanges – five hundred ninety million dollars (\$590,000,000).

(d) The Legislature finds and declares that all regions of the county stand to benefit from the proposed expenditure plan; therefore, the MTA shall strive to maintain the fair and equitable geographic balance in the plan and shall strive to complete those capital projects as soon as practicable, consistent with the requirements of the proposing ordinance, state and federal law.

(e) Because it is in the interest of the people of the County of Los Angeles and the people of the State of California to ensure that the net revenues derived from the tax imposed pursuant to this act are expended efficiently, and in a manner consistent with the adopted expenditure plan, the MTA shall notify the Legislature prior to the adoption of amendments to the adopted expenditure plan.

SEC. 2. Section 130350.5 of the Public Utilities Code is amended to read:

130350.5. (a) In addition to any other tax that it is authorized by law to impose, the Los Angeles County Metropolitan Transportation Authority (MTA) may impose, in compliance with subdivision (b), a transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the county.

(b) For purposes of the taxing authority set forth in subdivision (a), all of the following apply:

(1) The tax shall be proposed in a transactions and use tax ordinance, that conforms with Chapter 2 (commencing with Section 7261) to Chapter 4 (commencing with Section 7275), inclusive, of the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), and that is approved by a majority of the entire membership of the authority.

(2) The tax may be imposed only if the proposing ordinance is approved by two-thirds of the voters, in the manner as otherwise required

by law, voting on this measure, in an election held on November 4, 2008, or at a subsequent election and, if so approved, shall become operative as provided in Section 130352.

(3) The proposing ordinance shall specify, in addition to the rate of tax and other matters as required by the Transactions and Use Tax Law, that the tax is to be imposed for a period not to exceed 30 years and the net revenues derived from the tax are to be administered by the MTA as provided in this section. Net revenues shall be defined as all revenues derived from the tax less any refunds, costs of administration by the State Board of Equalization, and costs of administration by the MTA. Such costs of administration by the MTA shall not exceed one and one-half percent (1.5%) of the revenues derived from the tax. The MTA shall, during the period in which the ordinance is operative, allocate 20 percent of all net revenues derived from the tax for bus operations to all eligible and included municipal transit operators in the County of Los Angeles and to the MTA, in accordance with Section 99285. However, the allocations to the MTA and eligible and included municipal operators shall be made solely from revenues derived from a tax imposed pursuant to this section, and not from local discretionary sources. Funds allocated by MTA to itself pursuant to this section shall be used for transit operations and shall not supplant funds from any other source allocated by MTA to itself for public transit operations. Funds allocated by MTA to the eligible and included municipal operators pursuant to this section shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by MTA to the eligible and included municipal operators for public transit. In addition to this amount, the MTA shall allocate 5 percent of all net revenues derived from the tax for rail operations. The MTA shall include the projects and programs described in subparagraphs (A) and (B) in the expenditure plan required under subdivision (f). The MTA shall include all projects and programs described in the expenditure plan required under subdivision (f) in its Long Range Transportation Plan (LRTP). The priorities for projects and programs described in subparagraphs (A) and (B) and in the expenditure plan required under subdivision (f) shall be those set forth in the expenditure plan. The funding amounts specified in subparagraphs (A) and (B) are minimum amounts that shall be allocated by the MTA from the net revenues derived from a tax imposed pursuant to this section. Nothing in this section prohibits the MTA from allocating additional net revenues derived from the tax to these projects and programs.

(A) Capital Projects.

(i) Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica. The sum of nine hundred twenty-five million dollars (\$925,000,000).

(ii) Crenshaw Transit Corridor from Wilshire Boulevard to Los Angeles International Airport along Crenshaw Boulevard. The sum of two hundred thirty-five million five hundred thousand dollars (\$235,500,000).

(iii) San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars (\$100,500,000).

(iv) Metro Gold Line (Pasadena to Claremont) Light Rail Transit Extension. The sum of seven hundred thirty-five million dollars (\$735,000,000).

(v) Metro Regional Connector. The sum of one hundred sixty million dollars (\$160,000,000).

(vi) Metro Westside Subway Extension. The sum of nine hundred million dollars (\$900,000,000).

(vii) State Highway Route 5 Carmenita Road Interchange Improvement. The sum of one hundred thirty-eight million dollars (\$138,000,000).

(viii) State Highway Route 5 Capacity Enhancement (State Highway Route 134 to State Highway Route 170, including access improvement for Empire Avenue). The sum of two hundred seventy-one million five hundred thousand dollars (\$271,500,000).

(ix) State Highway Route 5 Capacity Enhancement (State Highway Route 605 to the Orange County line, including improvements to the Valley View Interchange). The sum of two hundred sixty-four million eight hundred thousand dollars (\$264,800,000).

(x) State Highway Route 5/State Highway Route 14 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars (\$90,800,000).

(xi) Capital Project Contingency Fund. The sum of one hundred seventy-three million dollars (\$173,000,000).

(B) Capital Programs.

(i) Alameda Corridor East Grade Separations. The sum of two hundred million dollars (\$200,000,000).

(ii) MTA and Municipal Regional Clean Fuel Bus Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars (\$150,000,000).

(iii) Countywide Soundwall Construction (MTA Regional List and Monterey Park/State Highway Route 60). The sum of two hundred fifty million dollars (\$250,000,000).

(iv) Local return for major street resurfacing, rehabilitation, and reconstruction. The sum of two hundred fifty million dollars (\$250,000,000).

(v) Metrolink Capital Improvements. The sum of seventy million dollars (\$70,000,000).

(vi) Eastside Light Rail Access. The sum of thirty million dollars (\$30,000,000).

(c) The MTA may incur bonded indebtedness payable from the proceeds of the tax provided by this section pursuant to the bond issuance provisions of Section 130500 et seq. of the Public Utilities Code, and any successor act. The MTA shall include in the expenditure plan, required under subdivision (f), the amount of net revenue specified for all projects and programs in subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as a condition of the use and expenditure of the proceeds of the tax. The MTA shall maintain the current amount of any funding for the projects and programs specified in this section that has been previously programmed or received from sources other than the proceeds of the tax, and may not reallocate money that has been previously programmed or received for those projects and programs to other projects or uses.

(d) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized by this section shall not be considered for purposes of the combined rate limit established by that section.

(e) A jurisdiction or recipient is eligible to receive funds from the local return program, described in clause (iv) of subparagraph (B) of paragraph (3) of subdivision (b), only if it continues to contribute to that program an amount that is equal to its existing commitment of local funds or other available funds. The MTA may develop guidelines that, at a minimum, specify maintenance of effort requirements for the local return program, matching funds, and administrative requirements for the recipients of revenue derived from the tax.

(f) Prior to submitting the ordinance to the voters, the MTA shall adopt an expenditure plan for the net revenues derived from the tax. The expenditure plan shall include, in addition to other projects and programs identified by the MTA, the specified projects and programs listed in paragraph (3) of subdivision (b), the estimated total cost for each project and program, funds other than the tax revenues that the MTA anticipates will be expended on the projects and programs, and the schedule during which the MTA anticipates funds will be available for each project and program. The MTA shall also identify in its expenditure plan the expected completion dates for each project described in subparagraph (A) of paragraph (3) of subdivision (b). To be eligible to receive revenues derived from the tax, an agency sponsoring a capital project or capital

program shall submit to the MTA an expenditure plan for its project or program containing the same elements as the expenditure plan that MTA is required by this subdivision to prepare.

(g) The MTA shall establish and administer a sales tax revenue fund. The net revenue derived from the tax, after payment of any debt services and related obligations, shall be credited to this fund. The moneys in the fund shall be available to the MTA to meet expenditure and cashflow needs of the projects and programs described in the expenditure plan required under subdivision (f). In the event that there are net revenues in excess of the amount necessary to provide the amount of net revenues specified in the expenditure plan for the projects and programs described therein, the MTA may expend the excess net revenues on projects and programs in the expenditure plan or the LRTP. In the event that projects and programs in the expenditure plan are completed without the expenditure of the amount of net revenues specified, the MTA shall expend the excess net revenues on projects and programs in the expenditure plan or the LRTP within the same subregion as the project or program that is completed. For the purposes of this section, "subregion" shall be defined in the LRTP.

(h) If other funds become available and are allocated to provide all or a portion of the amount of net revenues specified in the expenditure plan for the projects or programs described therein, the MTA may expend the surplus net revenues on other projects and programs in the expenditure plan or the LRTP.

(i) (1) Notwithstanding subdivision (h), if a capital project or capital program described in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b), has been fully funded from other sources on or before December 31, 2008, the funds designated to the project or program in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b) shall remain in the subregion in which the project or program is located and shall be allocated to other projects or programs in the subregion prior to the expiration of the tax.

(2) A capital project or capital program funded with reallocated funds pursuant to paragraph (1) shall be included in the adopted 2008 Long Range Transportation Plan or the successor plan and shall be of regional significance as determined by the MTA. For purposes of this subdivision, "subregions" means the subregions as defined in the LRTP in effect as of January 1, 2008.

(j) Notwithstanding Section 130354, revenues raised under this section may be used to facilitate the transportation of people and goods within

Los Angeles County. The use of the revenues shall not be limited to public transit purposes.

(k) No later than 365 days prior to the adoption of an amendment described in paragraph (1) to an expenditure plan adopted pursuant to subdivision (f), including, but not limited to, the expenditure plan adopted by the MTA board as "Attachment A" in Ordinance #08-01 adopted by the board on July 24, 2008, and in addition to any other notice requirements in the proposing ordinance, the board shall notify the Members of the Legislature representing the County of Los Angeles of all of the following:

(1) A description of the proposed amendments to the adopted expenditure plan that would do any of the following:

(A) Affect the amount of net revenues derived from the tax imposed pursuant to this act that is proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(B) Affect the schedule for the availability of funds proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(C) Affect the schedule for the estimated or expected completion date of a capital project or projects identified in the adopted expenditure plan.

(2) The reason for the proposed amendment.

(3) The estimated impact the proposed amendment will have on the schedule, cost, scope, or timely availability of funding for the capital project or projects contained in the adopted expenditure plan.

(l) The notification required pursuant to subdivision (k) shall be achieved by resolution adopted by the MTA board.

SEC. 3. The Legislature finds and declares that the tax authority set forth in Section 130350.5 of the Public Utilities Code, as amended by this act, is intended to provide those funds necessary to provide the amount of net revenues specified for the capital projects and capital programs described in the expenditure plan required pursuant to Section 130350.5 of the Public Utilities Code, as amended by this act.

SEC. 4. The Legislature finds and declares that due to the unique circumstances regarding transportation funding within the County of Los Angeles, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 303

An act to amend Sections 2034.420 and 2034.430 of the Code of Civil Procedure, relating to civil actions and proceedings.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 2034.420 of the Code of Civil Procedure is amended to read:

2034.420. The deposition of any expert described in subdivision (b) of Section 2034.210 shall be taken at a place that is within 75 miles of the courthouse where the action is pending. On motion for a protective order by the party designating an expert witness, and on a showing of exceptional hardship, the court may order that the deposition be taken at a more distant place from the courthouse.

SEC. 2. Section 2034.430 of the Code of Civil Procedure is amended to read:

2034.430. (a) Except as provided in subdivision (f), this section applies to an expert witness, other than a party or an employee of a party, who is any of the following:

(1) An expert described in subdivision (b) of Section 2034.210.

(2) A treating physician and surgeon or other treating health care practitioner who is to be asked during the deposition to express opinion testimony, including opinion or factual testimony regarding the past or present diagnosis or prognosis made by the practitioner or the reasons for a particular treatment decision made by the practitioner, but not including testimony requiring only the reading of words and symbols contained in the relevant medical record or, if those words and symbols are not legible to the deponent, the approximation by the deponent of what those words or symbols are.

(3) An architect, professional engineer, or licensed land surveyor who was involved with the original project design or survey for which that person is asked to express an opinion within the person's expertise and relevant to the action or proceeding.

(b) A party desiring to depose an expert witness described in subdivision (a) shall pay the expert's reasonable and customary hourly or daily fee for any time spent at the deposition from the time noticed in the deposition subpoena, or from the time of the arrival of the expert witness should that time be later than the time noticed in the deposition subpoena, until the time the expert witness is dismissed from the deposition, regardless of whether the expert is actually deposed by any party attending the deposition.

(c) If any counsel representing the expert or a nonnoticing party is late to the deposition, the expert's reasonable and customary hourly or daily fee for the time period determined from the time noticed in the

deposition subpoena until the counsel's late arrival, shall be paid by that tardy counsel.

(d) Notwithstanding subdivision (c), the hourly or daily fee charged to the tardy counsel shall not exceed the fee charged to the party who retained the expert, except where the expert donated services to a charitable or other nonprofit organization.

(e) A daily fee shall only be charged for a full day of attendance at a deposition or where the expert was required by the deposing party to be available for a full day and the expert necessarily had to forgo all business that the expert would otherwise have conducted that day but for the request that the expert be available all day for the scheduled deposition.

(f) In a worker's compensation case arising under Division 4 (commencing with Section 3201) or Division 4.5 (commencing with Section 6100) of the Labor Code, a party desiring to depose any expert on another party's expert witness list shall pay the fee under this section.

CHAPTER 304

An act to amend Sections 1621, 1623, and 1732 of the Insurance Code, relating to insurance.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 1621 of the Insurance Code is amended to read:
1621. An insurance agent is a person who transacts insurance, including 24-hour care coverage as defined in Section 1749.02, other than life, disability, or health insurance, on behalf of an admitted insurance company. The term "insurance agent" as used in this chapter does not include a life agent as defined in this article.

SEC. 2. Section 1623 of the Insurance Code is amended to read:
1623. (a) An insurance broker is a person who, for compensation and on behalf of another person, transacts insurance other than life insurance with, but not on behalf of, an admitted insurer. It shall be presumed that the person is acting as an insurance broker if the person is licensed to act as an insurance broker, maintains the bond required by this chapter, and discloses, in a written agreement signed by the consumer, all of the following:

(1) That the person is transacting insurance on behalf of the consumer.

(2) A description of the basic services the person will perform as a broker.

(3) The amount of all broker fees being charged by the person.

(4) If applicable, the fact that the person may be entitled to receive compensation from the insurer, directly or indirectly, for the consumer's purchase of insurance as a consequence of the transaction.

(b) If a transaction involves both a retail broker and a wholesale intermediary broker, the wholesale intermediary broker shall be deemed to have satisfied its disclosure obligations under this section if it provides written disclosure to the retail broker of the criteria set forth in paragraphs (2), (3), and (4) of subdivision (a).

(c) The presumption of broker status is rebutted as to any transaction in the admitted market in which any of the following is present:

(1) The licensee is appointed, pursuant to Section 1704, as an agent of the insurer for the particular class or type of insurance being transacted.

(2) The licensee has a written agreement with an insurer containing express terms that authorize the licensee to obligate the insurer without first obtaining notification from the insurer that the insurer has accepted, conditionally or unconditionally, the submitted risk.

(3) The licensee is authorized, pursuant to a written agreement with an insurer, to appoint other licensees as agents of the insurer, pursuant to Section 1704.

(4) The licensee is authorized, pursuant to a written agreement with an insurer, to pay claims on behalf of the insurer.

(d) In all other cases, the presumption of broker status is rebutted based on the totality of the circumstances indicating that the broker-agent is acting on behalf of the insurer.

(e) For purposes of this section, "totality of the circumstances" means evidence indicating whether a broker-agent was acting on behalf of the insurer or was acting on behalf of a third person. In determining the totality of circumstances, all relevant facts and circumstances shall be reviewed and the review is not limited to any particular fact or factors and this section does not require that any particular circumstance receive greater or lesser weight.

SEC. 3. Section 1732 of the Insurance Code is amended to read:

1732. A person acting as an insurance broker may, on behalf of an insurance company, collect and transmit premium or return premium and deliver policies and other documents evidencing insurance. Performance of those functions shall not be construed for any purpose to mean that the person is an insurance agent.

CHAPTER 305

An act to amend Sections 18535, 18536, 18662, 18668, 19136, 21006, and 25106 of, to amend, repeal, and add Section 21004 of, and to add Section 19311.5 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

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

SECTION 1. Section 18535 of the Revenue and Taxation Code is amended to read:

18535. (a) In lieu of electing nonresident partners filing a return pursuant to Section 18501, the Franchise Tax Board may, pursuant to requirements and conditions set forth in forms and instructions, provide for the filing of a group return for one or more electing nonresident partners by a partnership doing business in, or deriving income from, sources in California. The tax rate or rates applicable to each electing partner's distributive share shall consist of the highest marginal rate or rates provided by Part 10 (commencing with Section 17001) plus, in the case of any electing nonresident partner included on the group return who would be subject to Section 17043 when filing individually, an additional tax rate of 1 percent. Except as provided in subdivision (b), no deductions shall be allowed except those necessary to determine each partner's distributive share, and no credits shall be allowed except those directly attributable to the partnership. As required by the Franchise Tax Board, the partnership as agent for the electing partners shall make the payments of tax, additions to tax, interest, and penalties otherwise required to be paid by the electing partners.

(b) Deductions provided by Chapter 5 (commencing with Section 17501) of Part 10, attributable to earned income of a partner derived from a partnership filing a group return on behalf of electing nonresident partners under subdivision (a), shall be allowed if the partner certifies, in the form and manner as the Franchise Tax Board may prescribe, that he or she has no earned income from any other source.

(c) This section shall also be applicable to a nonresident shareholder of a corporation which is treated as an "S" corporation under Chapter 4.5 (commencing with Section 23800) of Part 11. In that case, the provisions of subdivisions (a) and (b) are modified to refer to "shareholder or shareholders" in lieu of "partners" and to "S" corporation in lieu of "partnership."

(d) This section shall also be applicable to a nonresident individual with a membership or economic interest in a limited liability company, registered limited liability partnership, or foreign limited liability partnership, which is classified as a partnership for California tax purposes. In that case, the provisions of subdivisions (a) and (b) are modified to refer to “holders of a membership or economic interest” in lieu of “partners” and to “limited liability companies” in lieu of “partnerships,” and “partnerships” shall include registered limited liability partnerships and foreign limited liability partnerships.

(e) The Franchise Tax Board may adjust the income of an electing nonresident taxpayer included in a group return filed under this section to properly reflect income under Part 10 (commencing with Section 17001), including Chapter 11 thereof (commencing with Section 17951), this part (commencing with Section 18401), and Part 11 (commencing with Section 23001), including Chapter 17 thereof (commencing with Section 25101).

SEC. 2. Section 18536 of the Revenue and Taxation Code is amended to read:

18536. (a) In lieu of electing nonresident directors filing a return pursuant to Section 18501, the Franchise Tax Board may, pursuant to requirements and conditions set forth in applicable forms and instructions, provide for the filing of a group return by a corporation for one or more electing nonresident individuals who receive wages, salaries, fees, or other compensation from that corporation for director services, including attendance of board of directors’ meetings that take place in this state. The tax rate or rates applicable to each director’s compensation for services performed in this state shall consist of highest marginal rate or rates provided for by Part 10 (commencing with Section 17001) of Division 2 plus, in the case of any electing nonresident director included on the group return who would be subject to Section 17043 when filing individually, an additional tax rate of 1 percent and no deductions or credits shall be allowed. As required by the Franchise Tax Board, the corporation, as the agent for the electing nonresident directors, shall make the payments of tax, additions to tax, interest, and penalties otherwise required to be paid by, or imposed on, the electing directors.

(b) The Franchise Tax Board may adjust the income of an electing nonresident taxpayer included in a group return filed under this section to properly reflect the income under Part 10 (commencing with Section 17001) of Division 2.

SEC. 3. Section 18662 of the Revenue and Taxation Code is amended to read:

18662. (a) The Franchise Tax Board may, by regulation, require any person, in whatever capacity acting, including lessees or mortgagors of

real or personal property, fiduciaries, employers, and any officer or department of the state, or any political subdivision or agency of the state, or any city organized under a freeholder's charter, or any political body not a subdivision or agency of the state, having the control, receipt, custody, disposal, or payment of items of income specified in subdivision (b), to withhold an amount, determined by the Franchise Tax Board to reasonably represent the amount of tax due when the items of income are included with other income of the taxpayer, and to transmit the amount withheld to the Franchise Tax Board at the time as it may designate.

(b) The items of income referred to in subdivision (a) are interest, dividends, rents, prizes and winnings, premiums, annuities, emoluments, compensation for services, including bonuses, partnership income or gains, and other fixed or determinable annual or periodical gains, profits, and income.

(c) The Franchise Tax Board may authorize the tax under subdivision (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(d) Any person that fails to withhold from any payments any amounts required to be withheld by this section or fails to remit the taxes withheld is liable for the amount specified in Section 18668.

(e) (1) This subdivision applies to any disposition of a California real property interest by:

(A) Any person, other than either of the following:

(i) Except as otherwise provided in this subdivision, a corporation, including an entity classified for tax purposes as a corporation under Part 11 (commencing with Section 23001).

(ii) Except as otherwise provided in this subdivision, a partnership, as determined in accordance with Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code, including an entity classified as a partnership for tax purposes under Part 10 (commencing with Section 17001).

(B) A corporation or partnership, if that corporation or partnership immediately after the transfer of the title to the California real property has no permanent place of business in California. For purposes of this subdivision, a corporation or partnership has no permanent place of business in California if all of the following apply:

(i) It is not organized and existing under the laws of California.

(ii) It does not qualify with the office of the Secretary of State to transact business in California.

(iii) It does not maintain and staff a permanent office in California.

(2) (A) Except as provided in subparagraph (B), in the case of any disposition of a California real property interest by a transferor described

in paragraph (1), the transferee, including for this purpose any intermediary or accommodator in a deferred exchange, is required to withhold an amount equal to $3\frac{1}{3}$ percent of the sales price of the California real property conveyed.

(B) If the transferor makes an election under this subparagraph, the transferee, including any intermediary or accommodator in a deferred exchange, is required to withhold an amount equal to an amount certified by the transferor in writing under penalty of perjury. The amount certified shall not be less than the gain required to be recognized under Part 10 (commencing with Section 17001) and Part 11 (commencing with Section 23001) on the disposition of the California real property multiplied by the rate specified in either Section 23151 or Section 23186, as applicable, for transferors that are corporations, or the highest rate specified in Section 17041 for transferors other than corporations. For purposes of applying the previous sentence, the following shall apply:

(i) The highest rate specified in Section 17041 is determined without regard to any other tax rate specified under Part 10 (commencing with Section 17001) irrespective of whether the applicable statute provides that tax shall be treated as if imposed under Section 17041.

(ii) For corporations that are "S" corporations subject to the modified tax rate specified in Section 23802, the rate shall be the sum of the rate specified in subdivision (b) of Section 23802 and the highest rate specified in Section 17041, as described in clause (i).

(C) (i) The written certification required by subparagraph (B) shall be in a form, as prescribed by the Franchise Tax Board. The form shall provide as follows:

"Title and escrow persons and exchange accommodators are not authorized to provide legal or accounting advice for purposes of determining withholding amounts. Transferors are strongly encouraged to consult with a competent tax professional for this purpose."

(ii) The Franchise Tax Board shall make this form available electronically on its Web site in a format that allows a transferor to complete and print the form. The Franchise Tax Board shall also provide electronic means to enable the transferor to estimate the amount of gain required to be recognized by the transferor in the transaction. Any form or worksheet, electronic or otherwise, developed for this purpose shall provide as follows:

"Title and escrow persons and exchange accommodators are not authorized to provide legal or accounting advice for purposes of determining withholding amounts. Transferors are strongly encouraged to consult with a competent tax professional for this purpose."

(3) Notwithstanding any other provision of this subdivision, all of the following shall apply:

(A) No transferee is required to withhold any amount under this subdivision unless the sales price of the California real property conveyed exceeds one hundred thousand dollars (\$100,000).

(B) No transferee, other than an intermediary or an accommodator in a deferred exchange, is required to withhold any amount under this subdivision unless written notification of the withholding requirements of this subdivision has been provided by the real estate escrow person.

(C) (i) No transferee, trustee under a deed of trust, or mortgagee under a mortgage with a power of sale is required to withhold under this subdivision when the transferee has acquired California real property at a sale pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or has acquired the property by a deed in lieu of foreclosure.

(ii) No transferee is required to withhold under this subdivision when the transferor is a bank acting as trustee other than a trustee of a deed of trust.

(D) No transferee, including for this purpose any intermediary or accommodator in a deferred exchange, is required to withhold any amount under this subdivision if the transferee, in good faith and based on all the information of which he or she has knowledge, relies on a written certificate executed by the transferor, certifying, under penalty of perjury, one of the following:

(i) (I) The California real property being conveyed is the seller's or decedent's principal residence, within the meaning of Section 121 of the Internal Revenue Code.

(II) The last use of the property being conveyed was use by the transferor as the transferor's principal residence within the meaning of Section 121 of the Internal Revenue Code.

(ii) (I) The California real property being conveyed is being exchanged, or will be exchanged, for property of like kind, within the meaning of Section 1031 of the Internal Revenue Code, but only to the extent of the amount of the gain not required to be recognized for California income or franchise tax purposes under Section 1031 of the Internal Revenue Code.

(II) Subclause (I) may not apply if an exchange does not qualify for nonrecognition treatment for California income or franchise tax purposes under Section 1031 of the Internal Revenue Code, in whole or in part, due to the failure of the transaction to comply with the provisions of Section 1031(a)(3) of the Internal Revenue Code, relating to the requirement that property be identified and that the exchange be completed not more than 180 days after the transfer of the exchanged property.

(III) In any case where clause (ii) applies, the transferee, including for this purpose any intermediary or accommodator in a deferred exchange, is required to notify the Franchise Tax Board in writing within 10 days of the expiration of the statutory periods specified in Section 1031(a)(3) of the Internal Revenue Code and thereafter remit the applicable withholding amounts determined under this subdivision in accordance with paragraph (4).

(iii) The California real property has been compulsorily or involuntarily converted, within the meaning of Section 1033 of the Internal Revenue Code, and the transferor intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.

(iv) The transaction will result in either a net loss or a net gain not required to be recognized for California income or franchise tax purposes.

(v) The transferor is a corporation with a permanent place of business in California.

(E) (i) In the case of any transaction otherwise subject to this subdivision that qualifies as an "installment sale," within the meaning of Section 453(b) of the Internal Revenue Code, for California income tax purposes, the provisions of this subdivision shall be separately applied to each principal payment to be made under the terms of the installment sale agreement between the parties.

(ii) For purposes of clause (i), subparagraph (A) of paragraph (3) does not apply to each individual payment to be received under the terms of the installment sale agreement.

(4) (A) Amounts withheld and payments made in accordance with this subdivision shall be reported and remitted to the Franchise Tax Board in the form and manner and at the time specified by the Franchise Tax Board. Notwithstanding the foregoing, funds withheld on individual transactions by real estate escrow persons may, at the option of the real estate escrow person, be remitted by the 20th day of the month following the close of escrow for the individual transaction, or may be remitted on a monthly basis in combination with other transactions closed during that month.

(B) The transferor shall submit a copy of the written certificate and supporting documentation for the reduced withholding specified in subparagraph (B) of paragraph (2) or subparagraph (D) of paragraph (3), executed by the transferor, to the Franchise Tax Board upon request.

(5) For purposes of this subdivision, "California real property interest" means an interest in real property located in California and defined in Section 897(c)(1)(A)(i) of the Internal Revenue Code.

(6) For purposes of this subdivision, “real estate escrow person” means any of the following persons involved in the real estate transaction:

(A) The person, including any attorney, escrow company, or title company, responsible for closing the transaction.

(B) If no person described in subparagraph (A) is responsible for closing the transaction, then any other person who receives and disburses the consideration or value for the interest or property conveyed.

(7) (A) Unless the real estate escrow person provides “assistance,” it shall be unlawful for any real estate escrow person to charge any customer for complying with the requirements of this subdivision.

(B) For purposes of this paragraph, “assistance” includes, but is not limited to, helping the parties clarify with the Franchise Tax Board the issue of whether withholding is required under this subdivision or, upon request of the parties, withholding an amount under this subdivision and remitting that amount to the Franchise Tax Board.

(C) For purposes of this paragraph, “assistance” does not include providing the written notification of the withholding requirements of this subdivision.

(D) In a case where the real estate escrow person provides “assistance” in complying with the withholding requirements of this subdivision, it shall be unlawful for the real estate escrow person to charge any customer a fee that exceeds forty-five dollars (\$45).

(8) For purposes of this subdivision, “sales price” means the sum of all of the following:

(A) The cash paid, or to be paid, but excluding for this purpose any stated or unstated interest or original issue discount, as determined under Sections 1271 through 1275, inclusive, of the Internal Revenue Code.

(B) The fair market value of other property transferred, or to be transferred.

(C) The outstanding amount of any liability assumed by the transferee or to which the California real property interest is subject immediately before and after the transfer.

(9) The Franchise Tax Board may prescribe, by forms, instructions, published notices, or regulations, any requirements necessary for the efficient administration of this subdivision relating to the treatment of “de minimis” amounts otherwise required under this section.

(f) Withholding is not required under this section with respect to wages, salaries, fees, or other compensation paid by a corporation for services performed in California for that corporation to a nonresident corporate director for director services, including attendance at a board of directors’ meeting.

(g) In the case of any payment described in subdivision (f), the person making the payment shall do each of the following:

(1) File a return with the Franchise Tax Board at the time and in the form and manner specified by the Franchise Tax Board.

(2) Provide the payee with a statement at the time and in the form and manner specified by the Franchise Tax Board.

(h) (1) The amendments to this section made by Chapter 488 of the Statutes of 2002 apply to dispositions of California real property interests that occur on or after January 1, 2003.

(2) In the case of any payments received on or after January 1, 2003, pursuant to an installment sale agreement relating to a disposition occurring before January 1, 2003, the amendments to this section made by Chapter 488 of the Statutes of 2002 do not apply to those payments.

(i) (1) The amendments made to this section by the act adding this subdivision shall apply to dispositions of California real property interests that occur on or after January 1, 2009.

(2) In the case of any payments received on or after January 1, 2009, pursuant to an installment sale agreement relating to a disposition occurring before January 1, 2009, the amendments made to this section by the act adding this subdivision do not apply to those payments.

SEC. 4. Section 18668 of the Revenue and Taxation Code is amended to read:

18668. (a) Every person required under this article to deduct and withhold any tax is hereby made liable for that tax, to the extent provided by this section. Any amount required to be deducted and paid to the Franchise Tax Board under this article shall be considered the tax of that person. Unless it is shown that the failure is due to reasonable cause, any person who fails to withhold from any payments any amount required to be withheld under this article or who fails to transmit the withheld amounts to the Franchise Tax Board on or before the due date required by regulations is liable for the amount actually withheld, or the amount of taxes due from the taxpayer to whom the payments are made, whichever is greater, but not in excess of the amount required to be withheld.

(b) If any amount required to be withheld under this article is not paid to the Franchise Tax Board on or before the due date required by regulations, interest shall be assessed at the adjusted annual rate established pursuant to Section 19521, computed from the due date to the date paid.

(c) Whenever any person has withheld any amount pursuant to this article, the amount so withheld shall be held to be a special fund in trust for the State of California.

(d) In lieu of the amount provided for in subdivision (a), unless it is shown that the failure to withhold is due to reasonable cause, whenever any transferee is required to withhold any amount pursuant to subdivision

(e) of Section 18662, the transferee is liable for the greater of the following amounts for failure to withhold only after the transferee, as specified, is notified in writing of the requirements under subdivision (e) of Section 18662:

(1) Five hundred dollars (\$500).

(2) Ten percent of the amount required to be withheld under subdivision (e) of Section 18662.

(e) (1) Unless it is shown that the failure to notify is due to reasonable cause, the real estate escrow person is liable for the amount specified in subdivision (d), when written notification of the withholding requirements of subdivision (e) of Section 18662 is not provided to the transferee, other than a transferee that is an intermediary or accommodator in a deferred exchange, and the California real property disposition is subject to withholding under subdivision (e) of Section 18662.

(2) The real estate escrow person shall provide written notification to the transferee (other than a transferee that is an intermediary or accommodator in a deferred exchange) in substantially the same form as follows:

“In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to $3\frac{1}{3}$ percent of the sales price or the amount that is specified in a written certificate executed by the transferor in the case of a disposition of California real property interest by either:

1. A seller who is an individual, trust, or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the seller, OR

2. A corporate or partnership seller that has no permanent place of business in California immediately after the transfer of title to the California real property.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR

2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a corporation or a partnership with a permanent place of business in California, OR

3. The seller, who is an individual, trust, estate, partnership, or a corporation without a permanent place of business in California executes a written certificate, under the penalty of perjury, of any of the following:

A. The California real property being conveyed is the seller's or decedent's principal residence, within the meaning of Section 121 of the Internal Revenue Code.

B. The last use of the property being conveyed was use by the transferor as the transferor's principal residence within the meaning of Section 121 of the Internal Revenue Code.

C. The California real property being conveyed is or will be exchanged for property of like kind, within the meaning of Section 1031 of the Internal Revenue Code, but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code.

D. The California real property has been compulsorily or involuntarily converted, within the meaning of Section 1033 of the Internal Revenue Code, and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.

E. The California real property transaction will result in a loss or a net gain not required to be recognized for California income tax purposes.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.”

(3) The real estate escrow person is not liable under this subdivision if the tax due as a result of the disposition of California real property is paid by the original or extended due date of the transferor's return for the taxable year in which the disposition occurred.

(4) The real estate escrow person or transferee is not liable under paragraph (1) or subdivision (d), if the failure to withhold is the result of his or her reliance, based on good faith and on all the information of which he or she has knowledge, upon a written certificate executed by the transferor under penalty of perjury pursuant to subparagraph (D) of paragraph (3) of subdivision (e) of Section 18662.

(5) Any transferor who for the purpose of avoiding the withholding requirements of subdivision (e) of Section 18662 knowingly executes a false certificate pursuant to that section is liable for twice the amount specified in subdivision (d).

(f) The amount of tax required to be deducted, withheld, and remitted under this article shall be assessed, collected, and paid upon notice and demand. Article 3 (commencing with Section 19031), relating to deficiency assessments, shall not apply with respect to the assessment or collection of any amount due under this article.

SEC. 5. Section 19136 of the Revenue and Taxation Code is amended to read:

19136. (a) Section 6654 of the Internal Revenue Code, relating to failure by an individual to pay estimated income tax, shall apply, except as otherwise provided.

(b) Section 6654(a)(1) of the Internal Revenue Code is modified to refer to the rate determined under Section 19521 in lieu of Section 6621 of the Internal Revenue Code.

(c) (1) Section 6654(e)(1) of the Internal Revenue Code, relating to exceptions where the tax is a small amount, does not apply.

(2) No addition to the tax shall be imposed under this section if the tax imposed under Section 17041 or 17048 and the tax imposed under Section 17062 for the preceding taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, or the tax computed under Section 17041 or 17048 upon the estimated income for the taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, is less than five hundred dollars (\$500), except in the case of a separate return filed by a married person the amount shall be less than two hundred fifty dollars (\$250).

(d) Section 6654(f) of the Internal Revenue Code does not apply and for purposes of this section the term "tax" means the tax imposed under Section 17041 or 17048 and the tax imposed under Section 17062 less any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, other than the credit provided by subdivision (a) of Section 19002.

(e) The credit for tax withheld on wages, as specified in Section 6654(g) of the Internal Revenue Code, shall be the credit allowed under subdivision (a) of Section 19002.

(f) This section shall apply to a nonresident individual.

(g) (1) No addition to tax shall be imposed under this section to the extent that the underpayment was created or increased by any provision of law that is chaptered during and operative for the taxable year of the underpayment.

(2) Notwithstanding Section 18415, this section applies to penalties imposed under this section on and after January 1, 2005.

(h) The amendments made to this section by the act adding this subdivision shall apply to taxable years beginning on or after January 1, 2009.

SEC. 6. Section 19311.5 is added to the Revenue and Taxation Code, to read:

19311.5. (a) If any taxes paid to another state result in an allowable credit under Section 18001, 18002, 18003, 18004, 18005, or 18006, a claim for credit or refund of an overpayment of income tax attributable to a credit allowable under any of these sections may be filed within one

year from the date tax is paid to the other state or within the period provided in Section 19306, whichever period expires later.

(b) This section shall apply to taxes paid to another state on or after January 1, 2009.

SEC. 7. Section 21004 of the Revenue and Taxation Code is amended to read:

21004. (a) The board shall establish the position of the Taxpayers' Rights Advocate. The advocate or his or her designee shall be responsible for coordinating resolution of taxpayer complaints and problems, including any taxpayer complaints regarding unsatisfactory treatment of taxpayers by board employees or problems identified by board employees. The advocate shall report directly to the executive officer of the board.

(b) The advocate or his or her designee shall give highest priority to reviewing and taking prompt and appropriate action, including staying actions where taxpayers have suffered or will suffer irreparable loss as the result of board action. Applicable statutes of limitation shall be tolled during the pendency of a stay. Any penalties and interest which would otherwise accrue shall not be affected by the granting of a stay.

(c) (1) The advocate may review any application for relief pursuant to this subdivision and abate any penalties, fees, additions to tax, or interest assessed on a taxpayer, if it is determined by the advocate that the penalties, fees, additions to tax, or interest that have been assessed, or any part thereof, is attributable to any of the following:

(A) Erroneous action or erroneous inaction by the board in processing documents filed or payments made by taxpayers.

(B) Unreasonable delay caused by the board.

(C) Erroneous written advice that does not qualify for relief under Section 21012.

(2) Relief may be granted pursuant to this subdivision only if no significant aspect of that error or delay can be attributed to the taxpayer involved and relief is not available under any other provision of this part, Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001), including any relief granted under any regulation or other administrative pronouncement of the board.

(3) (A) (i) Any relief granted pursuant to this subdivision in which the total reduction in penalties, fees, additions to tax, or interest exceeds five hundred dollars (\$500) shall be submitted to the chief counsel, for concurrence.

(ii) If the total relief granted pursuant to this subdivision, including penalties, fees, additions to tax, and interest, exceeds seven thousand five hundred dollars (\$7,500), the chief counsel shall notify the board.

(B) Whenever relief is granted under this subdivision, there shall be placed on file in the office of the executive officer of the board a public record with respect to that relief. The public record shall include the following:

- (i) The taxpayer's name.
- (ii) The total amount involved.
- (iii) The amount payable or refundable due to the error or delay.
- (iv) A summary of why the relief is warranted.

(4) A refund may be paid as a result of relief granted under this subdivision only if the applicable statute of limitations, with respect to filing a claim for refund, remains open as of the date that the basis for providing relief, as authorized in subparagraphs (A) to (C), inclusive, of paragraph (1), as reflected in a written communication received by the advocate.

(d) No other entity may participate in the grant or denial of relief pursuant to this section.

(e) On January 1 of each calendar year beginning on or after January 1, 2009, the board shall increase the amount specified in subparagraph (A) of paragraph (3) of subdivision (c) to the amount computed under this subdivision. That adjustment shall be made as follows:

(1) The Department of Industrial Relations shall transmit annually to the board the percentage change in the California Consumer Price Index, as modified for rental equivalent home ownership for all items, from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The board shall then:

(A) Compute the percentage change in the California Consumer Price Index from the later of June 2008 or June of the calendar year prior to the last increase in the amount specified in paragraph (1).

(B) Compute the inflation adjustment factor by adding 100 percent to the percentage change so computed, and converting the resulting percentage to the decimal equivalent.

(C) Multiply the amount specified in paragraph (1) for the immediately preceding calendar year, as adjusted under this subparagraph, by the inflation adjustment factor determined in subparagraph (B), and round off the resulting product to the nearest one hundred dollars (\$100).

(f) Notwithstanding any other law or rule of law, all determinations made under subdivision (c) shall not be subject to review in any administrative or judicial proceeding.

(g) This section 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. 8. Section 21004 is added to the Revenue and Taxation Code, to read:

21004. (a) The board shall establish the position of the Taxpayers' Rights Advocate. The advocate or his or her designee shall be responsible for coordinating resolution of taxpayer complaints and problems, including any taxpayer complaints regarding unsatisfactory treatment of taxpayers by board employees. The advocate shall report directly to the executive officer of the board.

(b) The advocate or his or her designee shall give highest priority to reviewing and taking prompt and appropriate action, including staying actions where taxpayers have suffered or will suffer irreparable loss as the result of board action. Applicable statutes of limitation shall be tolled during the pendency of a stay. Any penalties and interest which would otherwise accrue shall not be affected by the granting of a stay.

(c) This section shall become operative on January 1, 2012.

SEC. 9. Section 21006 of the Revenue and Taxation Code is amended to read:

21006. (a) The board shall perform annually a systematic identification of areas of recurrent taxpayer noncompliance and shall report its findings to the Legislature on December 1 of each year.

(b) As part of the identification process described in subdivision (a), the board shall do both of the following:

(1) Compile and analyze sample data from its audit process, including, but not limited to, all of the following:

(A) The statute or regulation violated by the taxpayer.

(B) The amount of tax involved.

(C) The industry or business engaged in by the taxpayer.

(D) The number of years covered in the audit period.

(E) Whether professional tax preparation assistance was utilized by the taxpayer.

(F) Whether income tax or bank and corporation tax returns were filed by the taxpayer.

(2) Conduct an annual hearing before the board itself where industry representatives and individual taxpayers are allowed to present their proposals on changes to the Personal Income Tax Law or the Corporation Tax Law which may further facilitate achievement of the legislative findings.

(c) The board shall include in its report recommendations for improving taxpayer compliance and uniform administration, including, but not limited to, all of the following:

(1) Changes in statute or board regulations.

(2) Improvement of training of board personnel.

(3) Improvement of taxpayer communication and education.

(4) Increased enforcement capabilities.

(d) The board shall include in its report a summary of cases where relief was granted pursuant to subdivision (c) of Section 21004, including the nature of the error or delay, and the steps taken by the board to remedy systemic issues that caused the error or delay.

SEC. 10. Section 25106 of the Revenue and Taxation Code is amended to read:

25106. (a) (1) In any case in which the income of a corporation is or has been determined under this chapter with reference to the income and apportionment factors of one or more other corporations with which it is doing or has done a unitary business, all dividends paid by one to another of any of those corporations shall, to the extent those dividends are paid out of the income previously described of the unitary business, be eliminated from the income of the recipient and, except for purposes of applying Section 24345, shall not be taken into account under Section 24344 or in any other manner in determining the tax of any member of the unitary group.

(2) (A) For purposes of this section, the dividends described in paragraph (1) include dividends paid out of the income previously described of the unitary business by a member of the unitary group to a corporation formed subsequent to the accrual of the income, if the recipient corporation was part of the unitary group during the period from its formation to its receipt of those dividends.

(B) The Franchise Tax Board may deny any dividend elimination for the dividends described in this paragraph if the board determines that a transaction is entered into or structured with a principal purpose of evading the tax imposed by this part.

(3) For purposes of this section, "income previously described of the unitary business" shall include income earned by members of the unitary group during taxable years when no member of the unitary group was taxable in this state to the extent that the income of the unitary group would have been determined under this chapter had any member of the corporation's unitary group been subject to tax in this state at the time that income was earned.

(b) The Franchise Tax Board may prescribe any regulations that may be necessary or appropriate to carry out the purpose of this section, which is to prevent taxation of dividends received by a member of a unitary group where those dividends were paid from the income previously described of the unitary business by another member of the same unitary group.

SEC. 11. The amendments made by Sections 1 and 2 of this act shall apply to returns filed on or after January 1, 2010, for taxable years beginning on or after January 1, 2009.

SEC. 12. Section 19311.5 of the Revenue and Taxation Code, as added by Section 6 of this act, shall not be construed to change the requirements of Section 18007 of the Revenue and Taxation Code.

SEC. 13. The amendments made by Section 7, which amended Section 21004 of the Revenue and Taxation Code, of this act shall apply to requests for advocate consideration that are received by the advocate on or after January 1, 2009, irrespective of the tax year involved.

SEC. 14. (a) The Legislature finds and declares that the amendments made to Section 25106 of the Revenue and Taxation Code by Section 9 of this act that added and amended paragraph (1) of subdivision (a) of, and added paragraph (3) of subdivision (a) to, Section 25106 of the Revenue and Taxation Code do not constitute a change in, but are declaratory of, existing law.

(b) (1) Both subdivision (b) and paragraph (2) of subdivision (a) of Section 25106 of the Revenue and Taxation Code, added to that section by this act, shall apply to taxable years beginning on or after January 1, 2008.

(2) It is the intent of the Legislature that no inference be drawn from the addition by this act of paragraph (2) of subdivision (a) to Section 25106 of the Revenue and Taxation Code as to whether, for any taxable year beginning before January 1, 2008, dividends received by a corporation are eligible for elimination under Section 25106 of the Revenue and Taxation Code.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 306

An act to add Section 64.5 to the Labor Code, and to amend Sections 7342, 7470, and 60135 of, to amend the heading of Article 3 (commencing with Section 7470) of Chapter 4 of Part 2 of Division 2 of, to add Sections 6487.06, 7652.8, and 60204.6 to, and to repeal Section 7076.5 of, the Revenue and Taxation Code, relating to taxation.

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

SECTION 1. Section 64.5 is added to the Labor Code, to read:

64.5. When requested by the State Board of Equalization, the department may permit any duly authorized representative of that agency to transmit to the State Board of Equalization information available in the department's records that indicates a retail establishment is operating without a seller's permit required by the State Board of Equalization, to assist the State Board of Equalization in determining compliance with the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code).

SEC. 2. Section 6487.06 is added to the Revenue and Taxation Code, to read:

6487.06. (a) Notwithstanding Section 6487, the period during which a deficiency determination may be mailed to a qualifying purchaser is limited to three years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined.

(b) For purposes of this section, a "qualifying purchaser" is a person that voluntarily files an individual use tax return for tangible personal property that is purchased from a retailer outside of this state for storage, use, or other consumption in this state, and that meets all of the following conditions:

(1) The purchaser resides or is located within this state and has not previously done any of the following:

(A) Registered with the State Board of Equalization.

(B) Filed an individual use tax return with the State Board of Equalization.

(C) Reported an amount on his or her individual California income tax return.

(2) The purchaser is not engaged in business in this state as a retailer, as defined in Section 6015.

(3) The purchaser has not been contacted by the State Board of Equalization regarding failure to report the use tax imposed by Section 6202.

(4) The State Board of Equalization has made a determination that the purchaser's failure to file an individual use tax return or to otherwise report or pay the use tax imposed by Section 6202 was due to reasonable cause and was not caused by reason of negligence, intentional disregard of the law, or by an intent to evade the taxes imposed by this part.

(c) If the State Board of Equalization makes a determination that the purchaser's failure to timely report or remit the taxes imposed by this part is due to reasonable cause or due to circumstances beyond the purchaser's control, the purchaser may be relieved of any penalties

imposed by this part. Any purchaser seeking relief from penalties imposed by this part shall file a statement, signed under penalty of perjury, setting forth the facts that form the basis for the claim for relief.

(d) This section shall not apply to purchases of vehicles, vessels, or aircraft as defined in Article 1 (commencing with Section 6271) of Chapter 3.5.

SEC. 3. Section 7076.5 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 7342 of the Revenue and Taxation Code is amended to read:

7342. "Train operator" includes any person that owns, operates, or controls a train and is licensed as a railroad by a state or federal agency.

SEC. 5. The heading of Article 3 (commencing with Section 7470) of Chapter 4 of Part 2 of Division 2 of the Revenue and Taxation Code is amended to read:

Article 3. License for Pipeline Operator, Train Operator, and Vessel Operator

SEC. 6. Section 7470 of the Revenue and Taxation Code is amended to read:

7470. Every person before becoming a pipeline operator or a vessel operator shall apply to the board for a license on forms prescribed by the board. In addition, every train operator that transports motor vehicle fuel, alcohol, or aircraft jet fuel into, out of, or within this state shall obtain a license from the board on forms prescribed by the board. A pipeline operator license, a train operator license, or a vessel operator license shall be issued only to a person who is a pipeline operator, a train operator, or a vessel operator as defined in Sections 7331, 7342, and 7344. It is unlawful for a person to act as a pipeline operator or a vessel operator without first securing a license. It is unlawful for a train operator to transport motor vehicle fuel, alcohol, or aircraft jet fuel into, out of, or within this state on or after January 1, 2009, without first securing a license under this section or Section 7403.1.

SEC. 7. Section 7652.8 is added to the Revenue and Taxation Code, to read:

7652.8. Each train operator shall prepare and file with the board a report in the form as prescribed by the board, which may include, but not be limited to, electronic media showing, for the calendar month, or that monthly period ended during the calendar month as the board may authorize, all of the following:

(a) The amount of motor vehicle fuel, alcohol, and aircraft jet fuel delivered into, out of, or within this state.

(b) The location where the motor vehicle fuel, alcohol, or aircraft jet fuel was delivered.

(c) The date of delivery.

(d) Any other information required by the board for the proper administration of this part. The train operator shall file the report on or before the last day of the month following the monthly period to which it relates. To facilitate the administration of this part, the board may require the filing of the reports for other than monthly periods. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

SEC. 8. Section 60135 of the Revenue and Taxation Code is amended to read:

60135. Every person before becoming a pipeline operator or a vessel operator shall apply to the board for a license on forms prescribed by the board. In addition, every train operator that transports diesel fuel into, out of, or within this state shall obtain a license from the board on forms prescribed by the board. A train operator license, pipeline operator license, or a vessel operator license shall be issued only to a person who is a train operator, pipeline operator, or a vessel operator as defined in Sections 60041, 60047.1, and 60049.1. It is unlawful for a person to act as a pipeline operator or a vessel operator without first securing a license. It is unlawful for a train operator to transport diesel fuel into, out of, or within this state on or after January 1, 2009, without first securing a license under this section or a permit under Section 60106.1.

SEC. 9. Section 60204.6 is added to the Revenue and Taxation Code, to read:

60204.6. Each train operator shall prepare and file with the board a report in the form as prescribed by the board, which may include, but not be limited to, electronic media showing, for the calendar month, or that monthly period ended during the calendar month as the board may authorize, all of the following:

(a) The amount of diesel fuel delivered into, out of, or within this state.

(b) The location where the diesel fuel was delivered.

(c) The date of delivery.

(d) Any other information required by the board for the proper administration of this part. The train operator shall file the report on or before the last day of the month following the monthly period to which it relates. To facilitate the administration of this part, the board may require the filing of the reports for other than monthly periods. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

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.

CHAPTER 307

An act to add and repeal Article 14.5 (commencing with Section 8300) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, relating to state preschool programs.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Article 14.5 (commencing with Section 8300) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 14.5. Early Learning Quality Improvement System Advisory Committee

8300. (a) The Early Learning Quality Improvement System Advisory Committee is hereby established in the state government. The advisory committee shall consist of 13 members as follows:

- (1) The Superintendent of Public Instruction or his or her designee.
- (2) The Secretary of Education or his or her designee.
- (3) The President pro Tempore of the Senate or his or her designee.
- (4) The Speaker of the Assembly or his or her designee.
- (5) The Director of the Department of Finance or his or her designee.
- (6) The Director of the Department of Social Services or his or her designee.
- (7) The Governor shall appoint two representatives.
- (8) The Chairperson of the California Children and Families Commission or his or her designee.
- (9) The Senate Committee on Rules shall appoint two representatives from the early care and education community, one who is a program

administrator of a child development program funded by the department, and another who is a caregiver for infants and toddlers.

(10) The Speaker of the Assembly shall appoint two representatives, one from the early care and education community who has experience with English learners, and one who is a local educational agency teacher who teaches kindergarten.

(b) The Superintendent and the Secretary for Education or their designees shall be cochairpersons of the committee.

(c) The advisory committee shall seek input through the establishment of subcommittees or other methods from persons with expertise in the following areas: early learning quality improvement systems in use nationwide; early care and education, including representatives from the higher education segments, the Commission on Teacher Credentialing, and administrators, caregivers, and teachers from both the public and private sectors; K-12 public school teachers; English language development, including primary and secondary language acquisition; education and care of children with exceptional needs and disabilities; infant and toddler care; consumer education; parent and guardian engagement; workforce development; facilities development; technical assistance; and program accreditation.

8301. (a) The advisory committee shall develop the policy and implementation plan for an Early Learning Quality Improvement System for the state and shall submit, to the Legislature and the Governor, an interim report by December 31, 2009, and a final report by December 31, 2010, containing its recommendations for the creation of an Early Learning Quality Improvement System. The report shall address, but need not be limited to, the following four elements of a quality improvement system:

(1) An assessment and analysis of the existing early care and education infrastructure, including other state and local early learning quality improvement systems. The assessment shall identify and review existing quality rating systems in use and determine the features of those systems that are most effective in determining and improving quality.

(2) The development of an early learning quality rating scale for child development and care programs, including preschool, that serve children from birth to five years of age, inclusive, including preschool age children, infants, and toddlers. The early learning quality rating scale shall reflect features of quality rating systems that most directly contribute to high-quality care, as identified in the assessment pursuant to paragraph (1). The advisory committee shall consider consumer awareness so that parents receive accurate information about the type of program in which their children are enrolled. The advisory committee also may consider,

but need not be limited to, the following features of high-quality programs:

(A) Developmentally, linguistically, and culturally appropriate practices.

(B) Staff qualifications and professional development and education needs.

(C) Staff compensation and retention.

(D) Group size and ratios.

(E) Learning environment.

(F) Statutory and regulatory compliance, including provisions of Title 5 and Title 22 of the California Code of Regulations relating to child care and development.

(G) Articulation within systems of care for children from birth to five years of age, and with the K-12 public school system.

(H) The inclusion of children with exceptional needs and children with disabilities.

(I) English learner support.

(J) Family involvement.

(K) Comprehensive health and development screenings using standard tools.

(L) Data collection and methods to support continuous quality improvement.

(M) Program management and leadership.

(3) The development of a funding model aligned with the quality rating scale for child care and development programs that serve children from birth to five years of age, inclusive, including preschool.

(4) The advisory committee shall consider and make recommendations on how local, state, federal, and private resources, including resources available pursuant to the California Children and Families Act of 1998 (Division 108 (commencing with Section 130100) of the Health and Safety Code), can best be utilized to complement a statewide funding model as part of a comprehensive effort to improve the child care and development system of the state, including preschool.

(b) The advisory committee shall meet no less frequently than each quarter per year, at the call of the chairperson, at a time and location convenient to the public, as the chairperson deems appropriate. All meetings shall be open to the public in accordance with Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code. Once a draft report of the final report is complete, the advisory committee shall conduct no less than four public hearings in different parts of the state to ensure that the advisory committee obtains meaningful public input prior to submitting its report to the Governor and the Legislature.

8302. No General Fund expenditures shall be required to fund the work of the advisory committee. The advisory committee shall be established only after the Superintendent applies to and obtains funds from the California Children and Families Commission or other sources. The Superintendent shall apply to the California Children and Families Commission for funding to cover committee costs, including, but not limited to, staff support and travel expenses.

8303. This article shall become inoperative on July 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. This act shall become operative only if Assembly Bill 2759 of the 2007–08 Regular Session of the Legislature is enacted and becomes effective on or before January 1, 2009.

CHAPTER 308

An act to amend Sections 8208, 8235, 8236, 8237, 8238.4, 8264.5, and 8266.1 of, to amend the heading of Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of, and to add Sections 8236.1 and 8236.2 to, the Education Code, relating to child care and development services.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 8208 of the Education Code is amended to read:

8208. As used in this chapter:

(a) “Alternative payments” includes payments that are made by one child care agency to another agency or child care provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent’s purchase of child care and development services.

(b) “Alternative payment program” means a local government agency or nonprofit organization that has contracted with the department pursuant to Section 8220.2 to provide alternative payments and to provide support services to parents and providers.

(c) “Applicant or contracting agency” means a school district, community college district, college or university, county superintendent

of schools, county, city, public agency, private nontax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services pursuant to this chapter. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decisionmaking prerogatives as consistent with the provisions of this chapter.

(d) "Assigned reimbursement rate" is that rate established by the contract with the agency and is derived by dividing the total dollar amount of the contract by the minimum child day of average daily enrollment level of service required.

(e) "Attendance" means the number of children present at a child care and development facility. "Attendance," for the purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child.

(f) "Capital outlay" means the amount paid for the renovation and repair of child care and development facilities to comply with state and local health and safety standards, and the amount paid for the state purchase of relocatable child care and development facilities for lease to qualifying contracting agencies.

(g) "Caregiver" means a person who provides direct care, supervision, and guidance to children in a child care and development facility.

(h) "Child care and development facility" means any residence or building or part thereof in which child care and development services are provided.

(i) "Child care and development programs" means those programs that offer a full range of services for children from infancy to 13 years of age for any part of a day, by a public or private agency, in centers and family child care homes. These programs include, but are not limited to, all of the following:

- (1) General child care and development.
- (2) Migrant child care and development.
- (3) Child care provided by the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2).
- (4) California state preschool program.
- (5) Resource and referral.
- (6) Child care and development services for children with exceptional needs.
- (7) Family child care home education network.
- (8) Alternative payment.

(9) Schoolage community child care.

(j) "Child care and development services" means those services designed to meet a wide variety of needs of children and their families, while their parents or guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements.

(k) "Children at risk of abuse, neglect, or exploitation" means children who are so identified in a written referral from a legal, medical, or social service agency, or emergency shelter.

(l) "Children with exceptional needs" means either of the following:

(1) Infants and toddlers under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans, shall be receiving early intervention services, and shall be children who require the special attention of adults in a child care setting.

(2) Children ages 3 to 21 years, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and Sections 56333 to 56338, inclusive, and Sections 3030 and 3031 of Title 5 of the California Code of Regulations. These children shall have an active individualized education program, shall be receiving early intervention services or appropriate special education and related services, and shall be children who require the special attention of adults in a child care setting. These children include children with mental retardation, hearing impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance (also referred to as emotional disturbance), orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities, who need special education and related services consistent with Section 1401(3)(A) of Title 20 of the United States Code.

(m) "Closedown costs" means reimbursements for all approved activities associated with the closing of operations at the end of each growing season for migrant child development programs only.

(n) "Cost" includes, but is not limited to, expenditures that are related to the operation of child care and development programs. "Cost" may include a reasonable amount for state and local contributions to employee benefits, including approved retirement programs, agency administration, and any other reasonable program operational costs. "Cost" may also include amounts for licensable facilities in the community served by the program, including lease payments or depreciation, downpayments, and payments of principal and interest on loans incurred to acquire, rehabilitate, or construct licensable facilities, but these costs shall not exceed fair market rents existing in the community in which the facility is located. "Reasonable and necessary costs" are costs that, in nature and amount, do not exceed what an ordinary prudent person would incur in the conduct of a competitive business.

(o) "Elementary school," as contained in Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended), includes early childhood education programs and all child development programs, for the purpose of the cancellation provisions of loans to students in institutions of higher learning.

(p) "Family child care home education network" means an entity organized under law that contracts with the department pursuant to Section 8245 to make payments to licensed family child care home providers and to provide educational and support services to those providers and to children and families eligible for state-subsidized child care and development services. A family child care home education network may also be referred to as a family child care home system.

(q) "Health services" include, but are not limited to, all of the following:

(1) Referral, whenever possible, to appropriate health care providers able to provide continuity of medical care.

(2) Health screening and health treatment, including a full range of immunization recorded on the appropriate state immunization form to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Child Health and Disability Prevention Program (Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code), but only to the extent that ongoing care cannot be obtained utilizing community resources.

(3) Health education and training for children, parents, staff, and providers.

(4) Followup treatment through referral to appropriate health care agencies or individual health care professionals.

(r) “Higher educational institutions” means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.

(s) “Intergenerational staff” means persons of various generations.

(t) “Limited-English-speaking-proficient and non-English-speaking-proficient children” means children who are unable to benefit fully from an English-only child care and development program as a result of either of the following:

(1) Having used a language other than English when they first began to speak.

(2) Having a language other than English predominantly or exclusively spoken at home.

(u) “Parent” means a biological parent, stepparent, adoptive parent, foster parent, caretaker relative, or any other adult living with a child who has responsibility for the care and welfare of the child.

(v) “Program director” means a person who, pursuant to Sections 8244 and 8360.1, is qualified to serve as a program director.

(w) “Proprietary child care agency” means an organization or facility providing child care, which is operated for profit.

(x) “Resource and referral programs” means programs that provide information to parents, including referrals and coordination of community resources for parents and public or private providers of care. Services frequently include, but are not limited to: technical assistance for providers, toy-lending libraries, equipment-lending libraries, toy- and equipment-lending libraries, staff development programs, health and nutrition education, and referrals to social services.

(y) “Severely disabled children” are children with exceptional needs from birth to 21 years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe mental retardation. “Severely disabled children” also include those individuals who would have been eligible for enrollment in a developmental center for handicapped pupils under Chapter 6 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 as it read on January 1, 1980.

(z) “Short-term respite child care” means child care service to assist families whose children have been identified through written referral from a legal, medical, or social service agency, or emergency shelter as being neglected, abused, exploited, or homeless, or at risk of being neglected, abused, exploited, or homeless. Child care is provided for

less than 24 hours per day in child care centers, treatment centers for abusive parents, family child care homes, or in the child's own home.

(aa) (1) "Site supervisor" means a person who, regardless of his or her title, has operational program responsibility for a child care and development program at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a child care and development program operating in a single site. The Superintendent may waive the requirements of this subdivision if the Superintendent determines that the existence of compelling need is appropriately documented.

(2) For California state preschool programs, a site supervisor may qualify under any of the provisions in this subdivision, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a site supervisor under both Section 8244 and subdivision (e) of Section 8360.1 is also qualified under this subdivision.

(ab) "Standard reimbursement rate" means that rate established by the Superintendent pursuant to Section 8265.

(ac) "Startup costs" means those expenses an agency incurs in the process of opening a new or additional facility prior to the full enrollment of children.

(ad) "California state preschool program" means part-day and full-day educational programs for low-income or otherwise disadvantaged three- and four-year-old children.

(ae) "Support services" means those services that, when combined with child care and development services, help promote the healthy physical, mental, social, and emotional growth of children. Support services include, but are not limited to: protective services, parent training, provider and staff training, transportation, parent and child counseling, child development resource and referral services, and child placement counseling.

(af) "Teacher" means a person with the appropriate permit issued by the Commission on Teacher Credentialing who provides program supervision and instruction that includes supervision of a number of aides, volunteers, and groups of children.

(ag) "Underserved area" means a county or subcounty area, including, but not limited to, school districts, census tracts, or ZIP Code areas, where the ratio of publicly subsidized child care and development program services to the need for these services is low, as determined by the Superintendent.

(ah) "Workday" means the time that the parent requires temporary care for a child for any of the following reasons:

- (1) To undertake training in preparation for a job.

- (2) To undertake or retain a job.
- (3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

(ai) "Three-year-old children" means children who will have their third birthday on or before December 2 of the fiscal year in which they are enrolled in a California state preschool program.

(aj) "Four-year-old children" means children who will have their fourth birthday on or before December 2 of the fiscal year in which they are enrolled in a California state preschool program.

(ak) "Local educational agency" means a school district, a county office of education, a community college district, or a school district on behalf of one or more schools within the school district.

SEC. 2. The heading of Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is amended to read:

Article 7. California State Preschool Programs

SEC. 3. Section 8235 of the Education Code is amended to read:

8235. (a) The Superintendent shall administer all California state preschool programs. Those programs shall include, but not be limited to, part-day and full-day age and developmentally appropriate programs for three- and four-year old children in educational development, health services, social services, nutritional services, parent education and parent participation, evaluation, and staff development. Preschool programs for which federal reimbursement is not available shall be funded as prescribed by the Legislature in the Budget Act, and unless otherwise specified by the Legislature, shall not utilize federal funds made available through Title XX of the Social Security Act (42 U.S.C. Sec. 1397).

(b) Three- and four-year-old children are eligible for the part-day California state preschool program if the family meets at least one of the criteria specified in paragraph (1) of subdivision (a) of Section 8263.

(c) Notwithstanding any other provision of law, a part-day California state preschool program may provide services to children in families whose income is no more than 15 percent above the income eligibility threshold, as described in Sections 8263 and 8263.1, after all eligible three- and four-year-old children have been enrolled. No more than 10 percent of children enrolled, calculated throughout the participating program's entire contract, may be filled by children in families above the income eligibility threshold.

(d) A part-day California state preschool program shall operate for a minimum of (1) three hours per day, excluding time for home-to-school transportation, and (2) a minimum of 175 days per year, unless the contract specifies a lower number of days of operation.

(e) Three- and four-year-old children are eligible for full-day California state preschool program services if the family meets at least one of the criteria specified in paragraph (1) of subdivision (a) of Section 8263, and the parents meet at least one of the criteria specified in paragraph (2) of subdivision (a) of Section 8263.

(f) A full-day California state preschool program shall operate (1) full time determined by the number of hours necessary to meet the child care and development needs of families, and (2) a minimum of 246 days per year, unless the contract specifies a lower number of days of operation.

(g) Fees shall be assessed and collected for families with children in the full-day California state preschool program pursuant to subdivisions (g) and (h) of Section 8263. Fees shall not be assessed for families whose children are enrolled in the part-day California state preschool program.

(h) Any agency described in subdivision (c) of Section 8208 as an “applicant or contracting agency” is eligible to contract to operate a California state preschool program.

SEC. 4. Section 8236 of the Education Code is amended to read:

8236. (a) (1) Each applicant or contracting agency funded pursuant to Section 8235 shall give first priority to three- or four-year-old neglected or abused children who are recipients of child protective services, or who are at risk of being neglected, abused, or exploited upon written referral from a legal, medical, or social service agency. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child’s parent or guardian to local resource and referral services so that services for the child can be located.

(2) Notwithstanding Section 8263, after children in the first priority category set forth in paragraph (1) are enrolled, each agency funded pursuant to Section 8235 shall give priority to eligible four-year-old children prior to enrolling eligible three-year-old children. Each agency shall certify to the Superintendent that enrollment priority is being given to eligible four-year-old children.

(b) For California state preschool programs operating with funding that was initially allocated in a prior fiscal year, at least one-half of the children enrolled at a preschool site shall be four-year-old children. Any exception to this requirement shall be approved by the Superintendent. The Superintendent shall inform the Secretary for Education and the Department of Finance of any exceptions that have been granted and the reasons for granting the exceptions.

(c) The following provisions apply to the award of new funding for the expansion of the California state preschool program that is appropriated by the Legislature for that purpose in any fiscal year:

(1) In an application for those expansion funds, an agency shall furnish the Superintendent with an estimate of the number of four-year-old and three-year-old children that it plans to serve in the following fiscal year with those expansion funds. The agency also shall furnish documentation that indicates the basis of those estimates.

(2) In awarding contracts for expansion pursuant to this subdivision, the Superintendent, after taking into account the geographic criteria established pursuant to Section 8279.3, and the headquarters preferences and eligibility criteria relating to fiscal or programmatic noncompliance established pursuant to Section 8261, shall give priority to applicant agencies that, in expending the expansion funds, will be serving the highest percentage of four-year-old children.

(d) Nothing in this section shall be deemed to preclude a local educational agency from subcontracting with an appropriate public or private agency to operate a California state preschool program and to apply for funds made available for the purposes of this section. If a school district chooses not to operate or subcontract for a California state preschool program, the Superintendent shall work with the county office of education and other eligible agencies to explore possible opportunities in contracting or alternative subcontracting to provide a California state preschool program.

(e) Nothing in this section shall prevent eligible children who are currently receiving services from continuing to receive those services in future years pursuant to this chapter.

SEC. 5. Section 8236.1 is added to the Education Code, to read:

8236.1. The department shall annually monitor funding utilized in general child care and development programs for infants and toddlers, and hours of service provided in the California state preschool program, and shall annually report to the Department of Finance and to the Legislature a statewide summary identifying the estimated funding utilized for infants and toddlers, and the number of preschool age children receiving part-time and full-time development services. The annual report shall include a comparison to the prior year on a county-by-county basis.

SEC. 6. Section 8236.2 is added to the Education Code, to read:

8236.2. (a) The Superintendent shall encourage California state preschool program contracting agencies to offer full-day services to parents who have a qualifying need.

(b) Part-day services shall be reimbursed on a per capita basis, as determined by the Superintendent.

(c) Full-day services shall be reimbursed at no more than the standard reimbursement rate with adjustment factors.

(d) Federal Head Start funds used to provide services to families receiving California state preschool services shall be deemed nonrestricted funds.

SEC. 7. Section 8237 of the Education Code is amended to read:

8237. A part-day California state preschool program contracting agency has 120 calendar days prior to the first day of the beginning of the new preschool year to certify eligibility and enroll families into their program. Subsequent to enrollment, a child shall be deemed eligible for a part-day California state preschool program for the remainder of the program year.

SEC. 8. Section 8238.4 of the Education Code is amended to read:

8238.4. Of funds appropriated in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 (Ch. 48, Stats. 2006) for child development and preschool programs, fifty million dollars (\$50,000,000) is available for expenditure by the Superintendent as follows:

(a) (1) Forty-five million dollars (\$45,000,000) to reimburse participating programs on a per-child basis at the same rate that is used for the state preschool program, as determined in the annual Budget Act or other statute.

(2) The funds described in paragraph (1) shall be assigned to programs located in the attendance area of elementary schools in deciles 1 to 3, inclusive, based on the 2005 base Academic Performance Index pursuant to Section 52056. Within elementary schools in deciles 1 to 3, inclusive, based on the 2005 base Academic Performance Index, preference shall be provided to underserved areas as described in subdivision (d) of Section 8279.3. If the funds described in paragraph (1) are offered under a new competitive bidding process after January 1, 2008, due to the termination, suspension, or relinquishment of an original contract award and in order to maintain an existing class, the department shall assign first priority to successful applicants that will maintain that class within the attendance area of the elementary school as originally granted.

(3) Notwithstanding any other provision of law, programs receiving funding in this section shall serve children who would attend kindergarten in the subsequent academic year. No child shall receive services from a program under this section for more than one year.

(4) Notwithstanding any other provision of law, a program receiving funding pursuant to this section may provide services to children in families above the income eligibility threshold, as described in Sections 8263 and 8263.1, if the number of contracted slots exceed the number of eligible children. No more than 20 percent of contracted slots,

calculated throughout the participating program's entire contract, may be filled by children in families above the income eligibility threshold.

(5) The department shall report to the Department of Finance and the Legislature in the annual report specified in Section 8236.1 and in the same format used for the annual report, the number of children who are being served by the California state preschool program. The report shall also include the number of children served above the income eligibility threshold and the age of all children served.

(b) (1) Five million dollars (\$5,000,000) to be distributed to each participating class at a rate of two thousand five hundred dollars (\$2,500) per class per school year. Funds received pursuant to this subdivision may be used for all of the following purposes:

(A) Compensation and support costs for program coordinators as described in Section 8238.2.

(B) Staff development pursuant to Section 8238.3.

(C) Family literacy services.

(D) Instructional materials, including consumables.

(2) In the event that the total amount described in paragraph (1) is insufficient to fund all of the participating class at the per classroom rate described in that paragraph, the class rate shall be prorated accordingly.

(3) Eligibility to receive funding pursuant to this subdivision is restricted to participating programs that were eligible to receive funding pursuant to this section in the 2007–08 fiscal year.

(c) The appropriation of funds for purposes of this section beyond the amounts described in this section shall be pursuant to the annual Budget Act or other statute.

(d) Notwithstanding the provisions of this section to the contrary, programs receiving funding pursuant to this section may participate in all California state preschool programs administered by the Superintendent pursuant to Section 8235.

SEC. 9. Section 8264.5 of the Education Code is amended to read:

8264.5. The Superintendent may waive or modify child development requirements in order to enable child development programs to serve combinations of eligible children in areas of low population. The child development programs for which the Superintendent may grant waivers shall include, but need not be limited to, California state preschool full-day programs, child care provided by the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2), infant care and development services, migrant child care and development programs, and general child care and development programs.

SEC. 10. Section 8266.1 of the Education Code is amended to read:

8266.1. Commencing with the 1995–96 fiscal year and each fiscal year thereafter, for the purposes of this chapter, reimbursement rates shall be adjusted by the following reimbursement factors for child care and development programs with a standard reimbursement rate, but shall not apply to the Resource and Referral Programs set forth in Article 2 (commencing with Section 8210), the Alternative Payment Programs set forth in Article 3 (commencing with Section 8220), the part-day California state preschool programs set forth in Article 7 (commencing with Section 8235), the schoolage community child care services programs set forth in Article 22 (commencing with Section 8460), or to the schoolage parent and infant development programs:

(a) For child care and development providers serving children for less than four hours per day, the reimbursement factor is 55 percent of the standard reimbursement rate.

(b) For child care and development program providers serving children for not less than four hours per day, and less than six and one-half hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate. For providers operating under the At Risk Child Care Program set forth in Article 15.5 (commencing with Section 8350) and serving children for not less than four hours per day, and less than seven hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate.

(c) For child care and development program providers serving children for not less than six and one-half hours per day, and less than 10 and one-half hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate. For providers operating under the At Risk Child Care Program set forth in Article 15.5 (commencing with Section 8350) and serving children for not less than seven hours per day, and less than 10 hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate.

(d) For child care and development program providers serving children for 10½ hours or more per day, the reimbursement factor is 118 percent of the standard reimbursement rate.

SEC. 11. This act shall become operative on July 1, 2009.

SEC. 12. This act shall become operative only if Senate Bill 1629 of the 2007–08 Regular Session of the Legislature is enacted and becomes effective on or before January 1, 2009.

CHAPTER 309

An act to amend Sections 5156 and 5157 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Throughout California's history, thousands of Californians have given their lives in the Armed Forces of the United States in defense of our country.

(b) "Gold Star Family" is a commonly understood term used to describe a family member who has lost a loved one in military service.

(c) Gold Star Families in California have sought to honor their lost family members through the creation of special recognition Gold Star Family specialized license plates, which have been established in several other states.

(d) It is the intent of the Legislature, in enacting this act, to provide for the creation of a Gold Star Family specialized license plate program in California to honor the members of the Armed Forces of the United States who gave their lives in defense of our country and to honor their Gold Star Families in California.

SEC. 2. Section 5156 of the Vehicle Code is amended to read:

5156. (a) (1) A state agency may apply to the department to sponsor a specialized license plate program, and the department shall issue specialized license plates for that program, if the agency complies with all of the requirements of this article.

(2) The department shall not issue specialized license plates to a state agency for a vehicle that is exempt from the payment of registration fees pursuant to Section 9101 or 9103.

(b) Except as provided in subdivision (d), the department shall not establish a specialized license plate program for an agency until the department has received not less than 7,500 applications for that agency's specialized license plates. The agency shall collect and hold applications for the plates. Once the agency has received at least 7,500 applications, it shall submit the applications, along with the necessary fees, to the department. The department shall not issue a specialized license plate until the agency has received and submitted to the department not less than 7,500 applications for that particular specialized license plate within the time period prescribed in this section. Advance payment to the department by the agency representing the department's estimated or actual administrative costs associated with the issuance of a particular specialized license plate shall not constitute compliance with this requirement. The agency shall have 12 months, following the date of approval of the agency's initial application to sponsor a specialized

license plate program, to receive the required number of applications. If, after that 12 months, 7,500 applications have not been received, the agency shall immediately do either of the following:

(1) Refund to all applicants all fees or deposits that have been collected.

(2) Contact the department to indicate the agency's intent to undertake collection of additional applications and fees or deposits for an additional period, not to exceed 12 months, in order to obtain the minimum 7,500 applications. If the agency elects to exercise the option under this subparagraph, it shall contact each applicant who has submitted an application with the appropriate fees or deposits to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until that time that the agency has received 7,500 applications. The agency shall refund the fees or deposits to an applicant so requesting. The agency shall not collect and hold applications for a period exceeding 24 months following the date of approval of the agency's initial application to sponsor a specialized license plate program.

(c) (1) If the number of outstanding and valid specialized license plates in a particular program, except as provided in subdivision (d), provided for in this article is less than 7,500, the department shall notify the sponsoring agency of that fact and shall inform the agency that if that number is less than 7,500 one year from the date of that notification, the department will no longer issue or replace those specialized license plates.

(2) Those particular specialized license plates that were issued prior to the discontinuation provided by paragraph (1) may continue to be used and attached to the vehicle for which they were issued and may be renewed, retained, or transferred pursuant to this code.

(d) (1) The Department of Veterans Affairs may sponsor a Gold Star Family specialized license plate program and the department may establish this specialized license plate program in the absence of 7,500 paid applications as provided in subdivision (d) of Section 5157.

(2) The Department of Veterans Affairs shall, upon receiving proof of eligibility from an applicant, authorize the department to issue Gold Star Family specialized license plates for a vehicle owned by an eligible family member of a member of the Armed Forces of the United States who was killed in the line of duty while on active duty during wartime service, or during an international terrorist attack that has been recognized by the United States Secretary of Defense as an attack against the United States or a foreign nation friendly to the United States, or during military operations while serving outside the United States, including commonwealths, territories, and possessions of the United States, or as

part of a peacekeeping force, which includes personnel assigned to a force engaged in a peacekeeping operation authorized by the United Nations Security Council. An eligible family member is defined as all of the following:

(A) A person who is otherwise eligible under this article to register a motor vehicle.

(B) A person who shows proof from the United States Department of Veterans Affairs or the Department of Defense that the member who was in the Armed Forces of the United States was killed in the line of duty while on active duty in the military.

(C) A person who bears, and shows proof satisfactory to the Department of Veterans Affairs of, one of the following relationships to the member of the Armed Forces killed in the line of duty while serving on active duty:

- (i) Widow.
- (ii) Widower.
- (iii) Biological parent.
- (iv) Adoptive parent.
- (v) Stepparent.
- (vi) Foster parent in loco parentis.
- (vii) Biological child.
- (viii) Adoptive child.
- (ix) Stepchild.
- (x) Sibling.
- (xi) Half-sibling.
- (xii) Grandparent.
- (xiii) Grandchild.

(3) Upon the death of a person issued a Gold Star Family specialized license plate, the license plate shall be transferred to the surviving spouse, if he or she requests, or shall be returned to the department within 60 days after the death of the plateholder or upon the expiration of the vehicle registration, whichever occurs first.

SEC. 3. Section 5157 of the Vehicle Code is amended to read:

5157. (a) In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, or transfer of the specialized license plates:

- (1) For the original issuance of the plates, fifty dollars (\$50).
- (2) For a renewal of registration with the plates, forty dollars (\$40).
- (3) For transfer of the plates to another vehicle, fifteen dollars (\$15).
- (4) For each substitute replacement plate, thirty-five dollars (\$35).
- (5) In addition, for the issuance of environmental license plates, as defined in Section 5103, with a specialized license plate design, the additional fees prescribed in Sections 5106 and 5108. The additional

fees prescribed in Sections 5106 and 5108 shall be deposited in the California Environmental License Plate Fund.

(b) The Gold Star Family specialized license plate program as provided in subdivision (d) of Section 5156 shall not be subject to the fees specified in paragraphs (1), (2), and (5) of subdivision (a) and shall only be issued in a sequential series.

(c) Except as provided in paragraph (5) of subdivision (a), and after deducting its administrative costs under this section, the department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of the specialized license plates in the Specialized License Plate Fund, which is hereby established in the State Treasury. Upon appropriation by the Legislature, the moneys in that fund shall be allocated to each sponsoring agency, in proportion to the amount in the fund that is attributable to the agency's specialized license plate program. Except as authorized under Section 5159, the sponsoring agency shall expend all funds received under this section exclusively for projects and programs that promote the state agency's official policy, mission, or work.

(d) (1) The Department of Veterans Affairs may actively request and receive donations for the Gold Star Family License Plate Account which is hereby created in the Specialized License Plate Fund and which may consist of donations from public and private entities. Earnings generated by the Gold Star Family License Plate Account shall be retained by the account.

(2) Upon the determination of the department that there are sufficient funds in the Gold Star Family License Plate Account for this purpose, moneys in the Gold Star Family License Plate Account shall be available, upon appropriation by the Legislature, to the department for the necessary administrative costs of establishing the Gold Star Family specialized license plate program.

CHAPTER 310

An act to amend Sections 70650, 70651, 70652, 70657.5, and 70658 of the Government Code, relating to estates and trusts.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 70650 of the Government Code is amended to read:

70650. (a) The uniform filing fee for the first petition for letters of administration or letters testamentary, or the first petition for special letters of administration with the powers of a general personal representative pursuant to Section 8545 of the Probate Code is three hundred twenty dollars (\$320).

(b) The uniform filing fee for the first objections to the probate of any will or codicil under Section 8250 of the Probate Code, or the first petition for revocation of probate of any will or codicil under Section 8270 of the Probate Code, is three hundred twenty dollars (\$320). The uniform filing fee for the first petition for special letters of administration without the powers of a general personal representative is the fee provided in Section 70657.5. Where objections to the probate of a will or codicil or a petition for revocation of probate of a will or codicil are filed together with a petition for appointment of a personal representative described in subdivision (c) filed by the same person, only the fee provided in subdivision (c) shall be charged to that person.

(c) A fee of three hundred twenty dollars (\$320) shall also be charged for filing each subsequent petition or objections of a type described in subdivision (a) in the same proceeding by a person other than the original petitioner or contestant. The same fee as provided in subdivision (b) shall be charged for filing each subsequent petition or objections of a type described in that subdivision in the same proceeding by a person other than the original petitioner or contestant.

(d) Notwithstanding Section 70658.5, if a petition for special letters of administration without the powers of a general personal representative is filed together with a petition for appointment of an administrator with general powers under subdivision (a) or subdivision (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) The filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 2. Section 70651 of the Government Code is amended to read:

70651. (a) The uniform filing fee for objections or any other paper in opposition to a petition described in subdivision (a) of Section 70650, other than a petition described in subdivision (c) of Section 70650, is three hundred twenty dollars (\$320). If objections or any other paper in opposition are filed together with a petition described in subdivision (c) of Section 70650 by the same person, only the fee provided in subdivision (c) of Section 70650 shall be charged to that person.

(b) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 3. Section 70652 of the Government Code is amended to read:

70652. (a) The uniform filing fee for each petition concerning the internal affairs of a trust under Chapter 3 (commencing with Section 17200) of Part 5 of Division 9 of the Probate Code, or a first account of a trustee of a testamentary trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code is three hundred twenty dollars (\$320).

(b) The uniform filing fee for each paper filed in opposition to a petition or first account of a trustee of a testamentary trust under subdivision (a) is three hundred twenty dollars (\$320).

(c) To avoid hardship, or for other good cause, the court may direct the clerk of the court to refund all or any part of a filing fee paid under this section.

(d) This section does not apply to petitions or opposition filed concerning trusts created by court order under Article 10 (commencing with Section 2580) of Chapter 6 of Part 3 of Division 4 of the Probate Code, Article 1 (commencing with Section 3100) of Chapter 3 of Part 6 of Division 4 of the Probate Code, Article 1 (commencing with Section 3600) of Chapter 4 of Part 8 of Division 4 of the Probate Code.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 4. Section 70657.5 of the Government Code is amended to read:

70657.5. (a) The uniform fee for filing the following petitions or applications, and objections or other opposition, is forty dollars (\$40):

(1) Petitions or applications, or opposition, concerning the internal affairs of a trust that are not subject to the filing fees provided in Section 70650, 70651, or 70652.

(2) Petitions or applications, or objections, filed subsequent to issuance of temporary letters of conservatorship or guardianship or letters of conservatorship or guardianship that are not subject to the filing fee provided in subdivision (a) of Section 70658.

(3) Petitions or applications, or objections, filed subsequent to issuance of special letters of administration or letters testamentary or of administration in decedent's estate proceedings that are not subject to the filing fee provided in subdivision (a) of Section 70658.

(4) The first or subsequent petition for special letters of administration without the powers of a general personal representative.

(5) The first or subsequent petition for temporary letters of conservatorship or guardianship.

(b) No fee is payable under this section for any of the following:

(1) A petition or opposition filed subsequent to issuance of letters of temporary guardianship or letters of guardianship in a guardianship described in Section 70654.

(2) A disclaimer of an interest in a decedent's estate.

SEC. 5. Section 70658 of the Government Code is amended to read:

70658. (a) Except as provided in subdivision (c), the uniform fee for filing a petition or application, or objections or any other paper in opposition to a petition or application listed in this subdivision, filed after issuance of letters testamentary, letters of administration, letters of special administration to a personal representative of a decedent's estate, or letters of guardianship or conservatorship, or letters of temporary guardianship or conservatorship to a guardian or conservator, is one hundred eighty dollars (\$180). This section shall apply to the following petitions or applications, or opposition:

(1) Petition or application for or opposition to an order directing, authorizing, approving, or confirming the sale, lease, encumbrance, grant of an option, purchase, conveyance, or exchange of property.

(2) Petition or application for or opposition to an order settling an account of a fiduciary.

(3) Petition or application for or opposition to an order authorizing, instructing, or directing a fiduciary, or approving or confirming the acts of a fiduciary.

(4) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of an attorney.

(5) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of a fiduciary.

(6) Petition or application for or opposition to an order surcharging or removing a fiduciary.

(7) Petition or application for or opposition to an order transferring or authorizing the transfer of the property of an estate to a fiduciary in another jurisdiction.

(8) Petition or application for or opposition to an order allowing a fiduciary's request to resign.

(9) Petition or application for or opposition to an order adjudicating the merits of a claim made under Part 19 (commencing with Section 850) of Division 2 of the Probate Code.

(10) Petition or application for or opposition to an order granting permission to fix the residence of a ward or conservatee at a place not within this state.

(11) Petition or application for or opposition to an order directing, authorizing, approving, or modifying payments for support, maintenance, or education of a ward or conservatee or for a person entitled to support, maintenance, or education from a ward or conservatee.

(12) Petition or application for or opposition to an order granting or denying a request under Section 2423, concerning payment of surplus income to the relatives of a conservatee, or Section 2580, concerning substituted judgment, of the Probate Code.

(13) Petition or application for or opposition to an order affecting the legal capacity of a conservatee pursuant to Chapter 4 (commencing with Section 1870) of Part 3 of Division 4 of the Probate Code.

(14) Petition or application for or opposition to an order adjudicating the merits of a claim under Article 5 (commencing with Section 2500) of Chapter 6 of Part 4 of Division 4 of the Probate Code.

(b) The uniform fee in subdivision (a) shall be distributed as provided in Section 68085.4. No other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

(c) The fee provided in this section shall not be charged for filing any of the following papers:

(1) A petition or application, or opposition, in a guardianship proceeding under Section 70654.

(2) A disclaimer of an interest in a decedent's estate.

CHAPTER 311

An act to amend Section 6322.1 of the Business and Professions Code, to amend Sections 68085.1, 68085.3, 68085.4, 68086.1, 70372, 70374, 70375, 70391, 70603, 70611, 70612, 70613, 70614, 70617, 70621, 70650, 70651, 70652, 70653, 70654, 70655, 70656, 70657, 70657.5, 70658, and 70670 of, and to add Sections 68085.45, 70371.5, 70371.6, 70373, and 70602 to, the Government Code, to amend Section 103470 of the Health and Safety Code, to amend Section 1463.010 of, and to amend, repeal, and add Section 1203.1d of, the Penal Code, to amend Section 7660 of the Probate Code, and to amend Sections 40611 and 42007.1 of the Vehicle Code, relating to court facilities.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 6322.1 of the Business and Professions Code is amended to read:

6322.1. (a) Until the end of the moratorium described in Section 70601 of the Government Code, the board of supervisors of any county may increase, as provided in this section, the amount distributed to its county law library fund from the uniform filing fees listed in Section 6321 whenever it determines that the increase is necessary to defray the expenses of the law library.

Any increase in the amount distributed to the law library fund in any county under this subdivision shall not be effective until January 1 of the next year after the adoption by the board of supervisors of the increase. The amount of the increase in any calendar year shall be no greater than three dollars (\$3) over the previous calendar year. A copy of the action of the board of supervisors that establishes the increase shall be provided to the Administrative Office of the Courts as soon as it becomes available but no later than December 15 of the year before the increased distribution goes into effect.

(b) Distribution changes after January 1, 2008, shall be determined by the process described in Section 70601 of the Government Code.

(c) (1) In an action or proceeding in which a claim for money damages falls within the monetary jurisdiction of the small claims court and is filed by an assignee who is prohibited from filing or maintaining a claim pursuant to Section 116.420 of the Code of Civil Procedure, the uniform filing fee shall be reduced by twenty-four dollars (\$24) to one hundred seventy-six dollars (\$176) if the complaint contains a declaration under penalty of perjury, executed by the party requesting the reduction in fees, that the case qualifies for the lower fee because the claim for money damages will not exceed the monetary jurisdiction of small claims court and is filed by an assignee of the claim.

(2) When the uniform filing fee is reduced as provided under this subdivision, the amount distributed from each uniform filing fee to the law library fund in the county shall be as follows:

Jurisdiction	Amount
Alameda.....	\$12.00
Alpine.....	1.00
Amador.....	6.00
Butte.....	12.00
Calaveras.....	7.00
Colusa.....	12.00
Contra Costa.....	8.00

Del Norte.....	6.00
El Dorado.....	9.00
Fresno.....	9.00
Glenn.....	6.00
Humboldt.....	12.00
Imperial.....	12.00
Inyo.....	6.00
Kern.....	12.00
Kings.....	12.00
Lake.....	12.00
Lassen.....	12.00
Los Angeles.....	5.00
Madera.....	12.00
Marin.....	12.00
Mariposa.....	4.00
Mendocino.....	12.00
Merced.....	12.00
Modoc.....	6.00
Mono.....	6.00
Monterey.....	10.00
Napa.....	12.00
Nevada.....	7.00
Orange.....	8.00
Placer.....	7.00
Plumas.....	6.00
Riverside.....	12.00
Sacramento.....	8.50
San Benito.....	6.00
San Bernardino.....	12.00
San Diego.....	12.00
San Francisco.....	12.00
San Joaquin.....	10.00
San Luis Obispo.....	12.00
San Mateo.....	12.00
Santa Barbara.....	12.00
Santa Clara.....	8.00
Santa Cruz.....	12.00
Shasta.....	8.50
Sierra.....	9.00
Siskiyou.....	8.00
Solano.....	9.00
Sonoma.....	12.00
Stanislaus.....	6.50

Sutter.....	1.00
Tehama.....	9.00
Trinity.....	6.00
Tulare.....	12.00
Tuolumne.....	2.00
Ventura.....	12.00
Yolo.....	10.00
Yuba.....	7.00

The increases described in subdivision (a) do not apply to the law library distributions in this subdivision.

(3) Notwithstanding subdivision (d) of Section 68085.4 of the Government Code, when the uniform filing fee is reduced as provided in this subdivision, the amounts distributed to dispute resolution programs, the State Court Facilities Construction Fund, the Judges' Retirement Fund, children's waiting rooms, and the Equal Access Fund shall remain as provided under subdivisions (b) and (c) of Section 68085.4 of the Government Code and shall not be changed. Only the amounts distributed to the Trial Court Trust Fund, the law libraries, and the Immediate and Critical Needs Account of the State Court Facilities Construction Fund shall be adjusted. The amount distributed from each uniform filing fee under this section to the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, shall be eleven dollars (\$11). If the fee is further reduced below one hundred seventy-six dollars (\$176), as with a partial waiver or partial payment, the proportional reductions described in subdivision (g) of Section 68085.1 of the Government Code shall apply.

(d) Distributions under this section to the law library fund in each county shall be used only for the purposes authorized by this chapter.

(e) As used in this section and Section 6321, "law library fund" includes a law library account described in the second paragraph of Section 6320.

SEC. 1.5. Section 68085.1 of the Government Code is amended to read:

68085.1. (a) This section applies to all fees and fines that are collected on or after January 1, 2006, under all of the following:

(1) Sections 177.5, 209, 403.060, 491.150, 631.3, 683.150, 704.750, 708.160, 724.100, 1134, 1161.2, 1218, and 1993.2 of, subdivision (g) of Section 411.20 and subdivisions (c) and (g) of Section 411.21 of, and Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of, the Code of Civil Procedure.

(2) Section 3112 of the Family Code.

(3) Section 31622 of the Food and Agricultural Code.

(4) Subdivision (d) of Section 6103.5, Sections 68086 and 68086.1, subdivision (d) of Section 68511.3, Sections 68926.1 and 69953.5, and Chapter 5.8 (commencing with Section 70600).

(5) Section 103470 of the Health and Safety Code.

(6) Subdivisions (b) and (c) of Section 166 and Section 1214.1 of the Penal Code.

(7) Sections 1835, 1851.5, 2343, 7660, and 13201 of the Probate Code.

(8) Sections 14607.6 and 16373 of the Vehicle Code.

(9) Section 71386 of this code, Sections 304, 7851.5, and 9002 of the Family Code, and Section 1513.1 of the Probate Code, if the reimbursement is for expenses incurred by the court.

(10) Section 3153 of the Family Code, if the amount is paid to the court for the cost of counsel appointed by the court to represent a child.

(b) On and after January 1, 2006, each superior court shall deposit all fees and fines listed in subdivision (a), as soon as practicable after collection and on a regular basis, into a bank account established for this purpose by the Administrative Office of the Courts. Upon direction of the Administrative Office of the Courts, the county shall deposit civil assessments under Section 1214.1 of the Penal Code and any other money it collects under the sections listed in subdivision (a) as soon as practicable after collection and on a regular basis into the bank account established for this purpose and specified by the Administrative Office of the Courts. The deposits shall be made as required by rules adopted by, and financial policies and procedures authorized by, the Judicial Council under subdivision (a) of Section 77206. Within 15 days after the end of the month in which the fees and fines are collected, each court, and each county that collects any fines or fees under subdivision (a), shall provide the Administrative Office of the Courts with a report of the fees by categories as specified by the Administrative Office of the Courts. The Administrative Office of the Courts and any court may agree upon a time period greater than 15 days, but in no case more than 30 days after the end of the month in which the fees and fines are collected. The fees and fines listed in subdivision (a) shall be distributed as provided in this section.

(c) (1) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the Administrative Office of the Courts shall make the following distributions:

(A) To the small claims advisory services, as described in subdivision (f) of Section 116.230 of the Code of Civil Procedure.

(B) To dispute resolution programs, as described in subdivision (b) of Section 68085.3 and subdivision (b) of Section 68085.4.

(C) To the county law library funds, as described in Sections 116.230 and 116.760 of the Code of Civil Procedure, subdivision (b) of Section 68085.3, subdivision (b) of Section 68085.4, and Section 70621 of this code, and Section 14607.6 of the Vehicle Code.

(D) To the courthouse construction funds in the Counties of Riverside, San Bernardino, and San Francisco, as described in Sections 70622, 70624, and 70625.

(2) If any distribution under this subdivision is delinquent, the Administrative Office of the Courts shall add a penalty to the distribution as specified in subdivision (i).

(d) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the amounts remaining after the distributions in subdivision (c) shall be transmitted to the State Treasury for deposit in the Trial Court Trust Fund and other funds as required by law. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund or other fund to which it is to be deposited. Upon the receipt of any delinquent payment required under this subdivision, the Controller shall calculate a penalty as provided under subdivision (i).

(e) From the money transmitted to the State Treasury under subdivision (d), the Controller shall make deposits as follows:

(1) Into the State Court Facilities Construction Fund, the Judges' Retirement Fund, and the Equal Access Fund, as described in subdivision (c) of Section 68085.3 and subdivision (c) of Section 68085.4.

(2) Into the Health Statistics Special Fund, as described in subdivision (b) of Section 70670 of this code and Section 103730 of the Health and Safety Code.

(3) Into the Family Law Trust Fund, as described in Section 70674.

(4) Into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, as described in Sections 68085.3, 68085.4, and 70657.5, and subdivision (e) of Section 70617.

(5) The remainder of the money shall be deposited into the Trial Court Trust Fund.

(f) The amounts collected by each superior court under Section 116.232, subdivision (g) of Section 411.20, and subdivision (g) of Section 411.21 of the Code of Civil Procedure, Sections 304, 3112, 3153, 7851.5, and 9002 of the Family Code, subdivision (d) of Section 6103.5, subdivision (d) of Section 68511.3 and Sections 68926.1, 69953.5, 70627, 70631, 70640, 70661, 70678, and 71386 of this code, and Sections 1513.1, 1835, 1851.5, and 2343 of the Probate Code shall be added to

the monthly apportionment for that court under subdivision (a) of Section 68085.

(g) If any of the fees provided in subdivision (a) are partially waived by court order or otherwise reduced, and the fee is to be divided between the Trial Court Trust Fund and any other fund or account, the amount of the reduction shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee. If the fee is paid by installment payments, the amount distributed to each fund or account from each installment shall bear the same proportion to the installment payment as the full distribution to that fund or account does to the full fee. If a court collects a fee that was incurred before January 1, 2006, under a provision that was the predecessor to one of the paragraphs contained in subdivision (a), the fee may be deposited as if it were collected under the paragraph of subdivision (a) that corresponds to the predecessor of that paragraph and distributed in prorated amounts to each fund or account to which the fee in subdivision (a) must be distributed.

(h) Except as provided in Sections 470.5 and 6322.1 of the Business and Professions Code, and Sections 70622, 70624, and 70625 of this code, no agency may take action to change the amounts allocated to any of the funds described in subdivision (c), (d), or (e).

(i) The amount of the penalty on any delinquent payment under subdivision (c) or (d) shall be calculated by multiplying the amount of the delinquent payment at a daily rate equivalent to 1½ percent per month for the number of days the payment is delinquent. The penalty shall be paid from the Trial Court Trust Fund. Penalties on delinquent payments under subdivision (d) shall be calculated only on the amounts to be distributed to the Trial Court Trust Fund and the State Court Facilities Construction Fund, and each penalty shall be distributed proportionately to the funds to which the delinquent payment was to be distributed.

(j) If a delinquent payment under subdivision (c) or (d) results from a delinquency by a superior court under subdivision (b), the court shall reimburse the Trial Court Trust Fund for the amount of the penalty. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse pursuant to this section shall be paid from the court operations fund for that court. The penalty shall be paid by the court to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated. If the penalty is not paid within the specified time, the Administrative Office of the Courts may reduce the amount of a subsequent monthly allocation to the court by the amount of the penalty on the delinquent payment.

(k) If a delinquent payment under subdivision (c) or (d) results from a delinquency by a county in transmitting fees and fines listed in subdivision (a) to the bank account established for this purpose, as described in subdivision (b), the county shall reimburse the Trial Court Trust Fund for the amount of the penalty. The penalty shall be paid by the county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

SEC. 1.7. Section 68085.1 of the Government Code is amended to read:

68085.1. (a) This section applies to all fees and fines that are collected on or after January 1, 2006, under all of the following:

(1) Sections 177.5, 209, 403.060, 491.150, 631.3, 683.150, 704.750, 708.160, 724.100, 1134, 1161.2, 1218, and 1993.2 of, subdivision (g) of Section 411.20 and subdivisions (c) and (g) of Section 411.21 of, and Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of, the Code of Civil Procedure.

(2) Section 3112 of the Family Code.

(3) Section 31622 of the Food and Agricultural Code.

(4) Subdivision (d) of Section 6103.5, Sections 68086 and 68086.1, subdivision (d) of Section 68511.3, Sections 68926.1 and 69953.5, and Chapter 5.8 (commencing with Section 70600).

(5) Section 103470 of the Health and Safety Code.

(6) Subdivisions (b) and (c) of Section 166 and Section 1214.1 of the Penal Code.

(7) Sections 1835, 1851.5, 2343, 7660, and 13201 of the Probate Code.

(8) Sections 14607.6 and 16373 of the Vehicle Code.

(9) Section 71386 of this code, Sections 304, 7851.5, and 9002 of the Family Code, Section 1513.1 of the Probate Code, and Section 903.1 of the Welfare and Institutions Code, if the reimbursement is for expenses incurred by the court.

(10) Section 3153 of the Family Code, if the amount is paid to the court for the cost of counsel appointed by the court to represent a child.

(b) On and after January 1, 2006, each superior court shall deposit all fees and fines listed in subdivision (a), as soon as practicable after collection and on a regular basis, into a bank account established for this purpose by the Administrative Office of the Courts. Upon direction of the Administrative Office of the Courts, the county shall deposit civil assessments under Section 1214.1 of the Penal Code and any other money it collects under the sections listed in subdivision (a) as soon as practicable after collection and on a regular basis into the bank account established for this purpose and specified by the Administrative Office of the Courts. The deposits shall be made as required by rules adopted

by, and financial policies and procedures authorized by, the Judicial Council under subdivision (a) of Section 77206. Within 15 days after the end of the month in which the fees and fines are collected, each court, and each county that collects any fines or fees under subdivision (a), shall provide the Administrative Office of the Courts with a report of the fees by categories as specified by the Administrative Office of the Courts. The Administrative Office of the Courts and any court may agree upon a time period greater than 15 days, but in no case more than 30 days after the end of the month in which the fees and fines are collected. The fees and fines listed in subdivision (a) shall be distributed as provided in this section.

(c) (1) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the Administrative Office of the Courts shall make the following distributions:

(A) To the small claims advisory services, as described in subdivision (f) of Section 116.230 of the Code of Civil Procedure.

(B) To dispute resolution programs, as described in subdivision (b) of Section 68085.3 and subdivision (b) of Section 68085.4.

(C) To the county law library funds, as described in Sections 116.230 and 116.760 of the Code of Civil Procedure, subdivision (b) of Section 68085.3, subdivision (b) of Section 68085.4, and Section 70621 of this code, and Section 14607.6 of the Vehicle Code.

(D) To the courthouse construction funds in the Counties of Riverside, San Bernardino, and San Francisco, as described in Sections 70622, 70624, and 70625.

(2) If any distribution under this subdivision is delinquent, the Administrative Office of the Courts shall add a penalty to the distribution as specified in subdivision (i).

(d) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the amounts remaining after the distributions in subdivision (c) shall be transmitted to the State Treasury for deposit in the Trial Court Trust Fund and other funds as required by law. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund or other fund to which it is to be deposited. Upon the receipt of any delinquent payment required under this subdivision, the Controller shall calculate a penalty as provided under subdivision (i).

(e) From the money transmitted to the State Treasury under subdivision (d), the Controller shall make deposits as follows:

(1) Into the State Court Facilities Construction Fund, the Judges' Retirement Fund, and the Equal Access Fund, as described in subdivision (c) of Section 68085.3 and subdivision (c) of Section 68085.4.

(2) Into the Health Statistics Special Fund, as described in subdivision (b) of Section 70670 of this code and Section 103730 of the Health and Safety Code.

(3) Into the Family Law Trust Fund, as described in Section 70674.

(4) Into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, as described in Sections 68085.3, 68085.4, and 70657.5, and subdivision (e) of Section 70617.

(5) The remainder of the money shall be deposited into the Trial Court Trust Fund.

(f) The amounts collected by each superior court under Section 116.232, subdivision (g) of Section 411.20, and subdivision (g) of Section 411.21 of the Code of Civil Procedure, Sections 304, 3112, 3153, 7851.5, and 9002 of the Family Code, subdivision (d) of Section 6103.5, subdivision (d) of Section 68511.3 and Sections 68926.1, 69953.5, 70627, 70631, 70640, 70661, 70678, and 71386 of this code, and Sections 1513.1, 1835, 1851.5, and 2343 of the Probate Code shall be added to the monthly apportionment for that court under subdivision (a) of Section 68085.

(g) If any of the fees provided in subdivision (a) are partially waived by court order or otherwise reduced, and the fee is to be divided between the Trial Court Trust Fund and any other fund or account, the amount of the reduction shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee. If the fee is paid by installment payments, the amount distributed to each fund or account from each installment shall bear the same proportion to the installment payment as the full distribution to that fund or account does to the full fee. If a court collects a fee that was incurred before January 1, 2006, under a provision that was the predecessor to one of the paragraphs contained in subdivision (a), the fee may be deposited as if it were collected under the paragraph of subdivision (a) that corresponds to the predecessor of that paragraph and distributed in prorated amounts to each fund or account to which the fee in subdivision (a) must be distributed.

(h) Except as provided in Sections 470.5 and 6322.1 of the Business and Professions Code, and Sections 70622, 70624, and 70625 of this code, no agency may take action to change the amounts allocated to any of the funds described in subdivision (c), (d), or (e).

(i) The amount of the penalty on any delinquent payment under subdivision (c) or (d) shall be calculated by multiplying the amount of

the delinquent payment at a daily rate equivalent to 1½ percent per month for the number of days the payment is delinquent. The penalty shall be paid from the Trial Court Trust Fund. Penalties on delinquent payments under subdivision (d) shall be calculated only on the amounts to be distributed to the Trial Court Trust Fund and the State Court Facilities Construction Fund, and each penalty shall be distributed proportionately to the funds to which the delinquent payment was to be distributed.

(j) If a delinquent payment under subdivision (c) or (d) results from a delinquency by a superior court under subdivision (b), the court shall reimburse the Trial Court Trust Fund for the amount of the penalty. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse pursuant to this section shall be paid from the court operations fund for that court. The penalty shall be paid by the court to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated. If the penalty is not paid within the specified time, the Administrative Office of the Courts may reduce the amount of a subsequent monthly allocation to the court by the amount of the penalty on the delinquent payment.

(k) If a delinquent payment under subdivision (c) or (d) results from a delinquency by a county in transmitting fees and fines listed in subdivision (a) to the bank account established for this purpose, as described in subdivision (b), the county shall reimburse the Trial Court Trust Fund for the amount of the penalty. The penalty shall be paid by the county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

SEC. 2. Section 68085.3 of the Government Code is amended to read:

68085.3. (a) Fees collected under Sections 70611, 70612, 70650, 70651, 70652, 70653, 70655, 70658, and 70670 shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three-hundred-fifty-dollar (\$350) fee listed in subdivision (a), the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three-hundred-fifty-dollar (\$350) fee listed in subdivision (a), the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, thirty-five dollars (\$35).

(2) To the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, thirty dollars (\$30), unless the fee is collected under Section 70658, in which case the amount distributed to that fund shall be one hundred seventy dollars (\$170).

(3) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(4) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(5) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 2.5. Section 68085.3 of the Government Code is amended to read:

68085.3. (a) Fees collected under Sections 70611, 70612, 70650, 70651, 70652, 70653, 70655, 70658, and 70670 shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three-hundred-fifty-five-dollar (\$355) fee listed in subdivision (a), the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three-hundred-fifty-five-dollar (\$355) fee listed in subdivision (a), the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, thirty-five dollars (\$35).

(2) To the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, thirty dollars (\$30), unless the fee is collected under Section 70658, in which case the amount distributed to that fund shall be one hundred seventy dollars (\$170).

(3) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(4) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(5) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 3. Section 68085.4 of the Government Code is amended to read:

68085.4. (a) Fees collected under Sections 70613, 70614, 70621, 70654, and 70656 of this code, Section 103470 of the Health and Safety Code, and Section 7660 of the Probate Code shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three-hundred-twenty-five-dollar (\$325) fee and each two-hundred-dollar (\$200) fee listed in subdivision (a), the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three-hundred-twenty-five-dollar (\$325) fee and each two-hundred-dollar (\$200) fee listed in subdivision (a), the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, twenty-five dollars (\$25) if the fee is three hundred twenty-five dollars (\$325), and twenty dollars (\$20) if the fee is two hundred dollars (\$200).

(2) To the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, twenty-five dollars (\$25) if the fee is three hundred twenty-five dollars (\$325), and twenty dollars (\$20) if the fee is two hundred dollars (\$200), except as otherwise provided in Section 6322.1 of the Business and Professions Code.

(3) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(4) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(5) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 3.5. Section 68085.4 of the Government Code is amended to read:

68085.4. (a) Fees collected under Sections 70613, 70614, 70621, 70654, and 70656 of this code, Section 103470 of the Health and Safety Code, and Section 7660 of the Probate Code shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three-hundred-thirty-dollar (\$330) fee and each two-hundred-five-dollar (\$205) fee listed in subdivision (a), the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three-hundred-thirty-dollar (\$330) fee and each two-hundred-five-dollar (\$205) fee listed in subdivision (a), the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, twenty-five dollars (\$25) if the fee is three hundred thirty dollars (\$330), and twenty dollars (\$20) if the fee is two hundred five dollars (\$205).

(2) To the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5, twenty-five dollars (\$25) if the fee is three hundred thirty dollars (\$330), and twenty dollars (\$20) if the fee is two hundred five dollars (\$205), except as otherwise provided in Section 6322.1 of the Business and Professions Code.

(3) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(4) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(5) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 3.7. Section 68085.45 is added to the Government Code, to read:

68085.45. (a) There is hereby established the State Trial Court Operations Trust Fund. Upon the retirement of any bonded indebtedness that may be incurred in connection with immediate and critical trial court projects, any moneys remaining in, or that would otherwise be payable into, the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, shall be transferred to the Controller for deposit into the State Trial Court Operations Trust Fund.

(b) The proceeds of the State Trial Court Operations Trust Fund shall be available, upon appropriation by the Legislature in the annual Budget Act, only for trial court operations as defined in Section 77003.

SEC. 4. Section 68086.1 of the Government Code is amended to read:

68086.1. (a) Commencing January 1, 2006, for each three-hundred-fifty-dollar (\$350) fee collected under Section 70611, 70612, or 70670, twenty-five dollars (\$25) of the amount distributed to the Trial Court Trust Fund shall be used for services of an official court reporter in civil proceedings.

(b) Commencing January 1, 2006, for each three-hundred-twenty-five-dollar (\$325) fee collected under subdivision (a) of Section 70613 or subdivision (a) of Section 70614, twenty-five

dollars (\$25) of the amount distributed to the Trial Court Trust Fund shall be used for services of an official court reporter in civil proceedings.

(c) It is the intent of the Legislature, in approving the twenty-five-dollar (\$25) distribution out of each filing fee listed in subdivisions (a) and (b), to continue an incentive to courts to use the services of an official court reporter in civil proceedings. However, nothing in this section shall affect the Judicial Council's authority to allocate these revenues to replace reductions in the General Fund appropriation to the Trial Court Trust Fund.

(d) The portion of the distribution to the Trial Court Trust Fund to be used for services of an official court reporter in civil proceedings pursuant to subdivisions (a) and (b) shall be used only in trial courts that utilize the services of an official court reporter in civil proceedings.

SEC. 4.5. Section 68086.1 of the Government Code is amended to read:

68086.1. (a) Commencing January 1, 2006, for each three-hundred-fifty-five-dollar (\$355) fee collected under Section 70611, 70612, or 70670, twenty-five dollars (\$25) of the amount distributed to the Trial Court Trust Fund shall be used for services of an official court reporter in civil proceedings.

(b) Commencing January 1, 2006, for each three-hundred-thirty-dollar (\$330) fee collected under subdivision (a) of Section 70613 or subdivision (a) of Section 70614, twenty-five dollars (\$25) of the amount distributed to the Trial Court Trust Fund shall be used for services of an official court reporter in civil proceedings.

(c) It is the intent of the Legislature, in approving the twenty-five-dollar (\$25) distribution out of each filing fee listed in subdivisions (a) and (b), to continue an incentive to courts to use the services of an official court reporter in civil proceedings. However, nothing in this section shall affect the Judicial Council's authority to allocate these revenues to replace reductions in the General Fund appropriation to the Trial Court Trust Fund.

(d) The portion of the distribution to the Trial Court Trust Fund to be used for services of an official court reporter in civil proceedings pursuant to subdivisions (a) and (b) shall be used only in trial courts that utilize the services of an official court reporter in civil proceedings.

SEC. 5. Section 70371.5 is added to the Government Code, to read:

70371.5. (a) There is hereby established the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, the proceeds of which shall only be used for any of the following:

(1) The planning, design, construction, rehabilitation, renovation, replacement, or acquisition of court facilities.

(2) Repayment for moneys appropriated for lease of court facilities pursuant to the issuance of lease-revenue bonds.

(3) Payment for lease or rental of court facilities, including those made for facilities in which one or more private sector participants undertake some of the risks associated with the financing, design, construction, or operation of the facility.

(b) Any moneys expended from the Immediate and Critical Needs Account are not subject to Section 77202.

(c) It is the intent of the Legislature that the money in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund shall be used in part to pay the debt service of lease revenue bonds, notes, bond anticipation notes, or other appropriate financial instruments used to pay for the costs referred to in subdivision (a) in the amount of up to five billion dollars (\$5,000,000,000). The total bonded indebtedness shall not exceed that amount for which fine and fee revenues may fully satisfy the debt service.

(d) The Judicial Council shall collect and make available upon request information regarding the moneys deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund resulting from new and increased fees, assessments, and penalties authorized by the act that added this section.

(e) (1) The Judicial Council shall make recommendations to the Governor and the Legislature for projects based on its determination that the need for a project is most immediate and critical using the then most recent version of the Prioritization Methodology for Trial Court Capital-Outlay Projects originally adopted on August 26, 2006.

(2) The Legislature finds that there may not be enough resources to pay for the cost of the projects identified as immediate and critical needs by the Judicial Council pursuant to its Prioritization Methodology for Trial Court Capital-Outlay Projects originally adopted on August 26, 2006, even after considering any bonded indebtedness that may be issued relying at least in part on those resources. Therefore, in choosing which projects shall be recommended to the Governor and the Legislature for the selection of projects to be funded from the Immediate and Critical Needs Account of the State Court Construction Fund, the Judicial Council shall consider and apply, as appropriate, the following factors, among others:

(A) Any economic opportunity that exists for a project.

(B) The effect on available resources of using alternative methods of project delivery as provided by Section 70391.5.

(3) Nothing in paragraph (2) shall authorize the Judicial Council to exceed the resources provided by the Immediate and Critical Needs Account of the State Court Construction Fund, together with other

available resources, in undertaking projects identified as immediate and critical needs.

(4) As used in paragraph (2), “economic opportunity” includes, but is not limited to, free or reduced costs of land for new construction, viable financing partnerships with, or fund contributions by, other government entities or private parties that result in lower project delivery costs, cost savings resulting from adaptive reuse of existing facilities, operational efficiencies from consolidation of court calendars and operations, operational savings from sharing of facilities by more than one court, and building operational cost savings from consolidation of facilities.

(5) The Judicial Council shall not consider and apply an economic opportunity in making a recommendation unless it is reasonably assured that the economic opportunity is viable and will be realized. If a project is selected for funding based on an economic opportunity that is withdrawn after the project is approved, the Judicial Council may cancel the project.

SEC. 5.5. Section 70371.6 is added to the Government Code, to read:

70371.6. The Judicial Council is authorized to acquire sites for the replacement of deficient court facilities within the Counties of Butte (New North County Courthouse), Los Angeles (New Southeast Los Angeles Courthouse), Tehama (New Red Bluff Courthouse), and Yolo (New Woodland Courthouse), as identified in the Immediate Needs Priority Group identified by the Judicial Branch Five-Year Infrastructure Plan, as adopted by the Judicial Council on April 25, 2008.

SEC. 6. Section 70372 of the Government Code is amended to read:

70372. (a) (1) Except as otherwise provided in subdivision (b) of Section 70375 and in this article, there shall be levied a state court construction penalty, in the amount of five dollars (\$5) for every ten dollars (\$10), or part of ten dollars (\$10), upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including, but not limited to, all offenses involving a violation of a section of the Fish and Game Code, the Health and Safety Code, or the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code. This penalty is in addition to any other state or local penalty, including, but not limited to, the penalty provided by Section 1464 of the Penal Code and Section 76000.

(2) The amount of the court construction penalty may be reduced by a county as provided in subdivision (b) of Section 70375.

(3) This construction penalty does not apply to the following:

(A) Any restitution fine.

(B) Any penalty authorized by Section 1464 of the Penal Code or Chapter 12 (commencing with Section 76000) of Title 8.

(C) Any parking offense subject to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code.

(D) The state surcharge authorized by Section 1465.7 of the Penal Code.

(4) Any bail schedule adopted pursuant to Section 1269b of the Penal Code or adopted by the Judicial Council pursuant to Section 40310 of the Vehicle Code may include the necessary amount to pay the penalty established by this section, the penalties authorized by Section 1464 of the Penal Code and Chapter 12 (commencing with Section 76000) of Title 8, and the surcharge authorized by Section 1465.7 of the Penal Code for all matters where a personal appearance is not mandatory and the bail is posted primarily to guarantee payment of the fine. After a determination by the court of the amount due, the clerk of the court shall collect the penalty and transmit it immediately to the county treasury and the county treasurer shall transmit these sums as provided in subdivision (f).

(b) In addition to the penalty provided by subdivision (a), for every parking offense where a parking penalty, fine, or forfeiture is imposed, an added state court construction penalty of four dollars and fifty cents (\$4.50) shall be included in the total penalty, fine, or forfeiture. These moneys shall be taken from fines and forfeitures deposited with the county treasurer prior to any division pursuant to Section 1462.3 or 1463.009 of the Penal Code. In those cities, districts, or other issuing agencies which elect to accept parking penalties, and otherwise process parking violations pursuant to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code, that city, district, or issuing agency shall observe the increased bail amounts as established by the court reflecting the added penalty provided for by this subdivision. Each agency that elects to process parking violations shall pay to the county treasurer four dollars and fifty cents (\$4.50) for the parking penalty imposed by this subdivision for each violation that is not filed in court. Those payments to the county treasurer shall be made monthly, and the county treasurer shall transmit these sums as provided in paragraph (2) of subdivision (f).

(c) If multiple offenses are involved, the state court construction penalty under subdivision (a) shall be based upon the total fine or bail for each case. If a fine is suspended, in whole or in part, the state court construction penalty under subdivision (a) shall be reduced in proportion to the suspension.

(d) If any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making the deposit shall also deposit a sufficient amount to include the state court construction penalty prescribed by subdivision (a) for forfeited

bail. If bail is returned, the state court construction penalty paid thereon pursuant to subdivision (a) shall also be returned.

(e) In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the state court construction penalty, the payment of which would work a hardship on the person convicted or his or her immediate family.

(f) (1) Within 45 days after the end of the month that moneys are deposited in the county treasury pursuant to subdivision (a), the county treasurer shall transmit the moneys to the Controller, to be deposited as follows:

(A) The total to be deposited pursuant to subdivision (a) shall be multiplied by a fraction as follows:

(i) The numerator is the amount imposed as an additional penalty on every ten dollars (\$10), or part of ten dollars (\$10), upon every fine, penalty, or forfeiture, if any, for deposit into the local courthouse construction fund in that county established pursuant to Sections 76000 and 76100. The numerator shall be expressed in whole dollars and fractions of a dollar.

(ii) The denominator is five dollars (\$5).

(B) The resulting amount shall be deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

(C) The remaining amount of the deposit shall be deposited in the State Court Facilities Construction Fund.

(2) Within 45 days after the end of the month that moneys are deposited in the county treasury pursuant to subdivision (b), the county treasurer shall transmit the moneys to the Controller to be deposited as follows: one-third of the total amount shall be deposited in the State Court Facilities Construction Fund and two-thirds of the total amount shall be deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

SEC. 6.5. Section 70373 is added to the Government Code, to read:

70373. (a) (1) To ensure and maintain adequate funding for court facilities, an assessment shall be imposed on every conviction for a criminal offense, including a traffic offense, except parking offenses as defined in subdivision (i) of Section 1463 of the Penal Code, involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code. The assessment shall be imposed in the amount of thirty dollars (\$30) for each misdemeanor or felony and in the amount of thirty-five dollars (\$35) for each infraction.

(2) For the purposes of this section, "conviction" includes the dismissal of a traffic violation on the condition that the defendant attend

a court-ordered traffic violator school, as authorized by Sections 41501 and 42005 of the Vehicle Code. This assessment shall be deposited in accordance with subdivision (d), and may not be included with the fee calculated and distributed pursuant to Section 42007 of the Vehicle Code.

(b) This assessment shall be in addition to the state penalty assessed pursuant to Section 1464 of the Penal Code and may not be included in the base fine to calculate the state penalty assessment as specified in subdivision (a) of Section 1464 of the Penal Code. The penalties authorized by Chapter 12 (commencing with Section 76000), and the state surcharge authorized by Section 1465.7 of the Penal Code, do not apply to this assessment.

(c) When bail is deposited for an offense to which this section applies, and for which a court appearance is not necessary, the person making the deposit also shall deposit a sufficient amount to include the assessment prescribed by this section.

(d) Notwithstanding any other law, the assessments collected pursuant to subdivision (a) shall all be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

(e) The Judicial Council shall provide for the administration of this section.

SEC. 7. Section 70374 of the Government Code, as amended by Section 5 of Chapter 9 of the Statutes of 2008, is amended to read:

70374. (a) The Judicial Council shall annually recommend to the Governor and the Legislature the amount proposed to be spent for projects paid for with money in the State Court Facilities Construction Fund. The use of the appropriated money is subject to subdivision (l) of Section 70391.

(b) Acquisition and construction of court facilities shall be subject to the State Building Construction Act of 1955 (commencing with Section 15800) and the Property Acquisition Law (commencing with Section 15850), except that, (1) notwithstanding any other provision of law, the Administrative Office of the Courts shall serve as an implementing agency upon approval of the Department of Finance, and (2) the provisions of subdivision (e) shall prevail. Acquisition and construction of facilities are not subject to the provisions of the Public Contract Code, but shall be subject to facilities contracting policies and procedures adopted by the Judicial Council after consultation and review by the Department of Finance.

(c) Money in the State Court Facilities Construction Fund shall only be used for either of the following:

(1) The planning, design, construction, rehabilitation, renovation, replacement, leasing, or acquisition of court facilities, as defined by subdivision (d) of Section 70301.

(2) The rehabilitation of one or more existing court facilities in conjunction with the construction, acquisition, or financing of one or more new court facilities.

(d) (1) Except as provided in Section 70374.2 and paragraph (2) of this subdivision, 25 percent of all money collected for the State Court Facilities Construction Fund from any county shall be designated for implementation of trial court projects in that county. The Judicial Council shall determine the local projects after consulting with the trial court in that county and based on the locally approved trial court facilities master plan for that county.

(2) Paragraph (1) shall not apply to money that has been deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

(e) The following provisions shall prevail over provisions of the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2) in regard to buildings subject to this section.

(1) The Administrative Office of the Courts shall be responsible for the operation, including, but not limited to, the maintenance and repair, of all court facilities whose title is held by the state. Notwithstanding Section 15807, the operation of buildings under this section shall be the responsibility of the Judicial Council.

(2) Notwithstanding Section 15808.1, the Judicial Council shall have the responsibility for determining whether a building under this act shall be located within or outside of an existing public transit corridor.

(3) The buildings under this section are subject to Section 15814.12 concerning cogeneration and alternative energy sources at the request of, or with the consent of, the Judicial Council. Any building acquired by the state pursuant to this section on or before July 1, 2007, is not subject to subdivision (b) of Section 15814.12 concerning acquiring of cogeneration or alternative energy equipment if the building, when acquired, already had cogeneration or alternative energy equipment. Section 15814.17 only applies to buildings to which the Judicial Council has given its consent under subdivision (a) of Section 15814.12.

SEC. 8. Section 70375 of the Government Code is amended to read: 70375. (a) This article shall take effect on January 1, 2003, and the fund, penalty, and fee assessment established by this article shall become operative on January 1, 2003, except as otherwise provided in this article.

(b) In each county, the five-dollar (\$5) penalty amount authorized by subdivision (a) of Section 70372 shall be reduced by the amount collected

for transmission to the state for inclusion in the Transitional State Court Facilities Construction Fund established pursuant to Section 70401 to the extent it is funded by money from the local courthouse construction fund.

(c) The authority for all of the following shall expire proportionally on the June 30th following the date of transfer of responsibility for facilities from the county to the Judicial Council, except so long as money is needed to pay for construction provided for in those sections and undertaken prior to the transfer of responsibility for facilities from the county to the Judicial Council:

(1) An additional penalty for a local courthouse construction fund established pursuant to Section 76100.

(2) A filing fee surcharge in the County of Riverside established pursuant to Section 70622.

(3) A filing fee surcharge in the County of San Bernardino established pursuant to Section 70624.

(4) A filing fee surcharge in the City and County of San Francisco established pursuant to Section 70625.

(d) For purposes of subdivision (c), the term “proportionally” means that proportion of the fee or surcharge that shall expire upon the transfer of responsibility for a facility that is the same proportion as the square footage that facility bears to the total square footage of court facilities in that county.

SEC. 9. Section 70391 of the Government Code is amended to read:

70391. The Judicial Council, as the policymaking body for the judicial branch, shall have the following responsibilities and authorities with regard to court facilities, in addition to any other responsibilities or authorities established by law:

(a) Exercise full responsibility, jurisdiction, control, and authority as an owner would have over trial court facilities whose title is held by the state, including, but not limited to, the acquisition and development of facilities.

(b) Exercise the full range of policymaking authority over trial court facilities, including, but not limited to, planning, construction, acquisition, and operation, to the extent not expressly otherwise limited by law.

(c) Dispose of surplus court facilities following the transfer of responsibility under Article 3 (commencing with Section 70321), subject to all of the following:

(1) If the property was a court facility previously the responsibility of the county, the Judicial Council shall comply with the requirements of Section 11011, and as follows, except that, notwithstanding any other provision of law, the proportion of the net proceeds that represents the proportion of other state funds used on the property other than for

operation and maintenance shall be returned to the fund from which it came and the remainder of the proceeds shall be deposited in the State Court Facilities Construction Fund.

(2) The Judicial Council shall consult with the county concerning the disposition of the facility. Notwithstanding any other law, including Section 11011, when requested by the transferring county, a surplus facility shall be offered to that county at fair market value prior to being offered to any other state agency or other local government agency.

(3) The Judicial Council shall consider whether the potential new or planned use of the facility:

(A) Is compatible with the use of other adjacent public buildings.

(B) Unreasonably departs from the historic or local character of the surrounding property or local community.

(C) Has a negative impact on the local community.

(D) Unreasonably interferes with other governmental agencies that use or are located in or adjacent to the building containing the court facility.

(E) Is of sufficient benefit to outweigh the public good in maintaining it as a court facility or building.

(4) All funds received for disposal of surplus court facilities shall be deposited by the Judicial Council in the State Court Facilities Construction Fund.

(5) If the facility was acquired, rehabilitated, or constructed, in whole or in part, with money in the State Court Facilities Construction Fund that was deposited in that fund from the state fund, any funds received for disposal of that facility shall be apportioned to the state fund and the State Court Facilities Construction Fund in the same proportion that the original cost of the building was paid from the state fund and other sources of the State Court Facilities Construction Fund.

(6) Submission of a plan to the Legislature for the disposition of court facilities transferred to the state, prior to, or as part of, any budget submission to fund a new courthouse that will replace the existing court facilities transferred to the state.

(d) Conduct audits of all of the following:

(1) The collection of fees by the local courts.

(2) The money in local courthouse construction funds established pursuant to Section 76100.

(3) The collection of moneys to be transmitted to the Controller for deposit in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

(e) Establish policies, procedures, and guidelines for ensuring that the courts have adequate and sufficient facilities, including, but not

limited to, facilities planning, acquisition, construction, design, operation, and maintenance.

(f) Establish and consult with local project advisory groups on the construction of new trial court facilities, including the trial court, the county, the local sheriff, state agencies, bar groups, including, but not limited to, the criminal defense bar, and members of the community. Consultation with the local sheriff in design, planning, and construction shall include the physical layout of new facilities, as it relates to court security and other security considerations, including matters relating to the safe control and transport of in-custody defendants.

(g) Manage court facilities in consultation with the trial courts.

(h) Allocate appropriated funds for court facilities maintenance and construction, subject to the other provisions of this chapter.

(i) Manage shared-use facilities to the extent required by the agreement under Section 70343.

(j) Prepare funding requests for court facility construction, repair, and maintenance.

(k) Implement the design, bid, award, and construction of all court construction projects, except as delegated to others.

(l) Provide for capital outlay projects that may be built with funds appropriated or otherwise available for these purposes as follows:

(1) Approve five-year and master plans for each district.

(2) Establish priorities for construction.

(3) Recommend to the Governor and the Legislature the projects to be funded by the State Court Facilities Construction Fund.

(4) Submit the cost of projects proposed to be funded to the Department of Finance for inclusion in the Governor's Budget.

(m) In carrying out its responsibilities and authority under this section, the Judicial Council shall consult with the local court for:

(1) Selecting and contracting with facility consultants.

(2) Preparing and reviewing architectural programs and designs for court facilities.

(3) Preparing strategic master and five-year capital facilities plans.

(4) Major maintenance of any facility.

SEC. 9.3. Section 70602 is added to the Government Code, to read: 70602. It is the intent of the Legislature to establish a moratorium on increases in filing fees until January 1, 2012. No fee provided for in this chapter may be changed before January 1, 2012.

SEC. 9.5. Section 70603 of the Government Code is amended to read:

70603. (a) Except as provided in this section, the fees charged for filings and services under this chapter are intended to be uniform statewide and to be the only allowable fees for those services and filings.

The only charges that may be added to the fees in this chapter are the following:

(1) In a complex case, the fee provided for in Section 70616 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, and 70614.

(2) In an unlawful detainer action subject to Section 1161.2 of the Code of Civil Procedure, a charge of fifteen dollars (\$15) as provided under that section may be added to the fee in Section 70613 for filing a first appearance by a plaintiff.

(3) In Riverside County, a surcharge as provided in Section 70622 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670.

(4) In San Bernardino County, a surcharge as provided in Section 70624 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670. This paragraph applies to fees collected under Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670, beginning January 1, 2006.

(5) In the City and County of San Francisco, a surcharge as provided in Section 70625 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670.

(b) Notwithstanding paragraph (1) of subdivision (c) of Section 68085.3 and paragraph (1) of subdivision (c) of Section 68085.4, when a charge for courthouse construction in the County or City and County of San Francisco, Riverside, or San Bernardino is added to the uniform filing fee as provided under paragraph (3), (4), or (5) of subdivision (a), the amount distributed to the State Court Facilities Construction Fund under Section 68085.3 or 68085.4 shall be reduced by an amount equal to the charge added under paragraph (3), (4), or (5) of subdivision (a), up to the amount that would otherwise be distributed to the State Court Facilities Construction Fund. If the amount added under paragraph (3), (4), or (5) of subdivision (a) is greater than the amount that would be distributed to the State Court Facilities Construction Fund under Section 68085.3 or 68085.4, no distribution shall be made to the State Court Facilities Construction Fund, but the amount charged to the party may be greater than the amount of the uniform fee otherwise allowed, in order to collect the surcharge under paragraph (3), (4), or (5) of subdivision (a).

(c) If a filing fee is reduced by twenty-four dollars (\$24) under subdivision (c) of Section 6322.1 of the Business and Professions Code, and a courthouse construction surcharge is added to the filing fee as

provided under paragraph (3), (4), or (5) of subdivision (a), the amount distributed to the State Court Facilities Construction Fund under Section 68085.4 shall be reduced as provided in subdivision (b). If the amount added under paragraph (3), (4), or (5) of subdivision (a) is greater than the amount that would be distributed to the State Court Facilities Construction Fund under Section 68085.4, no distribution shall be made to the State Court Facilities Construction Fund, but the amount charged to the party may be greater than one hundred seventy-six dollars (\$176), in order to collect the surcharge under paragraph (3), (4), or (5) of subdivision (a).

SEC. 10. Section 70611 of the Government Code is amended to read:

70611. The uniform fee for filing the first paper in a civil action or proceeding in the superior court, other than in a limited civil case, an adoption proceeding, a proceeding under the Probate Code, or a proceeding under the Family Code, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3.

This section applies to the initial complaint, petition, or application, and the papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

SEC. 10.5. Section 70611 of the Government Code is amended to read:

70611. The uniform fee for filing the first paper in a civil action or proceeding in the superior court, other than in a limited civil case, an adoption proceeding, a proceeding under the Probate Code, or a proceeding under the Family Code, is three hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3.

This section applies to the initial complaint, petition, or application, and the papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

SEC. 11. Section 70612 of the Government Code is amended to read:

70612. (a) The uniform fee for filing the first paper in the action or proceeding described in Section 70611 on behalf of any defendant, intervenor, respondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3.

(b) As used in this section, the term "paper" does not include a stipulation for the appointment of a temporary judge or of a court investigator, or the report made by the court investigator.

SEC. 11.5. Section 70612 of the Government Code is amended to read:

70612. (a) The uniform fee for filing the first paper in the action or proceeding described in Section 70611 on behalf of any defendant, intervenor, respondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer, is three hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3.

(b) As used in this section, the term “paper” does not include a stipulation for the appointment of a temporary judge or of a court investigator, or the report made by the court investigator.

SEC. 12. Section 70613 of the Government Code is amended to read:

70613. (a) The uniform fee for filing the first paper in a limited civil case is three hundred twenty-five dollars (\$325), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney’s fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is two hundred dollars (\$200). The first page of the first paper shall state whether the amount demanded exceeds or does not exceed ten thousand dollars (\$10,000).

(c) This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

(e) The fee shall be waived in any action for damages against a defendant, based upon the defendant’s commission of a felony offense, upon presentation to the clerk of the court of a certified copy of the abstract of judgment of conviction of the defendant of the felony giving rise to the claim for damages. If the plaintiff would have been entitled to recover those fees from the defendant had they been paid, the court may assess the amount of the waived fees against the defendant and order the defendant to pay that sum to the court.

SEC. 12.5. Section 70613 of the Government Code is amended to read:

70613. (a) The uniform fee for filing the first paper in a limited civil case is three hundred thirty dollars (\$330), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney’s fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is two hundred five dollars (\$205). The first page of the first paper shall state whether the amount demanded exceeds or does not exceed ten thousand dollars (\$10,000).

(c) This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

(e) The fee shall be waived in any action for damages against a defendant, based upon the defendant's commission of a felony offense, upon presentation to the clerk of the court of a certified copy of the abstract of judgment of conviction of the defendant of the felony giving rise to the claim for damages. If the plaintiff would have been entitled to recover those fees from the defendant had they been paid, the court may assess the amount of the waived fees against the defendant and order the defendant to pay that sum to the court.

SEC. 13. Section 70614 of the Government Code is amended to read:

70614. (a) The uniform fee for filing the first paper in a limited civil case on behalf of any party other than a plaintiff is three hundred twenty-five dollars (\$325), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is two hundred dollars (\$200).

(c) The fees in this section do not apply to papers filed for the purpose of making disclaimer.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

SEC. 13.3. Section 70614 of the Government Code is amended to read:

70614. (a) The uniform fee for filing the first paper in a limited civil case on behalf of any party other than a plaintiff is three hundred thirty dollars (\$330), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is two hundred five dollars (\$205).

(c) The fees in this section do not apply to papers filed for the purpose of making disclaimer.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

SEC. 13.5. Section 70617 of the Government Code is amended to read:

70617. (a) Except as provided in subdivisions (d) and (e), the uniform fee for filing a motion, application, or any other paper requiring a hearing subsequent to the first paper, is forty dollars (\$40). Papers for which this fee shall be charged include the following:

(1) A motion listed in paragraphs (1) to (12), inclusive, of subdivision (a) of Section 1005 of the Code of Civil Procedure.

(2) A motion or application to continue a trial date.

(3) An application for examination of a third person controlling defendant's property under Section 491.110 or 491.150 of the Code of Civil Procedure.

(4) Discovery motions under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure.

(5) A motion for a new trial of any civil action or special proceeding.

(6) An application for an order for a judgment debtor examination under Section 708.110 or 708.160 of the Code of Civil Procedure.

(7) An application for an order of sale of a dwelling under Section 704.750 of the Code of Civil Procedure.

(8) An ex parte application that requires a party to give notice of the ex parte appearance to other parties.

(b) There shall be no fee under subdivision (a) or (c) for filing any of the following:

(1) A motion, application, demurrer, request, notice, or stipulation and order that is the first paper filed in an action and on which a first paper filing fee is paid.

(2) An amended notice of motion.

(3) A civil case management statement.

(4) A request for trial de novo after judicial arbitration.

(5) A stipulation that does not require an order.

(6) A request for an order to prevent civil harassment.

(7) A request for an order to prevent domestic violence.

(8) A request for entry of default or default judgment.

(9) A paper requiring a hearing on a petition for emancipation of a minor.

(10) A paper requiring a hearing on a petition for an order to prevent abuse of an elder or dependent adult.

(11) A paper requiring a hearing on a petition for a writ of review, mandate, or prohibition.

(12) A paper requiring a hearing on a petition for a decree of change of name or gender.

(13) A paper requiring a hearing on a petition to approve the compromise of a claim of a minor.

(c) The fee for filing the following papers not requiring a hearing is twenty dollars (\$20):

(1) A request, application, or motion for, or a notice of, the continuance of a hearing or case management conference. The fee shall be charged no more than once for each continuance. The fee shall not be charged if the continuance is required by the court.

- (2) A stipulation and order.
- (3) A request for an order authorizing service of summons by posting or by publication under Section 415.45 or 415.50 of the Code of Civil Procedure.
- (d) The fee for filing a motion for summary judgment or summary adjudication of issues is two hundred dollars (\$200).
- (e) The fee for filing in the superior court an application to appear as counsel pro hac vice is two hundred fifty dollars (\$250). This fee is in addition to any other fee required of the applicant. The entire fee collected under this subdivision shall be transmitted to the state for deposit into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.
- (f) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a), (c), (d), and (e) apply separately to each motion or other paper filed. The Judicial Council may publish rules to give uniform guidance to courts in applying fees under this section.

SEC. 14. Section 70621 of the Government Code is amended to read:

70621. (a) (1) The fee for filing a notice of appeal to the appellate division of the superior court in a limited civil case is three hundred twenty-five dollars (\$325), except as provided in subdivision (b).
- (2) The fee for filing a petition for a writ within the original jurisdiction of the appellate division of the superior court is three hundred twenty-five dollars (\$325), except as provided in subdivision (b).
- (b) If the amount demanded in the limited civil case, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the fee for filing a petition for a writ or a notice of appeal to the appellate division of the superior court is two hundred dollars (\$200).
- (c) The fees provided for in this section shall be distributed as provided in Section 68085.4.

(d) The Judicial Council may make rules governing the time and method of payment of the fees in this section and providing for excuse.

SEC. 14.5. Section 70621 of the Government Code is amended to read:

70621. (a) (1) The fee for filing a notice of appeal to the appellate division of the superior court in a limited civil case is three hundred thirty dollars (\$330), except as provided in subdivision (b).
- (2) The fee for filing a petition for a writ within the original jurisdiction of the appellate division of the superior court is three hundred thirty dollars (\$330), except as provided in subdivision (b).
- (b) If the amount demanded in the limited civil case, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the

fee for filing a petition for a writ or a notice of appeal to the appellate division of the superior court is two hundred five dollars (\$205).

(c) The fees provided for in this section shall be distributed as provided in Section 68085.4.

(d) The Judicial Council may make rules governing the time and method of payment of the fees in this section and providing for excuse.

SEC. 15. Section 70650 of the Government Code is amended to read:

70650. (a) The uniform filing fee for the first petition for letters of administration or letters testamentary, or the first petition for special letters of administration with the powers of a general personal representative pursuant to Section 8545 of the Probate Code, is three hundred fifty dollars (\$350).

(b) The uniform filing fee for the first objections to the probate of any will or codicil under Section 8250 of the Probate Code, or the first petition for revocation of probate of any will or codicil under Section 8270 of the Probate Code, is three hundred fifty dollars (\$350). The uniform filing fee for the first petition for special letters of administration without the powers of a general personal representative is the fee provided in Section 70657.5. Where objections to the probate of a will or codicil or a petition for revocation of probate of a will or codicil are filed together with a petition for appointment of a personal representative described in subdivision (c) filed by the same person, only the fee provided in subdivision (c) shall be charged to that person.

(c) A fee of three hundred fifty dollars (\$350) shall also be charged for filing each subsequent petition or objections of a type described in subdivision (a) in the same proceeding by a person other than the original petitioner or contestant. The same fee as provided in subdivision (b) shall be charged for filing each subsequent petition or objections of a type described in that subdivision in the same proceeding by a person other than the original petitioner or contestant.

(d) Notwithstanding Section 70658.5, if a petition for special letters of administration is filed together with a petition for letters of administration or letters testamentary under subdivision (a) or (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 15.5. Section 70650 of the Government Code is amended to read:

70650. (a) The uniform filing fee for the first petition for letters of administration or letters testamentary, or the first petition for special letters of administration with the powers of a general personal

representative pursuant to Section 8545 of the Probate Code, is three hundred fifty-five dollars (\$355).

(b) The uniform filing fee for the first objections to the probate of any will or codicil under Section 8250 of the Probate Code, or the first petition for revocation of probate of any will or codicil under Section 8270 of the Probate Code, is three hundred fifty-five dollars (\$355). The uniform filing fee for the first petition for special letters of administration without the powers of a general personal representative is the fee provided in Section 70657.5. Where objections to the probate of a will or codicil or a petition for revocation of probate of a will or codicil are filed together with a petition for appointment of a personal representative described in subdivision (c) filed by the same person, only the fee provided in subdivision (c) shall be charged to that person.

(c) A fee of three hundred fifty-five dollars (\$355) shall also be charged for filing each subsequent petition or objections of a type described in subdivision (a) in the same proceeding by a person other than the original petitioner or contestant. The same fee as provided in subdivision (b) shall be charged for filing each subsequent petition or objections of a type described in that subdivision in the same proceeding by a person other than the original petitioner or contestant.

(d) Notwithstanding Section 70658.5, if a petition for special letters of administration is filed together with a petition for letters of administration or letters testamentary under subdivision (a) or (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 16. Section 70651 of the Government Code is amended to read:

70651. (a) The uniform filing fee for objections or any other paper in opposition to a petition described in subdivision (a) of Section 70650, other than a petition described in subdivision (c) of Section 70650, is three hundred fifty dollars (\$350). If objections or any other paper in opposition are filed together with a petition described in subdivision (c) of Section 70650 by the same person, only the fee provided in subdivision (c) of Section 70650 shall be charged to that person.

(b) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 16.5. Section 70651 of the Government Code is amended to read:

70651. (a) The uniform filing fee for objections or any other paper in opposition to a petition described in subdivision (a) of Section 70650, other than a petition described in subdivision (c) of Section 70650, is three hundred fifty-five dollars (\$355). If objections or any other paper

in opposition are filed together with a petition described in subdivision (c) of Section 70650 by the same person, only the fee provided in subdivision (c) of Section 70650 shall be charged to that person.

(b) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 17. Section 70652 of the Government Code is amended to read:

70652. (a) The uniform filing fee for each petition concerning the internal affairs of a trust under Chapter 3 (commencing with Section 17200) of Part 5 of Division 9 of the Probate Code, or a first account of a trustee of a testamentary trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code, is three hundred fifty dollars (\$350).

(b) The uniform filing fee for each paper filed in opposition to a petition or first account of a trustee of a testamentary trust under subdivision (a) is three hundred fifty dollars (\$350).

(c) To avoid hardship, or for other good cause, the court may direct the clerk of the court to refund all or any part of a filing fee paid under this section.

(d) This section does not apply to petitions or opposition filed concerning trusts created by court order under Article 10 (commencing with Section 2580) of Chapter 6 of Part 3 of Division 4 of the Probate Code, Article 1 (commencing with Section 3100) of Chapter 3 of Part 6 of Division 4 of the Probate Code, Article 1 (commencing with Section 3600) of Chapter 4 of Part 8 of Division 4 of the Probate Code.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 17.5. Section 70652 of the Government Code is amended to read:

70652. (a) The uniform filing fee for each petition concerning the internal affairs of a trust under Chapter 3 (commencing with Section 17200) of Part 5 of Division 9 of the Probate Code, or a first account of a trustee of a testamentary trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code, is three hundred fifty-five dollars (\$355).

(b) The uniform filing fee for each paper filed in opposition to a petition or first account of a trustee of a testamentary trust under subdivision (a) is three hundred fifty-five dollars (\$355).

(c) To avoid hardship, or for other good cause, the court may direct the clerk of the court to refund all or any part of a filing fee paid under this section.

(d) This section does not apply to petitions or opposition filed concerning trusts created by court order under Article 10 (commencing with Section 2580) of Chapter 6 of Part 3 of Division 4 of the Probate Code, Article 1 (commencing with Section 3100) of Chapter 3 of Part 6 of Division 4 of the Probate Code, Article 1 (commencing with Section 3600) of Chapter 4 of Part 8 of Division 4 of the Probate Code.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 18. Section 70653 of the Government Code is amended to read:

70653. (a) The uniform filing fee for a petition for appointment of a conservator, a guardian of the estate, or a guardian of the person and estate, pursuant to Division 4 (commencing with Section 1400) of the Probate Code, is three hundred fifty dollars (\$350).

(b) Except as provided in subdivision (f), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) or (d) is three hundred fifty dollars (\$350).

(c) If a competing petition for appointment of a guardian or conservator subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) Notwithstanding Section 70658.5, if a petition for appointment of a temporary guardian or conservator is filed together with a petition for appointment of a guardian or conservator under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

(f) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the proposed conservatee, or the minor or a parent of the minor who is the subject of a guardianship proceeding.

SEC. 18.5. Section 70653 of the Government Code is amended to read:

70653. (a) The uniform filing fee for a petition for appointment of a conservator, a guardian of the estate, or a guardian of the person and estate, pursuant to Division 4 (commencing with Section 1400) of the Probate Code, is three hundred fifty-five dollars (\$355).

(b) Except as provided in subdivision (f), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) or (d) is three hundred fifty-five dollars (\$355).

(c) If a competing petition for appointment of a guardian or conservator subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) Notwithstanding Section 70658.5, if a petition for appointment of a temporary guardian or conservator is filed together with a petition for appointment of a guardian or conservator under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

(f) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the proposed conservatee, or the minor or a parent of the minor who is the subject of a guardianship proceeding.

SEC. 19. Section 70654 of the Government Code is amended to read:
70654. (a) The uniform filing fee for a petition for appointment of a guardian of the person only, is two hundred dollars (\$200).

(b) Except as provided in subdivision (e), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) is two hundred dollars (\$200).

(c) If a competing petition for appointment of a guardian subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) Notwithstanding Section 70658.5, if a petition for appointment of a temporary guardian is filed together with a petition for appointment of a guardian under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the minor or a parent of the minor who is the subject of the proceeding.

(f) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(g) No other fees shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

SEC. 19.5. Section 70654 of the Government Code is amended to read:

70654. (a) The uniform filing fee for a petition for appointment of a guardian of the person only, is two hundred five dollars (\$205).

(b) Except as provided in subdivision (e), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) is two hundred five dollars (\$205).

(c) If a competing petition for appointment of a guardian subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) Notwithstanding Section 70658.5, if a petition for appointment of a temporary guardian is filed together with a petition for appointment of a guardian under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petitions shall be charged the applicable filing fees for both petitions.

(e) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the minor or a parent of the minor who is the subject of the proceeding.

(f) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(g) No other fees shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

SEC. 20. Section 70655 of the Government Code is amended to read:

70655. (a) The uniform filing fee for a petition that commences any of the proceedings under the Probate Code listed in subdivision (c) is three hundred fifty dollars (\$350).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is three hundred fifty dollars (\$350).

(c) This section applies to petitions or opposition concerning the following proceedings:

(1) A petition for compromise of a minor's claim pursuant to Section 3600 of the Probate Code.

(2) A petition to determine succession to real property pursuant to Section 13151 of the Probate Code.

(3) A spousal or domestic partnership property petition pursuant to Section 13650 of the Probate Code, except as provided in Section 13652 of the Probate Code.

(4) A petition to establish the fact of death to determine title to real property under Section 200 of the Probate Code.

(5) A petition for an order concerning a particular transaction pursuant to Section 3100 of the Probate Code.

(6) A petition concerning capacity determination and health care decision for an adult without conservator pursuant to Section 3200 of the Probate Code.

(7) A petition concerning an advance health care directive pursuant to Section 4766 of the Probate Code.

(8) A petition concerning a power of attorney pursuant to Section 4541 of the Probate Code.

(9) A petition for approval, compromise, or settlement of claims against a deceased settlor, or for allocation of amounts due between trusts, pursuant to Section 19020 of the Probate Code.

(10) Any other petition that commences a proceeding under the Probate Code not otherwise provided for in this article.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 20.5. Section 70655 of the Government Code is amended to read:

70655. (a) The uniform filing fee for a petition that commences any of the proceedings under the Probate Code listed in subdivision (c) is three hundred fifty-five dollars (\$355).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is three hundred fifty-five dollars (\$355).

(c) This section applies to petitions or opposition concerning the following proceedings:

(1) A petition for compromise of a minor's claim pursuant to Section 3600 of the Probate Code.

(2) A petition to determine succession to real property pursuant to Section 13151 of the Probate Code.

(3) A spousal or domestic partnership property petition pursuant to Section 13650 of the Probate Code, except as provided in Section 13652 of the Probate Code.

(4) A petition to establish the fact of death to determine title to real property under Section 200 of the Probate Code.

(5) A petition for an order concerning a particular transaction pursuant to Section 3100 of the Probate Code.

(6) A petition concerning capacity determination and health care decision for adult without conservator pursuant to Section 3200 of the Probate Code.

(7) A petition concerning an advance health care directive pursuant to Section 4766 of the Probate Code.

(8) A petition concerning a power of attorney pursuant to Section 4541 of the Probate Code.

(9) A petition for approval, compromise, or settlement of claims against a deceased settlor, or for allocation of amounts due between trusts, pursuant to Section 19020 of the Probate Code.

(10) Any other petition that commences a proceeding under the Probate Code not otherwise provided for in this article.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

SEC. 21. Section 70656 of the Government Code is amended to read:

70656. (a) The uniform filing fee for a petition requesting an order setting aside a decedent's estate of small value pursuant to Section 6602 of the Probate Code, if no estate proceeding is pending for the decedent, is two hundred dollars (\$200).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is two hundred dollars (\$200).

(c) If a petition or objections or any other paper in opposition under this section is filed concurrently with a petition for appointment of a personal representative described in Section 70650, the petitioner or objector shall be charged only for the filing fee provided in Section 70650.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(e) Except as provided in subdivision (c), no other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

SEC. 21.5. Section 70656 of the Government Code is amended to read:

70656. (a) The uniform filing fee for a petition requesting an order setting aside a decedent's estate of small value pursuant to Section 6602 of the Probate Code, if no estate proceeding is pending for the decedent, is two hundred five dollars (\$205).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is two hundred five dollars (\$205).

(c) If a petition or objections or any other paper in opposition under this section is filed concurrently with a petition for appointment of a personal representative described in Section 70650, the petitioner or objector shall be charged only for the filing fee provided in Section 70650.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(e) Except as provided in subdivision (c), no other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

SEC. 22. Section 70657 of the Government Code is amended to read:

70657. (a) Except as provided in subdivision (c), the uniform fee for filing a motion or other paper requiring a hearing subsequent to the first paper in a proceeding under the Probate Code, other than a petition or application or opposition described in Sections 70657.5 and 70658, is forty dollars (\$40). This fee shall be charged for the following papers:

- (1) Papers listed in subdivision (a) of Section 70617.
- (2) Applications for ex parte relief, whether or not notice of the application to any person is required, except an ex parte petition for discharge of a personal representative, conservator, or guardian upon completion of a court-ordered distribution or transfer, for which no fee shall be charged.
- (3) Petitions or applications, or objections, filed subsequent to issuance of temporary letters of conservatorship or guardianship or letters of conservatorship or guardianship that are not subject to the filing fee provided in subdivision (a) of Section 70658.
- (4) The first or subsequent petition for temporary letters of conservatorship or guardianship.

(b) There shall be no fee under subdivision (a) for filing any of the papers listed under subdivision (b) of Section 70617.

(c) The summary judgment fee provided in subdivision (d) of Section 70617 shall apply to summary judgment motions in proceedings under the Probate Code.

(d) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a) and (c) apply separately to each motion or other paper filed. The Judicial Council may publish rules to give uniform guidance to courts in applying fees under this section.

(e) No fee is payable under this section for a petition or opposition filed subsequent to issuance of letters of temporary guardianship or letters of guardianship in a guardianship described in Section 70654.

SEC. 23. Section 70657.5 of the Government Code is amended to read:

70657.5. (a) The uniform fee for filing the following petitions or applications, and objections or other opposition, is two hundred dollars (\$200):

- (1) Petitions or applications, or opposition, concerning the internal affairs of a trust that are not subject to the filing fees provided in Section 70650, 70651, or 70652.

(2) Petitions or applications, or objections, filed subsequent to issuance of special letters of administration or letters testamentary or of administration in decedent's estate proceedings that are not subject to the filing fee provided in subdivision (a) of Section 70658.

(3) The first or subsequent petition for special letters of administration without the powers of a general personal representative.

(b) One hundred sixty dollars (\$160) of each two-hundred-dollar (\$200) fee collected under subdivision (a) shall be transmitted to the state for deposit into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

(c) No fee is payable under this section for a disclaimer of an interest in a decedent's estate.

SEC. 24. Section 70658 of the Government Code is amended to read:

70658. (a) Except as provided in subdivision (c), the uniform fee for filing a petition or application, or objections or any other paper in opposition to a petition or application listed in this subdivision, filed after issuance of letters testamentary, letters of administration, letters of special administration to a personal representative of a decedent's estate, or letters of guardianship or conservatorship, or letters of temporary guardianship or conservatorship to a guardian or conservator, is three hundred fifty dollars (\$350). This section shall apply to the following petitions or applications, or opposition:

(1) Petition or application for or opposition to an order directing, authorizing, approving, or confirming the sale, lease, encumbrance, grant of an option, purchase, conveyance, or exchange of property.

(2) Petition or application for or opposition to an order settling an account of a fiduciary.

(3) Petition or application for or opposition to an order authorizing, instructing, or directing a fiduciary, or approving or confirming the acts of a fiduciary.

(4) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of an attorney.

(5) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of a fiduciary.

(6) Petition or application for or opposition to an order surcharging or removing a fiduciary.

(7) Petition or application for or opposition to an order transferring or authorizing the transfer of the property of an estate to a fiduciary in another jurisdiction.

(8) Petition or application for or opposition to an order allowing a fiduciary's request to resign.

(9) Petition or application for or opposition to an order adjudicating the merits of a claim made under Part 19 (commencing with Section 850) of Division 2 of the Probate Code.

(10) Petition or application for or opposition to an order granting permission to fix the residence of a ward or conservatee at a place not within this state.

(11) Petition or application for or opposition to an order directing, authorizing, approving, or modifying payments for support, maintenance, or education of a ward or conservatee or for a person entitled to support, maintenance, or education from a ward or conservatee.

(12) Petition or application for or opposition to an order granting or denying a request under Section 2423, concerning payment of surplus income to the relatives of a conservatee, or Section 2580, concerning substituted judgment, of the Probate Code.

(13) Petition or application for or opposition to an order affecting the legal capacity of a conservatee pursuant to Chapter 4 (commencing with Section 1870) of Part 3 of Division 4 of the Probate Code.

(14) Petition or application for or opposition to an order adjudicating the merits of a claim under Article 5 (commencing with Section 2500) of Chapter 6 of Part 4 of Division 4 of the Probate Code.

(b) The uniform fee in subdivision (a) shall be distributed as provided in Section 68085.3. No other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

(c) The fee provided in this section shall not be charged for filing any of the following papers:

(1) A petition or application, or opposition, in a guardianship proceeding under Section 70654.

(2) A disclaimer of an interest in a decedent's estate.

(d) One hundred seventy dollars (\$170) of each three-hundred-fifty-dollar (\$350) fee collected under this section shall be transmitted to the Controller for deposit into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

SEC. 24.5. Section 70658 of the Government Code is amended to read:

70658. (a) Except as provided in subdivision (c), the uniform fee for filing a petition or application, or objections or any other paper in opposition to a petition or application listed in this subdivision, filed after issuance of letters testamentary, letters of administration, letters of special administration to a personal representative of a decedent's estate, or letters of guardianship or conservatorship, or letters of temporary guardianship or conservatorship to a guardian or conservator, is three

hundred fifty-five dollars (\$355). This section shall apply to the following petitions or applications, or opposition:

(1) Petition or application for or opposition to an order directing, authorizing, approving, or confirming the sale, lease, encumbrance, grant of an option, purchase, conveyance, or exchange of property.

(2) Petition or application for or opposition to an order settling an account of a fiduciary.

(3) Petition or application for or opposition to an order authorizing, instructing, or directing a fiduciary, or approving or confirming the acts of a fiduciary.

(4) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of an attorney.

(5) Petition or application for or opposition to an order fixing, authorizing, allowing, or directing payment of compensation or expenses of a fiduciary.

(6) Petition or application for or opposition to an order surcharging or removing a fiduciary.

(7) Petition or application for or opposition to an order transferring or authorizing the transfer of the property of an estate to a fiduciary in another jurisdiction.

(8) Petition or application for or opposition to an order allowing a fiduciary's request to resign.

(9) Petition or application for or opposition to an order adjudicating the merits of a claim made under Part 19 (commencing with Section 850) of Division 2 of the Probate Code.

(10) Petition or application for or opposition to an order granting permission to fix the residence of a ward or conservatee at a place not within this state.

(11) Petition or application for or opposition to an order directing, authorizing, approving, or modifying payments for support, maintenance, or education of a ward or conservatee or for a person entitled to support, maintenance, or education from a ward or conservatee.

(12) Petition or application for or opposition to an order granting or denying a request under Section 2423, concerning payment of surplus income to the relatives of a conservatee, or Section 2580, concerning substituted judgment, of the Probate Code.

(13) Petition or application for or opposition to an order affecting the legal capacity of a conservatee pursuant to Chapter 4 (commencing with Section 1870) of Part 3 of Division 4 of the Probate Code.

(14) Petition or application for or opposition to an order adjudicating the merits of a claim under Article 5 (commencing with Section 2500) of Chapter 6 of Part 4 of Division 4 of the Probate Code.

(b) The uniform fee in subdivision (a) shall be distributed as provided in Section 68085.3. No other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

(c) The fee provided in this section shall not be charged for filing any of the following papers:

(1) A petition or application, or opposition, in a guardianship proceeding under Section 70654.

(2) A disclaimer of an interest in a decedent's estate.

(d) One hundred seventy dollars (\$170) of each three-hundred-fifty-five-dollar (\$355) fee collected under this section shall be transmitted to the Controller for deposit into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5.

SEC. 25. Section 70670 of the Government Code is amended to read:

70670. (a) The uniform fee for filing the first paper in a proceeding under the Family Code, other than a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3.

(b) The uniform fee for filing the first paper in a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3, except that two dollars (\$2) of the funds that would otherwise be distributed to the Trial Court Trust Fund shall be transmitted to the Treasurer for deposit in the Health Statistics Special Fund.

(c) The uniform fee for filing the first paper in a proceeding under subdivision (a) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3.

(d) The uniform fee for filing the first paper in a proceeding under subdivision (b) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred fifty dollars (\$350). The fee shall be distributed as provided in Section 68085.3.

(e) The fees in this section do not apply to papers filed for the purpose of making a disclaimer.

SEC. 25.5. Section 70670 of the Government Code is amended to read:

70670. (a) The uniform fee for filing the first paper in a proceeding under the Family Code, other than a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three

hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3.

(b) The uniform fee for filing the first paper in a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3, except that two dollars (\$2) of the funds that would otherwise be distributed to the Trial Court Trust Fund shall be transmitted to the Treasurer for deposit in the Health Statistics Special Fund.

(c) The uniform fee for filing the first paper in a proceeding under subdivision (a) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3.

(d) The uniform fee for filing the first paper in a proceeding under subdivision (b) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred fifty-five dollars (\$355). The fee shall be distributed as provided in Section 68085.3.

(e) The fees in this section do not apply to papers filed for the purpose of making a disclaimer.

SEC. 26. Section 103470 of the Health and Safety Code is amended to read:

103470. The fee for filing the petition is two hundred dollars (\$200). This fee shall be distributed as provided in Section 68085.4 of the Government Code. The petition may be heard by any judge hearing probate matters, or if a probate department has been designated for hearing probate matters, the matter shall be assigned to the probate department for hearing.

SEC. 26.5. Section 103470 of the Health and Safety Code is amended to read:

103470. The fee for filing the petition is two hundred five dollars (\$205). This fee shall be distributed as provided in Section 68085.4 of the Government Code. The petition may be heard by any judge hearing probate matters, or if a probate department has been designated for hearing probate matters, the matter shall be assigned to the probate department for hearing.

SEC. 27. Section 1203.1d of the Penal Code is amended to read:

1203.1d. (a) In determining the amount and manner of disbursement under an order made pursuant to this code requiring a defendant to make reparation or restitution to a victim of a crime, to pay any money as reimbursement for legal assistance provided by the court, to pay any cost of probation or probation investigation, to pay any cost of jail or

other confinement, or to pay any other reimbursable costs, the court, after determining the amount of any fine and penalty assessments, and a county financial evaluation officer when making a financial evaluation, shall first determine the amount of restitution to be ordered paid to any victim, and shall then determine the amount of the other reimbursable costs.

If payment is made in full, the payment shall be apportioned and disbursed in the amounts ordered by the court.

If reasonable and compatible with the defendant's financial ability, the court may order payments to be made in installments.

(b) With respect to installment payments and amounts collected by the Franchise Tax Board pursuant to Section 19280 of the Revenue and Taxation Code and subsequently transferred by the Controller pursuant to Section 19282 of the Revenue and Taxation Code, the board of supervisors shall provide that disbursements be made in the following order of priority:

(1) Restitution ordered to, or on behalf of, the victim pursuant to subdivision (f) of Section 1202.4.

(2) The state surcharge ordered pursuant to Section 1465.7.

(3) Any fines, penalty assessments, and restitution fines ordered pursuant to subdivision (b) of Section 1202.4. Payment of each of these items shall be made on a proportional basis to the total amount levied for all of these items.

(4) Any other reimbursable costs.

(c) The board of supervisors shall apply these priorities of disbursement to orders or parts of orders in cases where defendants have been ordered to pay more than one court order.

(d) Documentary evidence, such as bills, receipts, repair estimates, insurance payment statements, payroll stubs, business records, and similar documents relevant to the value of the stolen or damaged property, medical expenses, and wages and profits lost shall not be excluded as hearsay evidence.

(e) Notwithstanding subdivision (b), if any statute that takes effect after January 1, 2009, either increases the amount of any item or adds a new item that would otherwise be subject to disbursement under paragraphs (2) to (4), inclusive, of subdivision (b), those additional amounts or the amount of any increase shall not be disbursed until after all reimbursable costs have been disbursed pursuant to paragraph (4) of subdivision (b).

(f) This section 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. The task force on criminal and traffic-related court-ordered debts established pursuant to

Section 1463.02 may recommend that this section be amended prior to that date.

SEC. 27.5. Section 1203.1d is added to the Penal Code, to read:

1203.1d. (a) In determining the amount and manner of disbursement under an order made pursuant to this code requiring a defendant to make reparation or restitution to a victim of a crime, to pay any money as reimbursement for legal assistance provided by the court, to pay any cost of probation or probation investigation, to pay any cost of jail or other confinement, or to pay any other reimbursable costs, the court, after determining the amount of any fine and penalty assessments, and a county financial evaluation officer when making a financial evaluation, shall first determine the amount of restitution to be ordered paid to any victim, and shall then determine the amount of the other reimbursable costs.

If payment is made in full, the payment shall be apportioned and disbursed in the amounts ordered by the court.

If reasonable and compatible with the defendant's financial ability, the court may order payments to be made in installments.

(b) With respect to installment payments and amounts collected by the Franchise Tax Board pursuant to Section 19280 of the Revenue and Taxation Code and subsequently transferred by the Controller pursuant to Section 19282 of the Revenue and Taxation Code, the board of supervisors shall provide that disbursements be made in the following order of priority:

(1) Restitution ordered to, or on behalf of, the victim pursuant to subdivision (f) of Section 1202.4.

(2) The state surcharge ordered pursuant to Section 1465.7.

(3) Any fines, penalty assessments, and restitution fines ordered pursuant to subdivision (b) of Section 1202.4. Payment of each of these items shall be made on a proportional basis to the total amount levied for all of these items.

(4) Any other reimbursable costs.

(c) The board of supervisors shall apply these priorities of disbursement to orders or parts of orders in cases where defendants have been ordered to pay more than one court order.

(d) Documentary evidence, such as bills, receipts, repair estimates, insurance payment statements, payroll stubs, business records, and similar documents relevant to the value of the stolen or damaged property, medical expenses, and wages and profits lost shall not be excluded as hearsay evidence.

(e) This section shall become operative on January 1, 2012.

SEC. 28. Section 1463.010 of the Penal Code is amended to read:

1463.010. The uniform imposition and enforcement of court-ordered debts are recognized as an important element of California's judicial system. Prompt, efficient, and effective imposition and collection of court-ordered fees, fines, forfeitures, penalties, restitution, and assessments ensure the appropriate respect for court orders. The California State Association of Counties and the Administrative Office of the Courts are jointly committed to identifying, improving, and seeking to expand access to mechanisms and tools that will enhance efforts to collect court-ordered debt. To provide for this prompt, efficient, and effective collection:

(a) The Judicial Council shall adopt guidelines for a comprehensive program concerning the collection of moneys owed for fees, fines, forfeitures, penalties, and assessments imposed by court order. As part of its guidelines, the Judicial Council may establish standard agreements for entities to provide collection services. As part of its guidelines, the Judicial Council shall include provisions that promote competition by and between entities in providing collection services to courts and counties. The Judicial Council may delegate to the Administrative Director of the Courts the implementation of the aspects of this program to be carried out at the state level.

(b) The courts and counties shall maintain the collection program that was in place on January 1, 1996, unless otherwise agreed to in writing by the court and county. The program may wholly or partially be staffed and operated within the court itself, may be wholly or partially staffed and operated by the county, or may be wholly or partially contracted with a third party. In carrying out this collection program, each superior court and county shall develop a cooperative plan to implement the Judicial Council guidelines. In the event that a court and a county are unwilling or unable to enter into a cooperative plan pursuant to this section, prior to the arbitration procedures required by subdivision (e) of Section 1214.1, the court or the county may request the continuation of negotiations with mediation assistance as mutually agreed upon and provided by the Administrative Director of the Courts and the California State Association of Counties.

(c) The Judicial Council shall develop performance measures and benchmarks to review the effectiveness of the cooperative superior court and county collection programs operating pursuant to this section. Each superior court and county shall jointly report to the Judicial Council, as provided by the Judicial Council, information requested in a reporting template on or before September 1, 2009, and annually thereafter. The Judicial Council shall report to the Legislature on December 31, 2009, and annually thereafter, on all of the following:

(1) The extent to which each court or county is following best practices for its collection program.

(2) The performance of each collection program.

(3) Any changes necessary to improve performance of collection programs statewide.

(d) The Judicial Council may, when the efficiency and effectiveness of the collection process may be improved, facilitate a joint collection program between superior courts, between counties, or between superior courts and counties.

(e) The Judicial Council may establish, by court rule, a program providing for the suspension and nonrenewal of a business and professional license if the holder of the license has unpaid fees, fines, forfeitures, penalties, and assessments imposed upon them under a court order. The Judicial Council may provide that some or all of the superior courts or counties participate in the program. Any program established by the Judicial Council shall ensure that the licensee receives adequate and appropriate notice of the proposed suspension or nonrenewal of his or her license and has an opportunity to contest the suspension or nonrenewal. The opportunity to contest may not require a court hearing.

(f) Notwithstanding any other provision of law, the Judicial Council, after consultation with the Franchise Tax Board with respect to collections under Section 19280 of the Revenue and Taxation Code, may provide for an amnesty program involving the collection of outstanding fees, fines, forfeitures, penalties, and assessments, applicable either statewide or within one or more counties. The amnesty program shall provide that some or all of the interest or collections costs imposed on outstanding fees, fines, forfeitures, penalties, and assessments may be waived if the remaining amounts due are paid within the amnesty period.

SEC. 29. Section 7660 of the Probate Code is amended to read:

7660. (a) If a public administrator takes possession or control of an estate pursuant to this chapter, the public administrator may, acting as personal representative of the estate, summarily dispose of the estate in the manner provided in this article in either of the following circumstances:

(1) The total value of the property in the decedent's estate does not exceed the amount prescribed in Section 13100. The authority provided by this paragraph may be exercised only upon order of the court. The order may be made upon ex parte application. The fee to be allowed to the clerk for the filing of the application is two hundred dollars (\$200). The authority for this summary administration of the estate shall be evidenced by a court order for summary disposition.

(2) The total value of the property in the decedent's estate does not exceed thirty thousand dollars (\$30,000). The authority provided by this paragraph may be exercised without court authorization.

(A) A public administrator who is authorized to summarily dispose of property of a decedent pursuant to this paragraph may issue a written certification of Authority for Summary Administration. The written certification is effective for 30 days after the date of issuance.

(B) A financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person shall, without the necessity of inquiring into the truth of the written certification of Authority for Summary Administration and without court order or letters being issued do all of the following:

(i) Provide the public administrator complete information concerning any property held in the name of the decedent, including the names and addresses of any beneficiaries or joint owners.

(ii) Grant the public administrator access to a safe-deposit box or storage facility rented in the name of the decedent for the purpose of inspection and removal of property of the decedent. Costs and expenses incurred in accessing a safe-deposit box or storage facility shall be borne by the estate of the decedent.

(iii) Surrender to the public administrator any property of the decedent that is held or controlled by the financial institution, agency, retirement fund administrator, insurance company, licensed securities dealer, or other person.

(C) Receipt by a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person of the written certification provided by this article shall do both of the following:

(i) Constitute sufficient acquittance for providing information or granting access to a safe-deposit box or a storage facility and for surrendering any property of the decedent.

(ii) Fully discharge the financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person from liability for any act or omission of the public administrator with respect to the property, a safe-deposit box, or a storage facility.

(b) Summary disposition may be made notwithstanding the existence of the decedent's will, if the will does not name an executor or if the named executor refuses to act.

(c) Nothing in this article precludes the public administrator from filing a petition with the court under any other provision of this code concerning the administration of the decedent's estate.

(d) Petitions filed pursuant to this article shall contain the information required by Section 8002.

(e) If a public administrator takes possession or control of an estate pursuant to this chapter, this article conveys the authority of a personal representative as described in Section 9650 to the public administrator to summarily dispose of the estates pursuant to the procedures described in paragraphs (1) and (2) of subdivision (a).

(f) The fee charged under paragraph (1) of subdivision (a) shall be distributed as provided in Section 68085.4 of the Government Code. When an application is filed under that paragraph, no other fees shall be charged in addition to the uniform filing fee provided for in Section 68085.4 of the Government Code.

SEC. 29.5. Section 7660 of the Probate Code is amended to read:

7660. (a) If a public administrator takes possession or control of an estate pursuant to this chapter, the public administrator may, acting as personal representative of the estate, summarily dispose of the estate in the manner provided in this article in either of the following circumstances:

(1) The total value of the property in the decedent's estate does not exceed the amount prescribed in Section 13100. The authority provided by this paragraph may be exercised only upon order of the court. The order may be made upon ex parte application. The fee to be allowed to the clerk for the filing of the application is two hundred five dollars (\$205). The authority for this summary administration of the estate shall be evidenced by a court order for summary disposition.

(2) The total value of the property in the decedent's estate does not exceed thirty thousand dollars (\$30,000). The authority provided by this paragraph may be exercised without court authorization.

(A) A public administrator who is authorized to summarily dispose of property of a decedent pursuant to this paragraph may issue a written certification of Authority for Summary Administration. The written certification is effective for 30 days after the date of issuance.

(B) A financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person shall, without the necessity of inquiring into the truth of the written certification of Authority for Summary Administration and without court order or letters being issued do all of the following:

(i) Provide the public administrator complete information concerning any property held in the name of the decedent, including the names and addresses of any beneficiaries or joint owners.

(ii) Grant the public administrator access to a safe-deposit box or storage facility rented in the name of the decedent for the purpose of inspection and removal of property of the decedent. Costs and expenses

incurred in accessing a safe-deposit box or storage facility shall be borne by the estate of the decedent.

(iii) Surrender to the public administrator any property of the decedent that is held or controlled by the financial institution, agency, retirement fund administrator, insurance company, licensed securities dealer, or other person.

(C) Receipt by a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person of the written certification provided by this article shall do both of the following:

(i) Constitute sufficient acquittance for providing information or granting access to a safe-deposit box or a storage facility and for surrendering any property of the decedent.

(ii) Fully discharge the financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person from liability for any act or omission of the public administrator with respect to the property, a safe-deposit box, or a storage facility.

(b) Summary disposition may be made notwithstanding the existence of the decedent's will, if the will does not name an executor or if the named executor refuses to act.

(c) Nothing in this article precludes the public administrator from filing a petition with the court under any other provision of this code concerning the administration of the decedent's estate.

(d) Petitions filed pursuant to this article shall contain the information required by Section 8002.

(e) If a public administrator takes possession or control of an estate pursuant to this chapter, this article conveys the authority of a personal representative as described in Section 9650 to the public administrator to summarily dispose of the estates pursuant to the procedures described in paragraphs (1) and (2) of subdivision (a).

(f) The fee charged under paragraph (1) of subdivision (a) shall be distributed as provided in Section 68085.4 of the Government Code. When an application is filed under that paragraph, no other fees shall be charged in addition to the uniform filing fee provided for in Section 68085.4 of the Government Code.

SEC. 30. Section 40611 of the Vehicle Code is amended to read:

40611. (a) Upon proof of correction of an alleged violation of Section 12500 or 12951, or any violation cited pursuant to Section 40610, or upon submission of evidence of financial responsibility pursuant to subdivision (e) of Section 16028, the clerk shall collect a twenty-five-dollar (\$25) transaction fee for each violation. The fees shall

be deposited by the clerk in accordance with Section 68084 of the Government Code.

(b) (1) For each citation, ten dollars (\$10) shall be allocated monthly as follows:

(A) Thirty-three percent shall be transferred to the local governmental entity in whose jurisdiction the citation was issued for deposit in the general fund of the entity.

(B) Thirty-four percent shall be transferred to the State Treasury for deposit in the State Penalty Fund established by Section 1464 of the Penal Code.

(C) Thirty-three percent shall be deposited in the county general fund.

(2) The remainder of the fees collected on each citation shall be deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5 of the Government Code.

(c) No fee shall be imposed pursuant to this section if the violation notice is processed only by the issuing agency and no record of the action is transmitted to the court.

SEC. 31. Section 42007.1 of the Vehicle Code is amended to read:

42007.1. (a) The fee collected by the clerk pursuant to subdivision (a) of Section 42007 shall be in an amount equal to the total bail set forth for the eligible offense on the uniform countywide bail schedule plus forty-nine dollars (\$49).

(b) Notwithstanding subdivision (b) of Section 42007, the revenue from the forty-nine-dollar (\$49) fee collected under this section shall be deposited in the county general fund. Fifty-one percent of the amount collected under this section and deposited into the county general fund shall be transmitted therefrom monthly to the Controller for deposit in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established in Section 70371.5 of the Government Code.

SEC. 32. 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. 33. Section 1.7 of this bill incorporates amendments to Section 68085.1 of the Government Code proposed by both this bill and AB 1873. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 68085.1 of the Government Code, and (3) this bill is enacted after AB 1873, in which case Section 1.5 of this bill shall not become operative.

SEC. 34. Section 2.5 of this bill incorporates amendments to Section 68085.3 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 68085.3 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 2 of this bill shall not become operative.

SEC. 35. Section 3.5 of this bill incorporates amendments to Section 68085.4 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 68085.4 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 3 of this bill shall not become operative.

SEC. 36. Section 4.5 of this bill incorporates amendments to Section 68086.1 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 68086.1 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 4 of this bill shall not become operative.

SEC. 37. Section 10.5 of this bill incorporates amendments to Section 70611 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70611 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 10 of this bill shall not become operative.

SEC. 38. Section 11.5 of this bill incorporates amendments to Section 70612 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70612 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 11 of this bill shall not become operative.

SEC. 39. Section 12.5 of this bill incorporates amendments to Section 70613 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70613 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 12 of this bill shall not become operative.

SEC. 40. Section 13.3 of this bill incorporates amendments to Section 70614 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section

70614 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 13 of this bill shall not become operative.

SEC. 41. Section 14.5 of this bill incorporates amendments to Section 70621 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70621 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 14 of this bill shall not become operative.

SEC. 42. Section 15.5 of this bill incorporates amendments to Section 70650 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70650 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 15 of this bill shall not become operative.

SEC. 43. Section 16.5 of this bill incorporates amendments to Section 70651 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70651 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 16 of this bill shall not become operative.

SEC. 44. Section 17.5 of this bill incorporates amendments to Section 70652 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70652 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 17 of this bill shall not become operative.

SEC. 45. Section 18.5 of this bill incorporates amendments to Section 70653 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70653 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 18 of this bill shall not become operative.

SEC. 46. Section 19.5 of this bill incorporates amendments to Section 70654 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70654 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 19 of this bill shall not become operative.

SEC. 47. Section 20.5 of this bill incorporates amendments to Section 70655 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section

70655 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 20 of this bill shall not become operative.

SEC. 48. Section 21.5 of this bill incorporates amendments to Section 70656 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70656 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 21 of this bill shall not become operative.

SEC. 49. Section 24.5 of this bill incorporates amendments to Section 70658 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70658 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 24 of this bill shall not become operative.

SEC. 50. Section 25.5 of this bill incorporates amendments to Section 70670 of the Government Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 70670 of the Government Code, and (3) this bill is enacted after SB 1177, in which case Section 25 of this bill shall not become operative.

SEC. 51. Section 26.5 of this bill incorporates amendments to Section 103470 of the Health and Safety Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 103470 of the Health and Safety Code, and (3) this bill is enacted after SB 1177, in which case Section 26 of this bill shall not become operative.

SEC. 52. Section 29.5 of this bill incorporates amendments to Section 7660 of the Probate Code proposed by both this bill and SB 1177. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 7660 of the Probate Code, and (3) this bill is enacted after SB 1177, in which case Section 29 of this bill shall not become operative.

CHAPTER 312

An act to add Division 8 (commencing with Section 15000) to the Unemployment Insurance Code, relating to job training.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Division 8 (commencing with Section 15000) is added to the Unemployment Insurance Code, to read:

DIVISION 8. CALIFORNIA GREEN COLLAR JOBS ACT OF
2008

15000. This division shall be known, and may be cited, as the California Green Collar Jobs Act of 2008.

15001. (a) The Legislature finds and declares all of the following:

(1) The State of California has long been a national and international leader on environmental, natural resource, pollution prevention, and energy issues, as well as recent landmark laws in the areas of climate change, renewable energy, energy efficiency, and alternative transportation fuels.

(2) The passage of these laws has resulted in billions of dollars of investment capital flowing into the State of California for research, development, and commercialization of new green and clean technologies. This investment of capital is indicative of the rapidly growing clean and green technology sector of the California economy.

(3) The California Economic Strategy Panel has identified California's economy as an economy of regions. The panel also adopted a new way of looking at industry sectors and how they function and grow as industry clusters. California's green economy is about the potential of new technologies combined with innovative public policy and strategic investments to stimulate the growth of new markets for green products and services.

(4) As the green economy grows, it will be accompanied by an increased demand for a highly skilled and well-trained "green collar" workforce.

(5) California state government must act promptly to build the partnerships, expand the programs, and secure the resources necessary to meet our green workforce needs. This effort must involve both our K-12 and higher education systems, labor unions, the environmental community, workforce development programs, nongovernmental organizations, philanthropy, and private sector industries.

(6) In acknowledgment of the tremendous size of California's economy and related infrastructure, the application of sector strategies in a wide variety of industry sectors is essential to providing labor for industry and career paths for current and potential employees. The California Workforce Investment Board shall adopt a sector strategy approach in responding to industry sector workforce and economic

development needs. This strategy will ensure industry has a qualified workforce and can offer opportunities for employment, training, and career advancement for all Californians. The initial drive of this sector strategy approach will be the California Green Collar Jobs Act of 2008.

15002. (a) The California Workforce Investment Board (CWIB) shall establish a special committee known as the Green Collar Jobs Council (GCJC), comprised of the appropriate representatives from the CWIB existing membership, including the K–12 representative, the California Community Colleges representative, the Business, Transportation and Housing Agency representative, the Employment Development Department representative, and other appropriate members. The CWIB may call on other state agencies, other higher education representatives, and industry representatives as well as philanthropic, nongovernmental, and environmental groups as appropriate and necessary to serve as consultants to the GCJC in the development of this strategic initiative.

(b) As part of the strategic initiative the GCJC shall identify and develop the framework, funding, strategies, programs, policies, partnerships, and opportunities necessary to address the growing need for a highly skilled and well-trained workforce to meet the needs of California's emerging green economy. The GCJC shall do all of the following:

(1) Assist in identifying and linking green collar job opportunities with workforce development training opportunities in local workforce investment areas (LWIAs), encouraging regional collaboration among LWIAs to meet regional economic demands.

(2) Develop public, private, philanthropic, and nongovernmental partnerships to build and expand the state's workforce development programs, network, and infrastructure.

(3) Provide policy guidance for job training programs in the clean and green technology sectors to assist and prepare specific populations, such as at-risk youth, displaced workers, veterans, formerly incarcerated individuals, and others facing barriers to employment.

(4) Develop, collect, interpret, and distribute statewide and regional labor market data on California's new and emerging green industries workforce needs, trends, and job growth.

(5) Identify funding resources and make recommendations on how to expand and leverage these funds.

(6) Foster regional collaboratives in the green economic sector.

15003. On or before April 1, 2009, and each April 1 yearly thereafter, the CWIB shall report to the Legislature on the status of GCJC activities and its development of a green workforce strategic initiative.

CHAPTER 313

An act to amend Sections 44270.3, 44271, 44272, 44273, and 44274 of, to amend and renumber Section 44271.5 of, and to add the headings of Article 1 (commencing with Section 44270), Article 2 (commencing with Section 44272), and Article 3 (commencing with Section 44274) to Chapter 8.9 of Part 5 of Division 26 of, the Health and Safety Code, relating to air pollution.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The heading of Article 1 (commencing with Section 44270) is added to Chapter 8.9 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 1. General Provisions

SEC. 2. Section 44270.3 of the Health and Safety Code is amended to read:

44270.3. For the purposes of this chapter, the following terms have the following meanings:

(a) "Commission" means the State Energy Resources Conservation and Development Commission.

(b) "Full fuel-cycle assessment" or "life-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 production, extraction, cultivation, transport, and storage, and the transportation and use of water and changes in land use and land cover therein.

(2) Fuel production, manufacture, distribution, marketing, transport, and storage, and the transportation and use of water therein.

(3) Vehicle operation, including refueling, combustion, conversion, permeation, and evaporation.

(c) "Vehicle technology" means any vehicle, boat, off-road equipment, or locomotive, or component thereof, including its engine, propulsion system, transmission, or construction materials.

SEC. 3. Section 44271 of the Health and Safety Code is amended to read:

44271. (a) This chapter creates the Alternative and Renewable Fuel and Vehicle Technology Program, pursuant to Section 44272, to be administered by the commission, and the Air Quality Improvement Program, pursuant to Section 44274, to be administered by the state board. The commission and the state board shall do all of the following in fulfilling their responsibilities pursuant to their respective programs:

(1) Establish sustainability goals to ensure that alternative and renewable fuel and vehicle deployment projects, on a full fuel-cycle assessment basis, will not adversely impact natural resources, especially state and federal lands.

(2) Establish a competitive process for the allocation of funds for projects funded pursuant to this chapter.

(3) Identify additional federal and private funding opportunities to augment or complement the programs created pursuant to this chapter.

(4) Ensure that the results of the reductions in emissions or benefits can be measured and quantified.

(b) The state board shall develop and adopt guidelines for both the Alternative and Renewable Fuel and Vehicle Technology Program and the Air Quality Improvement Program to ensure that programs meet both of the following requirements:

(1) Activities undertaken pursuant to the programs complement, and do not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant emissions.

(2) Activities undertaken pursuant to the programs maintain or improve upon emission reductions and air quality benefits in the State Implementation Plan for Ozone, California Phase 2 Reformulated Gasoline standards, and diesel fuel regulations.

(c) For the purposes of both of the programs created by this chapter, eligible projects do not include those required to be undertaken pursuant to state or federal law, district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. For the purposes of the Alternative and Renewable Fuel and Vehicle Technology Program, the state board shall advise the commission to ensure the requirements of this subdivision are met.

SEC. 4. Section 44271.5 of the Health and Safety Code is amended and renumbered to read:

44272.5. (a) The commission shall develop and adopt an investment plan to determine priorities and opportunities for the Alternative and Renewable Fuel and Vehicle Technology Program created pursuant to this chapter. The investment plan shall establish priorities for investment of funds and technologies to achieve the goals of this chapter and describe how funding will complement existing public and private investments, including existing state programs that further the goals of this chapter. The commission shall create and consult with an advisory body as it develops the investment plan. The advisory body is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). The commission shall, at a minimum, hold one public hearing on the advisory body's recommendations prior to approving the investment plan.

(b) Membership of the advisory body created pursuant to subdivision (a) shall include, but is not limited to, representatives of fuel and vehicle technology entities, labor organizations, environmental organizations, community-based justice and public health organizations, recreational boaters, consumer advocates, academic institutions, workforce training groups, and private industry. The advisory body shall also include representatives from the Resources Agency, the Business, Transportation and Housing Agency, the Labor and Workforce Development Agency, and the California Environmental Protection Agency.

(c) The commission shall hold at least three public workshops in different regions of the state and one public hearing prior to approving the investment plan. The commission shall annually update and approve the plan. The commission shall reconvene and consult with the advisory body created pursuant to subdivision (a) prior to annually updating and approving the plan.

SEC. 5. The heading of Article 2 (commencing with Section 44272) is added to Chapter 8.9 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 2. Alternative and Renewable Fuel and Vehicle Technology Program

SEC. 6. Section 44272 of the Health and Safety Code is amended to read:

44272. (a) The Alternative and Renewable Fuel and Vehicle Technology Program is hereby created. The program shall be administered by the commission. The commission shall implement the program by regulation pursuant to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the

Government Code. The program shall provide, upon appropriation by the Legislature, competitive grants, revolving loans, loan guarantees, loans, or other appropriate funding measures, to public agencies, vehicle and technology entities, businesses and projects, public-private partnerships, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The emphasis of this program shall be to develop and deploy technology and alternative and renewable fuels in the marketplace, without adopting any one preferred fuel or technology.

(b) A project funded by the commission shall be approved at a noticed public hearing of the commission and shall be consistent with the priorities established by the investment plan adopted pursuant to Section 44272.5.

(c) The commission shall provide preferences to those projects that maximize the goals of the Alternative and Renewable Fuel and Vehicle Technology Program, based on the following criteria, as applicable:

(1) The project's ability to provide a measurable transition from the nearly exclusive use of petroleum fuels to a diverse portfolio of viable alternative fuels that meet petroleum reduction and alternative fuel use goals.

(2) The project's consistency with existing and future state climate change policy and low-carbon fuel standards.

(3) The project's ability to reduce criteria air pollutants and air toxics and reduce or avoid multimedia environmental impacts.

(4) The project's ability to decrease, on a life-cycle basis, the discharge of water pollutants or any other substances known to damage human health or the environment, in comparison to the production and use of California Phase 2 Reformulated Gasoline or diesel fuel produced and sold pursuant to California diesel fuel regulations set forth in Article 2 (commencing with Section 2280) of Chapter 5 of Division 3 of Title 13 of the California Code of Regulations.

(5) The project does not adversely impact the sustainability of the state's natural resources, especially state and federal lands.

(6) The project provides nonstate matching funds.

(7) The project provides economic benefits for California by promoting California-based technology firms, jobs, and businesses.

(8) The project uses existing or proposed fueling infrastructure to maximize the outcome of the project.

(9) The project's ability to reduce on a life-cycle assessment greenhouse gas emissions by at least 10 percent, and higher percentages

in the future, from current reformulated gasoline and diesel fuel standards established by the state board.

(10) The project's use of alternative fuel blends of at least 20 percent, and higher blend ratios in the future, with a preference for projects with higher blends.

(11) The project drives new technology advancement for vehicles, vessels, engines, and other equipment, and promotes the deployment of that technology in the marketplace.

(d) Only the following shall be eligible for funding:

(1) Alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels, including electricity, ethanol, dimethyl ether, renewable diesel, natural gas, hydrogen, and biomethane, among others, and their feedstocks that have high potential for long-term or short-term commercialization, including projects that lead to sustainable feedstocks.

(2) Demonstration and deployment projects that optimize alternative and renewable fuels for existing and developing engine technologies.

(3) Projects to produce alternative and renewable low-carbon fuels in California.

(4) Projects to decrease the overall impact of an alternative and renewable fuel's life cycle carbon footprint and increase sustainability.

(5) Alternative and renewable fuel infrastructure, fueling stations, and equipment. The preference in paragraph (10) of subdivision (c) shall not apply to renewable diesel or biodiesel infrastructure, fueling stations, and equipment used solely for renewable diesel or biodiesel fuel.

(6) Projects to develop and improve light-, medium-, and heavy-duty vehicle technologies that provide for better fuel efficiency and lower greenhouse gas emissions, alternative fuel usage and storage, or emission reductions, including propulsion systems, advanced internal combustion engines with a 40 percent or better efficiency level over the current market standard, light-weight materials, energy storage, control systems and system integration, physical measurement and metering systems and software, development of design standards and testing and certification protocols, battery recycling and reuse, engine and fuel optimization electronic and electrified components, hybrid technology, plug-in hybrid technology, battery electric vehicle technology, fuel cell technology, and conversions of hybrid technology to plug-in technology through the installation of safety certified supplemental battery modules.

(7) Programs and projects that accelerate the commercialization of vehicles and alternative and renewable fuels including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, supply-chain development, and research related to the pedestrian

safety impacts of vehicle technologies and alternative and renewable fuels.

(8) Programs and projects to retrofit medium- and heavy-duty on-road and nonroad vehicle fleets with technologies that create higher fuel efficiencies, including alternative and renewable fuel vehicles and technologies, idle management technology, and aerodynamic retrofits that decrease fuel consumption.

(9) Infrastructure projects that promote alternative and renewable fuel infrastructure development connected with existing fleets, public transit, and existing transportation corridors, including physical measurement or metering equipment and truck stop electrification.

(10) Workforce training programs related to alternative and renewable fuel feedstock production and extraction, renewable fuel production, distribution, transport, and storage, high-performance and low-emission vehicle technology and high tower electronics, automotive computer systems, mass transit fleet conversion, servicing, and maintenance, and other sectors or occupations related to the purposes of this chapter.

(11) Block grants administered by not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers.

(12) Life-cycle and multimedia analyses, sustainability and environmental impact evaluations, and market, financial, and technology assessments performed by a state agency to determine the impacts of increasing the use of low-carbon transportation fuels and technologies, and to assist in the preparation of the investment plan and program implementation.

(e) The commission may make a single source or sole source award pursuant to this section for applied research. The same requirements set forth in Section 25620.5 of the Public Resources Code shall apply to awards made on a single source basis or a sole source basis. This subdivision does not authorize the commission to make a single source or sole source award for a project or activity other than for applied research. The commission may pursuant to this subdivision make a single source or sole source award for the applied research to be conducted by the Quiet Motorized Road Vehicle and Safe Mobility Committee created pursuant to Section 25227 of the Public Resources Code, if Senate Bill 1174 of the 2007–08 Regular Session, which would add that section, is enacted.

(f) Until January 1, 2012, the commission may contract with the Treasurer to expend funds through programs implemented by the Treasurer, if that expenditure is consistent with all of the requirements of this chapter.

SEC. 7. Section 44273 of the Health and Safety Code is amended to read:

44273. (a) The Alternative and Renewable Fuel and Vehicle Technology Fund is hereby created in the State Treasury, to be administered by the commission. The moneys in the fund, upon appropriation by the Legislature, shall be expended by the commission to implement the Alternative and Renewable Fuel and Vehicle Technology Program in accordance with this chapter.

(b) Notwithstanding any other provision of law, the sum of ten million dollars (\$10,000,000) shall be transferred annually from the Public Interest Research, Development, and Demonstration Fund created by Section 384 of the Public Utilities Code to the Alternative and Renewable Fuel and Vehicle Technology Fund. Prior to the award of any funds from this source, the commission shall make a determination that the proposed project will provide benefits to electric or natural gas ratepayers based upon the commission's adopted criteria.

(c) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

SEC. 8. The heading of Article 3 (commencing with Section 44274) is added to Chapter 8.9 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 3. The Air Quality Improvement Program

SEC. 9. Section 44274 of the Health and Safety Code is amended to read:

44274. (a) The Air Quality Improvement Program is hereby created. The program shall be administered by the state board, in consultation with the districts. The state board shall develop guidelines to implement

the program. Prior to the adoption of the guidelines, the state board shall hold at least one public hearing. In addition, the state board shall hold at least three public workshops with at least one workshop in northern California, one in the central valley, and one in southern California. The purpose of the program shall be to fund, upon appropriation by the Legislature, air quality improvement projects relating to fuel and vehicle technologies. The primary purpose of the program shall be to fund projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.

(b) Projects proposed for funding pursuant to subdivision (a) shall be evaluated based on their proposed or potential reduction of criteria or toxic air pollutants, cost-effectiveness, contribution to regional air quality improvement, and ability to promote the use of clean alternative fuels and vehicle technologies as determined by the state board, in coordination with the commission.

(c) The program shall be limited to competitive grants, revolving loans, loan guarantees, loans, and other appropriate funding measures that further the purposes of the program. Projects to be funded shall include only the following:

- (1) On- and off-road equipment projects that are cost effective.
- (2) Projects that provide mitigation for off-road gasoline exhaust and evaporative emissions.
- (3) Projects that provide research to determine the air quality impacts of alternative fuels and projects that study the life-cycle impacts of alternative fuels and conventional fuels, the emissions of biofuel and advanced reformulated gasoline blends, and air pollution improvements and control technologies for use with alternative fuels and vehicles.
- (4) Projects that augment the University of California's agricultural experiment station and cooperative extension programs for research to increase sustainable biofuels production and improve the collection of biomass feedstock.
- (5) Incentives for small off-road equipment replacement to encourage consumers to replace internal combustion engine lawn and garden equipment.
- (6) Incentives for medium- and heavy-duty vehicles and equipment mitigation, including all of the following:
 - (A) Lower emission schoolbus programs.
 - (B) Electric, hybrid, and plug-in hybrid on- and off-road medium- and heavy-duty equipment.

(C) Regional air quality improvement and attainment programs implemented by the state or districts in the most impacted regions of the state.

(7) Workforce training initiatives related to advanced energy technology designed to reduce air pollution, including state-of-the-art equipment and goods, and new processes and systems. Workforce training initiatives funded shall be broad-based partnerships that leverage other public and private job training programs and resources. These partnerships may include, though are not limited to, employers, labor unions, labor-management partnerships, community organizations, workforce investment boards, postsecondary education providers including community colleges, and economic development agencies.

(8) Incentives to identify and reduce emissions from high emitting light-duty vehicles.

(d) (1) Beginning January 1, 2011, the state board shall submit to the Legislature a biennial report to evaluate the implementation of the Air Quality Improvement Program established pursuant to this chapter.

(2) The report shall include all of the following:

(A) A list of projects funded by the Air Quality Improvement Account.

(B) The expected benefits of the projects in promoting clean, alternative fuels and vehicle technologies.

(C) Improvement in air quality and public health, greenhouse gas emissions reductions, and the progress made toward achieving these benefits.

(D) The impact of the projects in making progress toward attainment of state and federal air quality standards.

(E) Recommendations for future actions.

(3) The state board may include the information required to be reported pursuant to paragraph (1) in an existing report to the Legislature as the state board deems appropriate.

CHAPTER 314

An act to amend Section 20175.2 of, and to add and repeal Article 5.5 (commencing with Section 20193) of Chapter 1 of Part 3 of Division 2 of, the Public Contract Code, relating to public contracts.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 20175.2 of the Public Contract Code is amended to read:

20175.2. (a) (1) A city, with approval of the appropriate city council, may utilize an alternative procedure for bidding on building construction projects in the city in excess of one million dollars (\$1,000,000), except as provided in subdivision (p).

(2) Cities may award the project using either the lowest responsible bidder or by best value.

(b) (1) It is the intent of the Legislature to enable cities to utilize cost-effective options for building and modernizing public facilities. The Legislature also recognizes the national trend, including authorization in California, to allow public entities to utilize design-build contracts as a project delivery method. It is not the intent of the Legislature to authorize this procedure for transportation facilities, including, but not limited to, roads and bridges.

(2) The Legislature also finds and declares that utilizing a design-build contract requires a clear understanding of the roles and responsibilities of each participant in the design-build process. The Legislature also finds that the cost-effective benefits to cities are achieved by shifting the liability and risk for cost containment and project completion to the design-build entity.

(3) It is the intent of the Legislature to provide an alternative and optional procedure for bidding and building construction projects for cities.

(4) The design-build approach may be used, but is not limited to use, when it is anticipated that it will: reduce project cost, expedite project completion, or provide design features not achievable through the design-bid-build method.

(5) If a city council elects to proceed under this section, the city council shall establish and enforce, for design-build projects, a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code, or it shall contract with a third party to operate a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code. This requirement shall not apply to any project where the city 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.

(c) As used in this section:

(1) "Best value" means a value determined by objectives relative to price, features, functions, and life-cycle costs.

(2) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(3) "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.

(4) "Project" means the construction of a building and improvements directly related to the construction of a building, but does not include streets and highways, public rail transit, or water resource facilities and infrastructure.

(d) Design-build projects shall progress in a four-step process, as follows:

(1) (A) The city shall prepare a set of documents setting forth the scope of the project. The documents may include, but are not limited to, the size, type, and desired design character of the buildings and site, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately the city's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(B) Any architect or engineer retained by the city to assist in the development of the project-specific documents shall not be eligible to participate in the preparation of a bid with any design-build entity for that project.

(2) (A) Based on the documents prepared in paragraph (1), the city shall prepare a request for proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the city. The request for proposals shall include, but is not limited to, the following elements:

(i) Identification of the basic scope and needs of the project or contract, the expected cost range, and other information deemed necessary by the city to inform interested parties of the contracting opportunity, to include the methodology that will be used by the city to evaluate proposals, and specifically if the contract will be awarded to the lowest responsible bidder.

(ii) Significant factors which the city reasonably expects to consider in evaluating proposals, including cost or price and all nonprice related factors.

(iii) The relative importance of weight assigned to each of the factors identified in the request for proposals.

(B) With respect to clause (iii) of subparagraph (A), if a nonweighted system is used, the agency shall specifically disclose whether all evaluation factors, other than cost or price, when combined are:

- (i) Significantly more important than cost or price.
- (ii) Approximately equal in importance to cost or price.
- (iii) Significantly less important than cost or price.

(C) If the city chooses to reserve the right to hold discussions or negotiations with responsive bidders, it shall so specify in the request for proposal and shall publish separately, or incorporate into the request for proposal, applicable rules and procedures to be observed by the city to ensure that any discussions or negotiations are conducted in good faith.

(3) (A) The city shall establish a procedure to prequalify design-build entities using a standard questionnaire developed by the city. In preparing the questionnaire, the city shall consult with the construction industry, including representatives of the building trades and surety industry. This questionnaire shall require information including, but not limited to, all of the following:

(i) 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, including, but not limited to, mechanical subcontractors.

(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 city that the design-build entity has the capacity to complete the project.

(iii) The licenses, registration, and credentials required to design and construct the project, including information on the revocation or suspension of any license, credential, or registration.

(iv) 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.

(v) Any prior serious or willful violation of the California Occupational Safety and Health Act of 1973, contained in 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, and information concerning workers' compensation experience history and worker safety program.

(vi) Information concerning any debarment, disqualification, or removal from a federal, state, or local government public works project. Any instance where an entity, 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.

(vii) Any instance where the entity, its owners, officers, or managing employees defaulted on a construction contract.

(viii) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations of federal or state law including the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or of Federal Insurance Contribution Act (FICA) withholding requirements settled against any member of the design-build entity.

(ix) Information concerning the bankruptcy or receivership of any member of the design-build entity, including information concerning any work completed by a surety.

(x) Information concerning all 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 pursuant to this section, 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.

(xi) In the case of a partnership or other 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.

(B) The information required pursuant to 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 that is not a public record pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall not be open to public inspection.

(4) The city shall establish a procedure for final selection of the design-build entity. Selection shall be based on either of the following criteria:

(A) A competitive bidding process resulting in lump-sum bids by the prequalified design-build entities. Awards shall be made to the lowest responsible bidder.

(B) The city may use a design-build competition based upon best value and other criteria set forth in paragraph (2) of subdivision (d). The design-build competition shall include the following elements:

(i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. However, the following minimum factors shall each represent

at least 10 percent of the total weight of consideration given to all criteria factors: price, technical design and construction expertise, life-cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record. Each of these factors shall be weighted equally.

(ii) Once the evaluation is complete, the top three responsive bidders shall be ranked sequentially from the most advantageous to the least.

(iii) The award of the contract shall be made to the responsible bidder whose proposal is determined, in writing, to be the most advantageous.

(iv) Notwithstanding any provision of this code, upon issuance of a contract award, the city shall publicly announce its award, identifying the contractor to whom the award is made, along with a written decision supporting its contract award and stating the basis of the award. The notice of award shall also include the city's second and third ranked design-build entities.

(v) For the purposes of 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, which has graduated apprentices in each of the preceding five years. This graduation requirement shall not apply to programs providing apprenticeship training for any craft that has been deemed by the Department of Labor and the Department of Industrial Relations to be an apprenticeable craft in the five years prior to enactment of this act.

(vi) For the purposes of this paragraph, a bidder's "safety record" shall be deemed "acceptable" if their experience modification rate for the most recent three-year period is an average of 1.00 or less, and their 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.

(e) (1) Any design-build entity that is selected to design and build a project pursuant to this section shall possess or obtain sufficient bonding to cover the contract amount for nondesign services and errors and omissions insurance coverage sufficient to cover all design 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 entity for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.

(2) Any payment or performance bond written for the purposes of this section shall be written using a bond form developed by the city.

(f) All subcontractors that were not listed by the design-build entity in accordance with clause (i) of subparagraph (A) of paragraph (3) of subdivision (d) shall be awarded by the design-build entity in accordance

with the design-build process set forth by the city in the design-build package. All subcontractors bidding on contracts pursuant to this section shall be afforded the protections contained in Chapter 4 (commencing with Section 4100) of Part 1. The design-build entity shall do both of the following:

(1) 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 city.

(2) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with the procedure established pursuant to this section.

(g) The minimum performance criteria and design standards established pursuant to paragraph (1) of subdivision (d) shall be adhered to by the design-build entity. Any deviations from those standards may only be allowed by written consent of the city.

(h) The city may retain the services of a design professional or construction project manager, or both, throughout the course of the project in order to ensure compliance with this section.

(i) Contracts awarded pursuant to this section shall be valid until the project is completed.

(j) Nothing in this section is intended to affect, expand, alter, or limit any rights or remedies otherwise available at law.

(k) (1) If the city elects to award a project pursuant to this section, retention proceeds withheld by the city from the design-build entity shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(2) In a contract between the design-build entity and the 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 city 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 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 city and the design-build entity from any payment made by the design-build entity to the subcontractor.

(l) Each city that elects to proceed under this section and uses the design-build method on a public works project shall submit to the Legislative Analyst's Office before December 1, 2014, a report containing a description of each public works project procured through the design-build process that is completed after January 1, 2011, and

before November 1, 2014. The report shall include, but shall not be limited to, all of the following information:

- (1) The type of project.
 - (2) The gross square footage of the project.
 - (3) The design-build entity that was awarded the project.
 - (4) The estimated and actual project costs.
 - (5) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including the resolution of the protests.
 - (6) An assessment of the prequalification process and criteria.
 - (7) An assessment of the effect of retaining 5 percent retention on the project.
 - (8) A description of the Labor Force Compliance Program and an assessment of the project impact, where required.
 - (9) A description of the method used to award the contract. If the best value method was used, the report shall describe the factors used to evaluate the bid, including the weighting of each factor and an assessment of the effectiveness of the methodology.
 - (10) An assessment of the project impact of “skilled labor force availability.”
 - (11) An assessment of the most appropriate uses for the design-build approach.
- (m) Any city that elects not to use the authority granted by this section may submit a report to the Legislative Analyst’s Office explaining why the city elected not to use the design-build method.
- (n) On or before January 1, 2015, the Legislative Analyst’s Office shall report to the Legislature on the use of the design-build method by cities pursuant to this section, including the information listed in subdivision (l). The report may include recommendations for modifying or extending this section.
- (o) Except as provided in this section, nothing in this act shall be construed to affect the application of any other law.
- (p) Before January 1, 2011, the project limitation of one million dollars (\$1,000,000), as set forth in subdivision (a), shall not apply to any city in the Counties of Solano and Yolo, or to the Cities of Stanton and Victorville.
- (q) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 2. Article 5.5 (commencing with Section 20193) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 5.5. Waste and Recycling Facilities

20193. (a) (1) Notwithstanding any other provision of law and subject to the limitations of this article, a qualified entity, with approval of its governing body, may utilize an alternative procedure on bidding on projects in excess of two million five hundred thousand dollars (\$2,500,000).

(2) Only 20 design-build projects shall be authorized under this article.

(3) A qualified entity may award a project using either the lowest responsible bidder or by best value.

(4) For purposes of this article, "qualified entity" means an entity that meets both of the following:

(A) The entity is any of the following:

(i) A city.

(ii) A county.

(iii) A city and county.

(iv) A special district.

(B) The entity operates wastewater facilities, solid waste management facilities, or water recycling facilities.

(b) If a qualified entity elects to proceed under this section, the qualified entity shall establish and enforce for design-build projects a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code, or it shall contract with a third party to operate a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code. This requirement shall not apply to any project where the qualified entity 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.

(c) As used in this section:

(1) "Best value" means a value determined by objective criteria related to price, features, functions, small business contracting plans, past performance, and life-cycle costs.

(2) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(3) "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.

(4) "Project" means the construction of regional and local wastewater treatment facilities, regional and local solid waste facilities, or regional and local water recycling facilities.

(d) Design-build projects shall progress in a four-step process, as follows:

(1) (A) The qualified entity shall prepare a set of documents setting forth the scope of the project. The documents may include, but are not limited to, the size, type, and desired design character of the project and site, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or project layouts, or any other information deemed necessary to describe adequately the qualified entity's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(B) Any architect or engineer retained by the qualified entity to assist in the development of the project specific documents shall not be eligible to participate in the preparation of a bid with any design-build entity for that project.

(2) (A) Based on the documents prepared in paragraph (1), the qualified entity shall prepare a request for proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the qualified entity. The request for proposals shall include, but is not limited to, the following elements:

(i) Identification of the basic scope and needs of the project or contract, the expected cost range, and other information deemed necessary by the qualified entity to inform interested parties of the contracting opportunity, to include the methodology that will be used by the qualified entity to evaluate proposals and specifically if the contract will be awarded to the lowest responsible bidder.

(ii) Significant factors that the qualified entity reasonably expects to consider in evaluating proposals, including cost or price and all nonprice related factors.

(iii) The relative importance of weight assigned to each of the factors identified in the request for proposals.

(B) With respect to clause (iii) of subparagraph (A), if a nonweighted system is used, the qualified entity shall specifically disclose whether all evaluation factors other than cost or price when combined are:

(i) Significantly more important than cost or price.

(ii) Approximately equal in importance to cost or price.

(iii) Significantly less important than cost or price.

(C) If the qualified entity chooses to reserve the right to hold discussions or negotiations with responsive bidders, it shall so specify in the request for proposal and shall publish separately or incorporate into the request for proposal applicable rules and procedures to be observed by the qualified entity to ensure that any discussions or negotiations are conducted in good faith.

(3) (A) The qualified entity shall establish a procedure to prequalify design-build entities using a standard questionnaire developed by the

qualified entity. In preparing the questionnaire, the qualified entity shall consult with the construction industry, including representatives of the building trades and surety industry. This questionnaire shall require information including, but not limited to, all of the following:

(i) 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, including, but not limited to, mechanical subcontractors.

(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 special district that the design-build entity has the capacity to complete the project.

(iii) The licenses, registration, and credentials required to design and construct the project, including information on the revocation or suspension of any license, credential, or registration.

(iv) 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.

(v) Any prior serious or willful violation of the California Occupational Safety and Health Act of 1973, contained in 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, and information concerning workers' compensation experience history and worker safety program.

(vi) Information concerning any debarment, disqualification, or removal from a federal, state, or local government public works project. Any instance where an entity, 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.

(vii) Any instance where the entity, its owner, officers, or managing employees defaulted on a construction contract.

(viii) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations of federal or state law including the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or of Federal Insurance Contribution

Act (FICA) withholding requirements settled against any member of the design-build entity.

(ix) Information concerning the bankruptcy or receivership of any member of the design-build entity, including information concerning any work completed by a surety.

(x) Information concerning all 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 pursuant to this section, 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.

(xi) In the case of a partnership or other 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.

(B) The information required pursuant to 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 that is not a public record pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall not be open to public inspection.

(4) The qualified entity shall establish a procedure for final selection of the design-build entity. Selection shall be based on either of the following criteria:

(A) A competitive bidding process resulting in lump-sum bids by the prequalified design-build entities. Awards shall be made to the lowest responsible bidder.

(B) A qualified entity may use a design-build competition based upon best value and other criteria set forth in paragraph (2) of subdivision (d). The design-build competition shall include the following elements:

(i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. However, the following minimum factors shall each represent at least 10 percent of the total weight of consideration given to all criteria factors; price, technical design and construction expertise, life-cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record.

(ii) Once the evaluation is complete, the top three responsive bidders shall be ranked sequentially from the most advantageous to the least.

(iii) The award of the contract shall be made to the responsible bidder whose proposal is determined, in writing, to be the most advantageous.

(iv) Notwithstanding any provision of this code, upon issuance of a contract award, the qualified entity shall publicly announce its award,

identifying the contractor to which the award is made, along with a written decision supporting its contract award and stating the basis of the award. The notice of award shall also include the qualified entity's second and third ranked design-build entities.

(v) For the purposes of 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, which has graduated apprentices in each of the preceding five years. This graduation requirement shall not apply to programs providing apprenticeship training for any craft that has been deemed by the Department of Labor and the Department of Industrial Relations to be an apprenticeable craft in the five years prior to enactment of this act.

(vi) For the purposes of this paragraph, a bidder's "safety record" shall be deemed "acceptable" if their experience modification rate for the most recent three-year period is an average of 1.00 or less, and their 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.

(e) (1) Any design-build entity that is selected to design and build a project pursuant to this section shall possess or obtain sufficient bonding to cover the contract amount for nondesign services, and errors and omissions insurance coverage sufficient to cover all design 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 entity for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.

(2) Any payment or performance bond written for the purposes of this section shall be written using a bond form developed by the qualified entity.

(f) All subcontractors that were not listed by the design-build entity in accordance with clause (i) of subparagraph (A) of paragraph (3) of subdivision (d) shall be awarded by the design-build entity in accordance with the design-build process set forth by the qualified entity in the design-build package. All subcontractors bidding on contracts pursuant to this section shall be afforded the protections contained in Chapter 4 (commencing with Section 4100) of Part 1. The design-build entity shall do both of the following:

(1) 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 qualified entity.

(2) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with the procedure established pursuant to this section.

(g) The minimum performance criteria and design standards established pursuant to paragraph (1) of subdivision (d) shall be adhered to by the design-build entity. Any deviations from those standards may only be allowed by written consent of the qualified entity.

(h) The qualified entity may retain the services of a design professional or construction project manager, or both, throughout the course of the project in order to ensure compliance with this section.

(i) Contracts awarded pursuant to this section shall be valid until the project is completed.

(j) Nothing in this section is intended to affect, expand, alter, or limit any rights or remedies otherwise available at law.

(k) (1) If the qualified entity elects to award a project pursuant to this section, retention proceeds withheld by the qualified entity from the design-build entity shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(2) In a contract between the design-build entity and the 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 qualified entity 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 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 qualified entity and the design-build entity from any payment made by the design-build entity to the subcontractor.

(l) Each qualified entity that elects to proceed under this section and uses the design-build method on a public works project shall do both of the following:

(1) Notify the Legislative Analyst's Office upon initiation of the project and upon completion of the project.

(2) Submit to the Legislative Analyst's Office, upon completion of the project, a report containing a description of the public works project procured through the design-build process pursuant to this section and completed after January 1, 2009. The report shall include, but shall not be limited to, all of the following information:

(A) The type of project.

- (B) The gross square footage of the project.
- (C) The design-build entity that was awarded the project.
- (D) The estimated and actual project costs.
- (E) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including the resolution of the protests.
- (F) An assessment of the prequalification process and criteria.
- (G) An assessment of the effect of retaining 5-percent retention on the project.
- (H) A description of the Labor Force Compliance Program and an assessment of the project impact, where required.
- (I) A description of the method used to award the contract. If best value was the method, the report shall describe the factors used to evaluate the bid, including the weighting of each factor and an assessment of the effectiveness of the methodology.
- (J) An assessment of the project impact of “skilled labor force availability.”
- (K) An assessment of the most appropriate uses for the design-build approach.
- (m) Any qualified entity that elects not to use the authority granted by this section may submit a report to the Legislative Analyst’s Office explaining why the qualified entity elected to not use the design-build method.
- (n) (1) In order to comply with paragraph (2) of subdivision (a), the Office of Planning and Research is required to maintain the list of entities that have applied and are eligible to be qualified for this authority.
- (2) Each entity that is interested in proceeding under the authority in this section must apply to the Office of Planning and Research.
 - (A) The application to proceed must be in writing.
 - (B) An entity must have complied with the California Environmental Quality Act review process pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code prior to its application, and must include its approved notice of determination or notice of completion in its application.
- (3) The Office of Planning and Research must approve or deny an application, in writing, within 30 days. The authority to deny an application shall only be exercised if the conditions set forth in either or both paragraph (2) of subdivision (a) and subparagraph (B) of paragraph (2) of this subdivision have not been satisfied.
- (4) An entity utilizing this section must, after it determines it no longer is interested in using this authority, notify the Office of Planning and Research in writing within 30 days of its determination. Upon notification, the Office of Planning and Research may contact any

previous applicants, denied pursuant to paragraph (2) of subdivision (a), to inform them of the availability to proceed under this section.

(o) The Legislative Analyst shall report to the Legislature on the use of the design-build method by qualified entities pursuant to this section, including the information listed in subdivision (l). The report may include recommendations for modifying or extending this section, and shall be submitted on either of the following dates, whichever occurs first:

(1) Within one year of the completion of the 20 projects, if the projects are completed prior to January 1, 2019.

(2) No later than January 1, 2020.

20194. (a) The authority for design-build projects contained in this article is a new and independent authorization and shall not supersede, limit, or restrict any other statutory design-build authorization.

(b) It is the intent of the Legislature in enacting this article to establish a pilot project for cities, counties, cities and counties, and special districts to utilize the design-build procurement method for regional or local water or wastewater treatment facilities, regional or local solid waste facilities, and regional and local water recycling facilities, and to assess the effectiveness of the use of the design-build procurement method. It is not the intent of the Legislature by enacting this measure to authorize the design-build procurement method for other infrastructure, including, but not limited to, streets and highways, public rail transit, or other types of water resource facilities.

(c) Nothing in this article shall be construed to change the authority of a state department, agency, board, or commission.

(d) A qualified entity may use state funds for projects utilizing the design-build procedure.

(e) Except as provided in this section, nothing in this act shall be construed to affect the application of any other law.

20195. This article shall remain in effect until January 1, 2020, or until the date upon which the Legislative Analyst has submitted the report required pursuant to this article to the Legislature, whichever occurs first, and as of the date is repealed, unless a later enacted statute, that is enacted before either of the dates specified in this section, deletes or extends those dates.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the

definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 315

An act to amend Sections 190, 191, 2450, 2452, 2454, 2458, and 2460.5 of, and to repeal Section 2454.5 of, the Streets and Highways Code, relating to transportation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 190 of the Streets and Highways Code is amended to read:

190. Each annual proposed budget prepared pursuant to Section 165 shall include the sum of fifteen million dollars (\$15,000,000), which sum may include federal funds available for grade separation projects, for allocations to grade separation projects, in accordance with Chapter 10 (commencing with Section 2450) of Division 3.

SEC. 2. Section 191 of the Streets and Highways Code is amended to read:

191. Prior to each July 15, the department shall prepare and forward to the Controller a report identifying the amounts to be deducted from the allocations under Sections 2104 and 2107 as provided in Sections 2104.1 and 2107.6. The amounts reported shall be the amount of funds allocated to cities for grade separation projects included in allocations to cities made pursuant to Chapter 10 (commencing with Section 2450) of Division 3 in the preceding fiscal year and the amount of funds allocated to counties for grade separation projects included in allocations to counties made pursuant to Chapter 10 (commencing with Section 2450) of Division 3 in the preceding fiscal year.

SEC. 3. Section 2450 of the Streets and Highways Code is amended to read:

2450. For purposes of this chapter:

(a) "Grade separation" means, for the purpose of calculating the railroad contribution to the project, the theoretical structure necessary to separate the roadway from the railroad grade for the number of lanes on the existing highway and for the full width of the railroad corridor, in accordance with the current design standards of the department.

(b) "Project" means the grade separation and other structures that actually separate the vehicular roadway from the railroad tracks, and all approaches, ramps, connections, drainage, and other construction required to make the grade separation operable and to effect the separation of grades. A grade separation project may include provision for separation of nonmotorized traffic from the vehicular roadway and the railroad tracks. If a separation of nonmotorized traffic is not to be included in a project, there shall be an affirmative finding that the separation of nonmotorized traffic is not in the public interest. On any project where there is only one railroad track in existence, the project shall be built so as to provide for expansion to two tracks when the Director of Transportation determines that the project is on an existing or potential major railroad passenger corridor. The project may consist of:

- (1) The alteration or reconstruction of existing grade separations.
- (2) The construction of new grade separations to eliminate existing grade crossings.

(c) "Highway" means city street, a county highway, or a state highway which is not a freeway as defined in Section 257.

(d) "Railroad" means a railroad corporation.

SEC. 4. Section 2452 of the Streets and Highways Code is amended to read:

2452. Prior to July 1 of each year, the Public Utilities Commission shall establish a list, in order of priority, of projects that the commission determines to be most urgently in need of separation or alteration. The priority list shall be determined on the basis of criteria established by the Public Utilities Commission.

SEC. 5. Section 2454 of the Streets and Highways Code is amended to read:

2454. Allocations made pursuant to Section 2453 shall be made on the basis of the following:

(a) An allocation of 80 percent of the estimated cost of the project shall be made; except that whenever contributions from other sources exceed 20 percent of the estimated cost, the allocation shall be reduced by the amount in excess of 20 percent of the estimated cost.

(b) On projects that eliminate an existing crossing, or alter or reconstruct an existing grade separation, no allocation shall be made unless the railroad agrees to contribute 10 percent of the cost of the project.

(c) (1) Notwithstanding subdivisions (a) and (b), the total of these allocations for a single project shall not exceed five million dollars (\$5,000,000) without specific legislative authorization. Cumulative allocations to a single project shall not exceed 80 percent of the cost to construct the project.

(2) Notwithstanding paragraph (1), the California Transportation Commission may allocate up to fifteen million dollars (\$15,000,000) to a single project if that project is the highest ranking project on the priority list established by the Public Utilities Commission pursuant to Section 2452.

(d) (1) Notwithstanding subdivisions (a) to (c), inclusive, a single project in excess of five million dollars (\$5,000,000), but not exceeding twenty million dollars (\$20,000,000), shall be considered without specific legislative authority, if the project (A) is included in the Public Utilities Commission's priority list of projects scheduled to be funded, (B) eliminates the need for future related grade separation projects, (C) provides projected cost savings of at least 50 percent to the state or local jurisdiction, or both of them, by eliminating the need for future projects, and (D) alleviates traffic and safety problems or provides improved rail service not otherwise possible. Projects approved pursuant to this subdivision shall be funded over a multiyear period, not to exceed five years, and the allocation for any one of those years shall not exceed the amount prescribed by subdivision (c) for a single project.

(2) Not more than one-half of the total allocation available in any one fiscal year for grade separation projects may be used for the purposes of this subdivision. An agency that has received an allocation for a project approved pursuant to this subdivision shall not be eligible for an allocation for another project under this subdivision for a period of 10 years from the date of approval of that project. However, if funds are available for allocation, as determined by the Department of Transportation, an agency may be eligible for an allocation for another project.

(e) Notwithstanding any of the provisions of this section or any other provision of law, when the state or a local agency uses funds derived from federal sources in financing its share of project costs, the railroad contribution, where required by federal law or regulation, shall be computed pursuant to federal law.

(f) Notwithstanding any of the provisions of this section or any other provision of law, when the state or a local agency uses state funds in financing a portion of project costs, the railroad contribution, to the extent determined pursuant to this section, shall be calculated based on the cost of the grade separation only, and not the cost of any other part of the project.

SEC. 6. Section 2454.5 of the Streets and Highways Code is repealed.

SEC. 7. Section 2458 of the Streets and Highways Code is amended to read:

2458. If a construction contract has not been awarded within two years after an allocation for construction costs, the commission may

order the allocation canceled and those funds shall revert to the fund set aside for purposes of this chapter. All or any part of an allocation for preconstruction costs may be canceled and those funds shall revert to the fund set aside for purposes of this chapter upon a finding that insufficient progress is being made to complete the project. Where an allocation is canceled pursuant to this section, the local agency shall reimburse the fund set aside for purposes of this chapter the portion of the allocation that is not reverted as set forth in this section. The department shall determine, with the local agency, as to the time of repayment.

SEC. 8. Section 2460.5 of the Streets and Highways Code is amended to read:

2460.5. From funds remaining after allocations for projects higher on the priority list, the commission shall offer to allocate the remaining funds for the next eligible project on the priority list, even though the amount of the remaining funds is less than the amount the local agency is entitled to for that project.

The commission, in the next fiscal year, shall allocate to the local agency an additional amount equal to the difference between the amount the local agency was eligible to receive and the amount of the reduced allocation.

The total of the amount of allocations for a single project, including, but not limited to, any allocation pursuant to this section, shall not exceed the amount prescribed by subdivision (c) of Section 2454 without specific legislative authorization.

CHAPTER 316

An act to amend Sections 8281, 8283, 8284, and 8285 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 8281 of the Public Utilities Code is amended to read:

8281. (a) The Legislature hereby finds and declares that the essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, reasonable and just prices, free entry into business, and opportunities

for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of that competition is basic to the economic well-being of this state and that well-being cannot be realized unless the actual and potential capacity of women, minority, and disabled veteran business enterprises is encouraged and developed. Therefore, it is the declared policy of the state to aid the interests of women, minority, and disabled veteran business enterprises in order to preserve reasonable and just prices and a free competitive enterprise, to ensure that a fair proportion of the total purchases and contracts or subcontracts for commodities, supplies, technology, property, and services for regulated public utilities are awarded to women, minority, and disabled veteran business enterprises, and to maintain and strengthen the overall economy of the state.

(b) (1) The Legislature finds all of the following:

(A) The opportunity for full participation in our free enterprise system by women, minority, and disabled veteran business enterprises is essential if this state is to attain social and economic equality for those businesses and improve the functioning of the state economy.

(B) Public agencies which have established short- and long-range women, minority, and disabled veteran business enterprise goals are awarding 30 percent or more of their contracts to these business enterprises.

(C) Women, minority, and disabled veteran business enterprises have traditionally received less than a proportionate share of regulated public utility procurement contracts.

(D) It is in the state's interest to expeditiously improve the economically disadvantaged position of women, minority, and disabled veteran business enterprises.

(E) The position of these businesses can be improved by providing long-range substantial goals for procurement by regulated public utilities of technology, equipment, supplies, services, materials, and construction work from women, minority, and disabled veteran businesses.

(F) That procurement also benefits the regulated public utilities and consumers of the state by encouraging the expansion of the number of suppliers for procurements, thereby encouraging competition among the suppliers and promoting economic efficiency in the process.

(2) It is the purpose of this article to do all of the following:

(A) Encourage greater economic opportunity for women, minority, and disabled veteran business enterprises.

(B) Promote competition among regulated public utility suppliers in order to enhance economic efficiency in the procurement of electrical, gas, water, and telephone corporation contracts and contracts of their commission-regulated subsidiaries and affiliates.

(C) Clarify and expand the program for the procurement by regulated public utilities of technology, equipment, supplies, services, materials, and construction work from women, minority, and disabled veteran business enterprises.

SEC. 2. Section 8283 of the Public Utilities Code is amended to read:

8283. (a) The commission shall require each electrical, gas, water, and telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000) and their commission-regulated subsidiaries and affiliates, to submit annually, a detailed and verifiable plan for increasing women, minority, and disabled veteran business enterprise procurement in all categories.

(b) These annual plans shall include short- and long-term goals and timetables, but not quotas, and shall include methods for encouraging both prime contractors and grantees to engage women, minority, and disabled veteran business enterprises in subcontracts in all categories which provide subcontracting opportunities.

(c) The commission shall establish guidelines for all electrical, gas, water, and telephone corporations with gross annual revenues exceeding twenty-five million dollars (\$25,000,000) and their commission-regulated subsidiaries and affiliates, to be utilized in establishing programs pursuant to this article.

(d) Every electrical, gas, water, and telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000) shall furnish an annual report to the commission regarding the implementation of programs established pursuant to this article in a form that the commission shall require, and at the time that the commission shall annually designate.

(e) The commission shall provide a report to the Legislature on September 1 of each year, on the progress of activities undertaken by each electrical, gas, water, and telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000) pursuant to this article in the implementation of women, minority, and disabled veterans business enterprise development programs. The commission shall recommend a program for carrying out the policy declared in this article, together with recommendations for legislation that it deems necessary or desirable to further that policy.

(f) The Legislature declares that each electrical, gas, water, and telephone corporation that is not required to submit a plan pursuant to subdivision (a) is encouraged to voluntarily adopt a plan for increasing women, minority, and disabled veteran business enterprise procurement in all categories.

SEC. 3. Section 8284 of the Public Utilities Code is amended to read:

8284. (a) The commission shall, by rule or order, adopt criteria for verifying and determining the eligibility of women, minority, and disabled veteran business enterprises for procurement contracts.

(b) The commission shall develop, and require every electrical, gas, water, and telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000) and their commission-regulated subsidiaries and affiliates to implement, an outreach program to inform and recruit women, minority, and disabled veteran business enterprises to apply for procurement contracts under this article.

SEC. 4. Section 8285 of the Public Utilities Code is amended to read:

8285. Any person or corporation, through its directors, officers, or agents, which falsely represents a business as a women, minority, or disabled veteran business enterprise in the procurement of, or attempt to procure, contracts from an electrical, gas, water, or telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000), or a commission-regulated subsidiary or affiliate subject to this article, shall be punished by a fine of not more than five thousand dollars (\$5,000), by imprisonment in a county jail for not more than one year or in the state prison, or by both that fine and imprisonment. In the case of a corporation, the fine or imprisonment, or both, shall be imposed on every director, officer, or agent responsible for the false statements.

SEC. 5. The Public Utilities Commission may use the “Water Industry Memorandum of Intent to Implement a Utility Supplier Diversity Program,” dated April 19, 2004, as the basis for the development of program guidelines to implement the requirements of this act for water corporations.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 317

An act to add Chapter 9 (commencing with Section 1967) to Division 2.5 of the Streets and Highways Code, relating to transportation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Chapter 9 (commencing with Section 1967) is added to Division 2.5 of the Streets and Highways Code, to read:

CHAPTER 9. TREASURE ISLAND TRANSPORTATION MANAGEMENT

1967. This act shall be known and may be cited as the Treasure Island Transportation Management Act.

1967.1. The Legislature finds and declares all of the following:

(a) It is essential for the economic well-being of the state and the maintenance of a high quality of life that the people of California have efficient transportation systems that will reduce traffic congestion, vehicle miles traveled, and greenhouse gas emissions, and improve travel times and air quality.

(b) In 2006, the Legislature passed Assembly Bill 32 (Ch. 488, Stats. 2006), which enacted the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), a landmark act that establishes a first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases.

(c) Implementation of the California Global Warming Solutions Act of 2006 will require creative and innovative solutions, including strategies designed to integrate land use and transportation measures to reduce vehicle miles traveled and traffic congestion, improve travel times, and encourage transit use.

(d) The proposed development of Treasure Island includes an innovative and comprehensive land use and transportation program designed to discourage motor vehicle usage, reduce vehicle miles traveled, encourage public transit, and serve as a model of sustainable neighborhood development. An element of the transportation program is the use of congestion pricing.

(e) Congestion pricing is a potentially useful tool for influencing the behavior of drivers of private motor vehicles, controlling traffic congestion, and reducing vehicle miles traveled and the production of greenhouse gases. The potential of congestion pricing for this purpose is well documented and has been implemented or is under consideration in a number of prominent, high-traffic cities around the world, including London, Stockholm, and Singapore.

(f) Because Treasure Island is located adjacent to an urban area with a single point of vehicular access, but is easily served by multimodal public transit, it is an ideal candidate for a demonstration program designed to test the feasibility of congestion pricing as a tool to encourage and fund public transit use and reduce vehicle miles traveled in furtherance of the state's goals to improve regional air quality and reduce greenhouse gas emissions and traffic congestion.

(g) The proposed development of Treasure Island is a leading example of performance-based infrastructure that uses private innovation, access to financing, and management efficiencies to build infrastructure, combined with the social responsibility, environmental awareness, local knowledge, safety requirements, and job generation concerns of the public sector. The proposed transportation program for Treasure Island, including congestion pricing, will further these goals by allowing private development to advance funding and resources for construction of a public transit infrastructure and mixed-use development in a transit-oriented and sustainable manner, then generating from that development congestion pricing fees that will maximize use of public transit and generate revenues to offset the public sector's costs of public transit facilities and equipment design, construction, operation, and maintenance.

(h) The purpose of the Treasure Island transportation program is to accomplish all of the following:

(1) To facilitate the implementation of an innovative, sustainable transportation program for Treasure Island that will encourage public transit, bicycle, pedestrian, and waterborne modes of transportation, reduce vehicle miles traveled, and minimize the impact of Treasure Island development on the system of state and local roadways affected by the San Francisco-Oakland Bay Bridge, as well as on the bridge itself, in furtherance of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) To develop a comprehensive set of transportation demand management programs to encourage and facilitate transit use and to minimize the environmental and other impacts of private motor vehicles traveling to, from, and on Treasure Island.

(3) To manage Treasure Island-related transportation in a sustainable manner, to the extent feasible, with the goal of reducing vehicle miles traveled and minimizing carbon emissions and impacts on air and water quality.

(4) To create a flexible institutional structure that can set parking and congestion pricing rates, monitor the performance of the transportation

program, collect revenues, and direct generated revenues to transportation services and programs serving Treasure Island.

(5) To promote multimodal access to, from, and on Treasure Island by a wide range of local, regional, and statewide visitors by providing a reliable source of funding for transportation services and programs serving Treasure Island that will include bus transit service provided by the city's municipal transportation agency, or its successor agency, and ferry service.

(i) The congestion pricing demonstration program authorized by this act includes an important reporting requirement to the Legislature that will allow the Legislature to assess the success of the program in achieving its goals.

(j) The Treasure Island Development Authority and its private development partner have undertaken numerous technical and economic feasibility studies demonstrating the effectiveness of the transportation program to conserve energy, discourage motor vehicle usage, reduce vehicle miles traveled, increase transit ridership, and deliver significant public infrastructure improvements through public-private partnership.

1967.2. For purposes of this chapter, the following terms have the following meanings:

(a) "Authority" means the Treasure Island Development Authority, a nonprofit public benefit corporation established by the board of supervisors that is vested with both redevelopment authority and the power and duty to administer the public trust for commerce, navigation, and fisheries with respect to Treasure Island.

(b) "Board of supervisors" means the Board of Supervisors of the City and County of San Francisco.

(c) "City" means the City and County of San Francisco.

(d) "Congestion pricing fees" means fees that motorists pay to drive in a designated congestion pricing zone that are designed to relieve traffic congestion and promote alternative forms of transportation, and are set and adjusted to reflect traffic patterns, congestion levels, time of day, and other conditions that impact the roadway system.

(e) "Transportation authority" means the San Francisco County Transportation Authority.

(f) "Transportation management agency" means the Treasure Island Transportation Management Agency designated by the board of supervisors pursuant to Section 1967.3.

(g) "Transportation program" means a comprehensive transportation program for Treasure Island designed to achieve the goals set forth in Section 1967.1.

(h) "Treasure Island" means Treasure Island and Yerba Buena Island.

1967.3. The authority is formulating a transportation program in connection with the authority's redevelopment activities on Treasure Island. The board of supervisors directed that the transportation program ensure adequate and reliable funding for transit service for Treasure Island, including bus transit service provided by the city's municipal transportation agency, or its successor agency. In formulating the transportation program, the authority shall make recommendations for the governance structure of the transportation management agency. Based on the authority's recommendations, the board of supervisors may designate a board or agency that shall act as the transportation management agency. The board of supervisors may designate itself as the transportation management agency. Notwithstanding Chapter 898 of the Statutes of 1997, any subsequent amendments to that chapter, but subject to Section 1967.5, the transportation management agency shall have the exclusive power to do any or all of the following pursuant to the terms of a resolution or ordinance adopted by the board of supervisors:

(a) Adopt and administer the transportation program and implementing rules and regulations.

(b) Recommend to the board of supervisors and the transportation authority an initial fee structure for the imposition of congestion pricing fees applicable to residents and other motorists as they enter or exit Treasure Island in the amount deemed necessary and proper by the transportation management agency to implement the transportation program.

(c) Adopt amendments to the congestion pricing fee structure initially adopted by the board of supervisors and the transportation authority pursuant to subdivision (a) of Section 1967.5, as the transportation management agency deems necessary and appropriate from time to time to implement the transportation program, based upon a finding that the amendments to the fee have a relationship or benefit to the motor vehicle drivers who are paying the fee.

(d) Administer and collect congestion pricing fees on Treasure Island.

(e) Adopt on-street and off-street parking regulations for Treasure Island, including regulations limiting parking, stopping, standing, or loading and establishing parking privileges and locations, parking meter zones, and other forms of parking regulation similar to those adopted for other areas of San Francisco.

(f) Adopt on-street and off-street parking fees, fines, and penalties for Treasure Island and administer and collect all on-street and off-street parking fees, fines, penalties, and other parking-related revenues on Treasure Island.

(g) Adopt a transit pass fee structure applicable to residents and other users of Treasure Island and administer and collect all Treasure Island transit pass fees.

(h) Fix the rates and charges for services provided or functions performed by the transportation management agency and administer and collect those rates and charges.

(i) Apply for, accept, and administer state, federal, local agency, or other public or private grant funds for transportation purposes.

(j) Administer and collect all other revenues generated by the transportation program.

(k) Undertake studies, performance evaluations, and other mechanisms as it deems necessary and proper to adopt and amend the transportation program with the purpose of relieving transportation-related impacts.

(l) Expend its revenues for any purpose related to the transportation program, including costs of implementation, operation, collection and enforcement, maintenance, construction, and administration under the transportation program.

(m) Enter into contracts, cooperative agreements, and direct funding agreements with private parties and governmental agencies, including city departments, to the extent deemed necessary and proper by the transportation management agency to implement the transportation program, including for any of the following:

(1) The construction and maintenance of transportation facilities serving Treasure Island that are directly related to the transportation program, including design, preconstruction, and other related costs.

(2) Transit capital improvements and operations for services that directly serve Treasure Island.

(3) Notwithstanding Section 40717.9 of the Health and Safety Code, implementation of transportation impact mitigation measures as adopted from time to time to improve or encourage the use of transit and other nonmotor vehicle means of access to Treasure Island.

(n) Adopt rules and regulations governing high-occupancy vehicles pursuant to subdivision (d) of Section 1967.5.

(o) Take all other steps as the transportation management agency deems necessary and proper to implement the transportation program.

1967.4. Except as specifically provided in Section 1967.5, to the extent that the transportation management agency is granted exclusive powers to adopt regulations and adopt, fix, administer, and collect fees, rates, charges, and other revenues with respect to the transportation program under Section 1967.3, the city and its departments, boards, and commissions shall be prohibited from exercising those powers with respect to Treasure Island and the transportation program.

1967.5. (a) The board of supervisors and the transportation authority, by a two-thirds majority vote of both bodies, shall have the authority to adopt a program imposing congestion pricing fees for motor vehicles exiting and entering Treasure Island from the San Francisco-Oakland Bay Bridge and an initial congestion pricing fee structure after consideration of the recommendation of the transportation management agency. The congestion pricing fees shall not be imposed on local trips on Treasure Island streets that do not exit to the San Francisco-Oakland Bay Bridge. Once adopted, the congestion pricing program may only be terminated by the recommendation of both the authority and the transportation management agency, followed by a two-thirds majority vote of both the board of supervisors and the transportation authority.

(b) (1) Prior to imposing the initial congestion pricing fees, the board of supervisors and the transportation authority shall each make a finding of fact by a two-thirds majority vote that the congestion pricing fees have a relationship or benefit to the motor vehicle drivers who are paying the fee.

(2) In order to ensure that congestion pricing fees are not instituted prior to new residents establishing residence on Treasure Island, initial congestion pricing fees shall not be imposed prior to the effective date of the disposition and development agreement for the redevelopment of Treasure Island.

(3) All fees, rates, and charges adopted in furtherance of the transportation program, including congestion pricing fees, on-street and off-street parking fees, fines and penalties, transit pass fees, and any other rates and charges that are adopted by the transportation management agency from time to time, be collected and used by the transportation management agency to implement the transportation program.

(c) While congestion pricing fees remain in effect, the transferor of any sale or lease agreement of real property on Treasure Island shall be required to include a written disclosure to the potential purchaser or lessee that use of a motor vehicle to and from Treasure Island may be subject to congestion pricing fees.

(d) At all periods of the day, whether or not the congestion pricing fees are in effect, high-occupancy vehicles shall be able to exit or enter Treasure Island free of charge.

1967.6. The transportation program shall ensure that public access to waterfront, recreational, and open-space areas on Treasure Island is sufficient to support public trust activities by ensuring all of the following:

(a) Public access to areas subject to the public trust is facilitated in part by transportation program elements, such as (1) an on-island shuttle, (2) secure bicycle parking, and (3) limitations on long-term parking on

streets that are subject to the public trust following a land exchange authorized by Chapter 543 of the Statutes of 2004, as amended (hereafter public trust streets), that will discourage residential use of public trust streets for parking but allow appropriate time for recreational and visitor activities.

(b) Program elements shall not interfere with the provision of public access to public trust lands consistent with the beneficial use of those lands, including, but not limited to, roadway access to serve the public along the western shoreline of Treasure Island.

(c) There shall be no preference for residents in parking rates, parking passes, or the duration of parking on public trust streets or on other public trust lands.

(d) Parking revenues from public trust streets or other public trust lands shall be used for transportation facilities and services benefiting the public trust in accordance with the transportation program, with any surplus revenues to be used for other trust-related purposes.

1967.7. Meetings of the transportation management agency shall be held pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

1967.8. Section 9400.8 of the Vehicle Code shall not apply to any fee imposed by this chapter.

1967.9. The city may bring an action pursuant to Sections 860 to 870, inclusive, of the Code of Civil Procedure to confirm the validity of any resolution adopted by the board of supervisors or the transportation management agency.

1967.10. Not later than three years and no sooner than one year after the transportation management agency first collects revenues from the congestion pricing fees authorized under Section 1967.5, the authority shall conduct a public opinion survey regarding the congestion pricing demonstration program and provide a report to the Assembly Committee on Transportation and the Senate Committee on Transportation and Housing Committee on its findings, conclusions, and recommendations concerning the congestion pricing demonstration program authorized by this act. The report shall include an analysis of the success of the congestion pricing demonstration program on minimizing vehicle miles traveled and motor vehicle trips on the San Francisco-Oakland Bay Bridge and increasing public transit use, as well as an economic analysis of the program's impact on funding public transportation improvements and operations.

1967.11. Nothing in this chapter shall affect the authority granted to the Bay Area Toll Authority granted in Article 1 (commencing with

Section 30600) of Chapter 2 of Division 17 relating to the San Francisco-Oakland Bay Bridge.

SEC. 2. (a) The Legislature finds and declares that the adoption and implementation of the transportation program under this act, including the use of the congestion pricing, parking, and transit pass fees in accordance with this act, will provide substantial benefit to (1) the public trust for commerce, navigation, and fisheries by promoting access to Treasure Island by a wide range of local, regional, and statewide visitors, and (2) the people of California and the state highway and regional transportation system by reducing the amount of project-related traffic and vehicle miles traveled on the San Francisco-Oakland Bay Bridge and related system of state and local roadways, reducing congestion and greenhouse gas emissions, improving regional air quality, and increasing ridership on regional multimodal public transit, and is therefore a matter of statewide concern.

(b) (1) Subject to the requirements of this act, the transportation management agency shall be the sole entity or jurisdiction authorized to impose any transportation-related revenue measures on Treasure Island, including congestion pricing fees, on-street and off-street parking fees, fines, penalties, other parking-related revenues, and transit pass fees. No ordinance, charter provision, or other provision of local law purporting to impose any similar revenue measure, whether now existing or enacted in the future, shall apply to Treasure Island or the transportation program, and the city and its departments, boards, and commissions are prohibited from exercising in the city's own right any powers that have been granted to the transportation management agency or the board of supervisors under this act.

(2) The transportation management agency, in implementing the transportation program, shall coordinate with the San Francisco Municipal Transportation Agency (SFMTA) in decisions regarding transit service, parking enforcement, traffic signaling, and all other operational responsibilities for which SFMTA is mutually determined to have operational responsibilities and, consistent with direction from the board of supervisors under Resolution No. 699-06, the transportation management agency shall work with SFMTA to identify adequate and reliable funding as necessary for SFMTA to carry out these responsibilities. This provision is not intended to interfere with the jurisdiction of SFMTA or any successor agency over the real, personal, and financial assets of SFMTA, the authority of SFMTA over contracting, leasing, and purchasing, or the authority of SFMTA to set fares for the San Francisco Municipal Railway.

SEC. 3. The Legislature finds and declares that because of the unique circumstances applicable to Treasure Island that necessitate an innovative,

sustainable transportation program, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

CHAPTER 318

An act to amend Section 5 of Chapter 898 of the Statutes of 1997, relating to redevelopment.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 5 of Chapter 898 of the Statutes of 1997 is amended to read:

Sec. 5. (a) Notwithstanding Article 2 (commencing with Section 33110) of Chapter 2 of Part 1 of Division 24 of the Health and Safety Code, the legislative body of the City and County of San Francisco may, by resolution, designate the authority or any successor entity or agency of the authority as the redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, for the purpose of acquiring, using, operating, maintaining, converting, and redeveloping the property. Upon adoption of that resolution, the authority shall be considered a redevelopment agency for all purposes under state law, including, but not limited to, the purposes of Section 21090 of the Public Resources Code.

(b) Notwithstanding any state or local law, including, without limitation, Section 33111 of the Health and Safety Code, the board of directors of the authority may include individuals who are officers or employees of the City and County of San Francisco or of the San Francisco Redevelopment Agency and those individuals are not precluded, solely by virtue of their status as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency, from participating in decisions as members of the board of directors.

(c) Notwithstanding Section 1090 of the Government Code and Section C8.105 of Appendix C of the San Francisco Charter, officers and employees of the City and County of San Francisco or the San

Francisco Redevelopment Agency are not precluded, solely by virtue of their services as members of the board of directors, from participating in any decisions in their capacities as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency.

(d) Notwithstanding any other provision of law, the authority's employees are subject to the same civil service provisions as the employees of the City and County of San Francisco.

(e) Notwithstanding any other provision of law, the authority shall follow the same competitive bidding procedures applicable to redevelopment agencies in California.

(f) Prior to the board of supervisor's approval of a redevelopment plan for the property, any contract to which the authority is a party worth more than one million dollars (\$1,000,000) or with a term of 10 or more years shall require the approval of the Board of Supervisors of the City and County of San Francisco.

(g) Due to the unique status of the existing housing units as set forth in this chapter, which were formerly base housing and must be removed, the authority need not comply with Section 33385 of the Health and Safety Code, as long as the authority complies with all of the following alternative requirements:

(1) The authority shall consult with and obtain the advice of the existing Treasure Island/Yerba Buena Island Citizens Advisory Board, as created by Resolution No. 00-41-12/21 of the Treasure Island Development Authority Board, concerning the adoption and implementation of a redevelopment plan for Naval Station Treasure Island.

(2) At least 120 days before the adoption of the Redevelopment Plan for Naval Station Treasure Island, the authority shall amend the membership composition of the Treasure Island/Yerba Buena Island Citizens Advisory Board to include not less than four specific slots for residents currently residing on Naval Station Treasure Island, including slots designated for low- and moderate-income residents.

(3) The authority shall hold at least one public meeting to explain the new citizens advisory board composition. The authority shall provide written notice of the public meeting explaining the new citizens advisory board composition and the opportunity for Naval Station Treasure Island residents to serve on the citizens advisory board to all residents of Naval Station Treasure Island at the time of the public meeting. The authority shall proscribe the procedure for selection of the resident members of the citizens advisory board, which shall must require that the resident members of the citizens advisory board be selected by a vote of the existing residents of the Naval Station Treasure Island. All resident

member seats of the citizens advisory board added pursuant to this section shall be filled no later than 60 days prior to the adoption of the Redevelopment Plan for Naval Station Treasure Island. The authority may, but is not required to, increase the size of the citizens advisory board to include the resident members. The authority is authorized and shall take any and all actions consistent with this section to create specific slots for resident membership on the citizens advisory board.

(4) Persons of low- and moderate-income lawfully occupying the existing housing on Naval Station Treasure Island at the time the Redevelopment Plan for Naval Station Treasure Island is adopted, and at the time the existing housing is removed or demolished, shall be offered new permanent housing adequate to accommodate the household to be constructed within the redevelopment project area, at a cost or rent not exceeding the affordable housing costs or affordable rent, as defined by Section 50052.5 or 50053 of the Health and Safety Code, as applicable. The redevelopment plan shall include provisions requiring the authority to implement this subdivision.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to the lands within the City and County of San Francisco described in the Treasure Island Conversion Act of 1997, Chapter 898 of the Statutes of 1997, relating to the closure of Naval Station Treasure Island, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 319

An act to amend Section 12301.6 of, and to add Section 12315 to, the Welfare and Institutions Code, relating to public social services.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 12301.6 of the Welfare and Institutions Code is amended to read:

12301.6. (a) Notwithstanding Sections 12302 and 12302.1, a county board of supervisors may, at its option, elect to do either of the following:

(1) Contract with a nonprofit consortium to provide for the delivery of in-home supportive services.

(2) Establish, by ordinance, a public authority to provide for the delivery of in-home supportive services.

(b) (1) To the extent that a county elects to establish a public authority pursuant to paragraph (2) of subdivision (a), the enabling ordinance shall specify the membership of the governing body of the public authority, the qualifications for individual members, the manner of appointment, selection, or removal of members, how long they shall serve, and other matters as the board of supervisors deems necessary for the operation of the public authority.

(2) A public authority established pursuant to paragraph (2) of subdivision (a) shall be both of the following:

(A) An entity separate from the county, and shall be required to file the statement required by Section 53051 of the Government Code.

(B) A corporate public body, exercising public and essential governmental functions and that has all powers necessary or convenient to carry out the delivery of in-home supportive services, including the power to contract for services pursuant to Sections 12302 and 12302.1 and that makes or provides for direct payment to a provider chosen by the recipient for the purchase of services pursuant to Sections 12302 and 12302.2. Employees of the public authority shall not be employees of the county for any purpose.

(3) (A) As an alternative, the enabling ordinance may designate the board of supervisors as the governing body of the public authority.

(B) Any enabling ordinance that designates the board of supervisors as the governing body of the public authority shall also specify that no fewer than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance services paid for through public or private funds or recipients of services under this article.

(C) If the enabling ordinance designates the board of supervisors as the governing body of the public authority, it shall also require the appointment of an advisory committee of not more than 11 individuals who shall be designated in accordance with subparagraph (B).

(D) Prior to making designations of committee members pursuant to subparagraph (C), or governing body members in accordance with paragraph (4), the board of supervisors shall solicit recommendations of qualified members of either the governing body of the public authority or of any advisory committee through a fair and open process that includes the provision of reasonable written notice to, and a reasonable response time by, members of the general public and interested persons and organizations.

(4) If the enabling ordinance does not designate the board of supervisors as the governing body of the public authority, the enabling

ordinance shall require the membership of the governing body to meet the requirements of subparagraph (B) of paragraph (3).

(c) (1) Any public authority created pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients under paragraph (3) of subdivision (e) within the meaning of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code. Recipients shall retain the right to hire, fire, and supervise the work of any in-home supportive services personnel providing services to them.

(2) (A) Any nonprofit consortium contracting with a county pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients pursuant to paragraph (3) of subdivision (e) for the purposes of collective bargaining over wages, hours, and other terms and conditions of employment.

(B) Recipients shall retain the right to hire, fire, and supervise the work of any in-home supportive services personnel providing services for them.

(d) A public authority established pursuant to this section or a nonprofit consortium contracting with a county pursuant to this section, when providing for the delivery of services under this article by contract in accordance with Sections 12302 and 12302.1 or by direct payment to a provider chosen by a recipient in accordance with Sections 12302 and 12302.2, shall comply with and be subject to, all statutory and regulatory provisions applicable to the respective delivery mode.

(e) Any nonprofit consortium contracting with a county pursuant to this section or any public authority established pursuant to this section shall provide for all of the following functions under this article, but shall not be limited to those functions:

(1) The provision of assistance to recipients in finding in-home supportive services personnel through the establishment of a registry.

(2) (A) (i) The investigation of the qualifications and background of potential personnel. The investigation may, with respect to any prospective registry applicant who is not employed before January 1, 2008, include criminal background checks requested by the nonprofit consortium or public authority and conducted by the Department of Justice pursuant to Section 15660, for those public authorities or nonprofit consortia using the agencies on January 1, 2008.

(ii) Upon notice from the Department of Justice notifying the public authority or nonprofit consortium that the prospective registry applicant has been convicted of a criminal offense specified in Section 12305.81, the public authority or nonprofit consortium shall deny the request to be placed on the registry for providing supportive services to any recipient of the In-Home Supportive Services program.

(B) If an applicant is rejected as a result of information contained in the criminal background report, the applicant shall be advised in writing of his or her right to request a copy of his or her own criminal history record from the Department of Justice, as provided in Article 5 (commencing with Section 11120) of Chapter 1 of Title 1 of Part 4 of the Penal Code, to review the information for accuracy and completeness. The applicant shall be advised that if, upon review of his or her own criminal history record he or she finds the information to be inaccurate or incomplete, the applicant shall have the right to submit a formal challenge to the Department of Justice to contest the criminal background report.

(C) An applicant shall be informed of his or her right to a waiver of the fee for obtaining a copy of a criminal history record, and of how to submit a claim and proof of indigency, as required by Section 11123 of the Penal Code.

(D) No fee shall be charged to a provider, potential personnel, or service recipient to cover any costs of administering this paragraph associated with criminal background checks, or the cost to the Department of Justice or any law enforcement agency for processing the criminal background check. Nothing in this paragraph shall be construed to prohibit the Department of Justice from assessing a fee pursuant to Section 11105 or 11123 of the Penal Code to cover the cost of furnishing summary criminal history information. A public authority or nonprofit consortium shall not seek reimbursement unless the conditions described in subparagraph (F) are met.

(E) As used in this section, "nonprofit consortium" means a nonprofit public benefit corporation that has all powers necessary to carry out the delivery of in-home supportive services under the delegated authority of a government entity.

(F) (i) Upon verification that at least 50 percent of the public authority or nonprofit consortium list of registry applicants have received a criminal background check, the county may request reimbursement for the nonfederal share of cost associated with the criminal fingerprint record check in accordance to the fiscal claiming methodology.

(ii) The public authority or nonprofit consortium shall provide a report to the State Department of Social Services on the number of prospective registry applicants that have been referred to the Department of Justice for a criminal background check.

(iii) The Department of Justice shall provide verification to the State Department of Social Services on the number of prospective registry applicants that have completed a criminal background check.

(3) Establishment of a referral system under which in-home supportive services personnel shall be referred to recipients.

(4) Providing for training for providers and recipients.

(5) (A) Performing any other functions related to the delivery of in-home supportive services.

(B) (i) Upon request of a recipient of in-home supportive services pursuant to this chapter, or a recipient of personal care services under the Medi-Cal program pursuant to Section 14132.95, a public authority or nonprofit consortium may provide a criminal background check on a nonregistry applicant or provider from the Department of Justice, in accordance with clause (i) of subparagraph (A) of paragraph (2) of subdivision (e). If the person who is the subject of the criminal background check is not hired or is terminated because of the information contained in the criminal background report, the provisions of subparagraph (B) of paragraph (2) of subdivision (e) shall apply.

(ii) A recipient of in-home supportive services pursuant to this chapter or a recipient of personal care services under the Medi-Cal program may elect to employ an individual as their service provider notwithstanding the individual's record of previous criminal convictions, unless those convictions include any of the offenses specified in Section 12305.81.

(6) Ensuring that the requirements of the personal care option pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are met.

(f) (1) Any nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section shall be deemed not to be the employer of in-home supportive services personnel referred to recipients under this section for purposes of liability due to the negligence or intentional torts of the in-home supportive services personnel.

(2) In no case shall a nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section be held liable for action or omission of any in-home supportive services personnel whom the nonprofit consortium or public authority did not list on its registry or otherwise refer to a recipient.

(3) Counties and the state shall be immune from any liability resulting from their implementation of this section in the administration of the In-Home Supportive Services program. Any obligation of the public authority or consortium pursuant to this section, whether statutory, contractual, or otherwise, shall be the obligation solely of the public authority or nonprofit consortium, and shall not be the obligation of the county or state.

(g) Any nonprofit consortium contracting with a county pursuant to this section shall ensure that it has a governing body that complies with the requirements of subparagraph (B) of paragraph (3) of subdivision

(b) or an advisory committee that complies with subparagraphs (B) and (C) of paragraph (3) of subdivision (b).

(h) Recipients of services under this section may elect to receive services from in-home supportive services personnel who are not referred to them by the public authority or nonprofit consortium. Those personnel shall be referred to the public authority or nonprofit consortium for the purposes of wages, benefits, and other terms and conditions of employment.

(i) (1) Nothing in this section shall be construed to affect the state's responsibility with respect to the state payroll system, unemployment insurance, or workers' compensation and other provisions of Section 12302.2 for providers of in-home supportive services.

(2) The Controller shall make any deductions from the wages of in-home supportive services personnel, who are employees of a public authority pursuant to paragraph (1) of subdivision (c), that are agreed to by that public authority in collective bargaining with the designated representative of the in-home supportive services personnel pursuant to Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code and transfer the deducted funds as directed in that agreement.

(3) Any county that elects to provide in-home supportive services pursuant to this section shall be responsible for any increased costs to the in-home supportive services case management, information, and payrolling system attributable to that election. The department shall collaborate with any county that elects to provide in-home supportive services pursuant to this section prior to implementing the amount of financial obligation for which the county shall be responsible.

(j) To the extent permitted by federal law, personal care option funds, obtained pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code, along with matching funds using the state and county sharing ratio established in subdivision (c) of Section 12306, or any other funds that are obtained pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code, may be used to establish and operate an entity authorized by this section.

(k) Notwithstanding any other provision of law, the county, in exercising its option to establish a public authority, shall not be subject to competitive bidding requirements. However, contracts entered into by either the county, a public authority, or a nonprofit consortium pursuant to this section shall be subject to competitive bidding as otherwise required by law.

(l) (1) The department may adopt regulations implementing this section as emergency regulations in accordance with Chapter 3.5

(commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these emergency regulations shall not be subject to the review and approval of the Office of Administrative Law.

(2) Notwithstanding subdivision (h) of Section 11346.1 and Section 11349.6 of the Government Code, the department shall transmit these regulations directly to the Secretary of State for filing. The regulations shall become effective immediately upon filing by the Secretary of State.

(3) Except as otherwise provided for by Section 10554, the Office of Administrative Law shall provide for the printing and publication of these regulations in the California Code of Regulations. Emergency regulations adopted pursuant to this subdivision shall remain in effect for no more than 180 days.

(m) (1) In the event that a county elects to form a nonprofit consortium or public authority pursuant to subdivision (a) before the State Department of Health Care Services has obtained all necessary federal approvals pursuant to paragraph (3) of subdivision (j) of Section 14132.95, all of the following shall apply:

(A) Subdivision (d) shall apply only to those matters that do not require federal approval.

(B) The second sentence of subdivision (h) shall not be operative.

(C) The nonprofit consortium or public authority shall not provide services other than those specified in paragraphs (1), (2), (3), (4), and (5) of subdivision (e).

(2) Paragraph (1) shall become inoperative when the State Department of Health Care Services has obtained all necessary federal approvals pursuant to paragraph (3) of subdivision (j) of Section 14132.95.

(n) (1) One year after the effective date of the first approval by the department granted to the first public authority, the Bureau of State Audits shall commission a study to review the performance of that public authority.

(2) The study shall be submitted to the Legislature and the Governor not later than two years after the effective date of the approval specified in subdivision (a). The study shall give special attention to the health and welfare of the recipients under the public authority, including the degree to which all required services have been delivered, out-of-home placement rates, prompt response to recipient complaints, and any other issue the director deems relevant.

(3) The report shall make recommendations to the Legislature and the Governor for any changes to this section that will further ensure the well-being of recipients and the most efficient delivery of required services.

(o) Commencing July 1, 1997, the department shall provide annual reports to the appropriate fiscal and policy committees of the Legislature on the efficacy of the implementation of this section, and shall include an assessment of the quality of care provided pursuant to this section.

(p) (1) Notwithstanding any other provision of law, and except as provided in paragraph (2), the department shall, no later than January 1, 2009, implement subparagraphs (A) and (B) through an all county letter from the director:

(A) Subparagraphs (A) and (B) of paragraph (2) of subdivision (e).

(B) Subparagraph (B) of paragraph (5) of subdivision (e).

(2) The department shall, no later than July 1, 2009, adopt regulations to implement subparagraphs (A) and (B) of paragraph (1).

(q) The amendments made to paragraphs (2) and (5) of subdivision (e) made by the act that added this subdivision during the 2007–08 Regular Session of the Legislature shall only be implemented to the extent that an appropriation is made in the annual Budget Act or other statute, except for the amendments that added subparagraph (D) of paragraph (2) of subdivision (e), which shall go into effect January 1, 2009.

SEC. 2. Section 12315 is added to the Welfare and Institutions Code, to read:

12315. (a) (1) Commencing January 1, 2009, a pilot project shall be established in five consenting counties that provides severely impaired recipients who receive in-home supportive services under this article through the public authority, as described in Section 12301.6, with a choice of receiving services through the public authority or receiving services through a voluntary nonprofit or propriety agency pursuant to Section 12302. The pilot project shall be developed to provide services to severely impaired recipients, as described in Section 12303.4.

(2) To accomplish this end, the five consenting counties shall administer the In-Home Supportive Services (IHSS) program through a public authority pursuant to Section 12301.6.

(3) (A) Following the submission of input and recommendations of the IHSS advisory committee for the county, each participating county, with the consent of the public authority in that county, or the public authority, with the consent of the participating county, shall contract with a voluntary nonprofit or proprietary agency, pursuant to Section 12302.

(B) Severely impaired recipients in each participating county may continue to receive supportive services through the county's public authority, or may choose to receive services through the voluntary nonprofit or proprietary agency, pursuant to paragraph (1). Recipients who choose to receive services through the voluntary nonprofit or proprietary agency shall be compensated only for those services described in the recipients' then existing care plan, as approved by the county social worker.

(4) Administrative costs of the pilot project, including the cost of developing guidelines other than the guidelines in this section and the cost of administering the project and providing oversight, shall not be paid by the state. Instead, an estimate of administrative costs shall be included in the county request for proposal for each contract with the voluntary nonprofit or proprietary agency and administrative costs shall then be paid by the agency up to the amount estimated unless the county and agency reach an alternative cost-sharing agreement in the contract that does not involve state participation.

(b) (1) (A) For purposes of this section, to the extent possible, all providers employed by the voluntary nonprofit or proprietary agency shall be persons previously listed on the public authority's registry. The agency shall, pursuant to the contract, continually recruit and provide the public authority with names of new workers for the registry.

(B) The voluntary nonprofit or proprietary agency in each participating county shall provide for training for all providers recruited pursuant to this paragraph. A public authority may retain the voluntary nonprofit or proprietary agency to provide these services for and under the direction of the public authority. A public authority shall not be eligible to receive reimbursement for any costs associated with administering the pilot project. This shall not prohibit any public authority from using the funding it receives pursuant to paragraph (4) of subdivision (a) for newsletters and other means of communication about training opportunities available through the voluntary nonprofit or proprietary agency.

(C) All providers employed by the voluntary nonprofit or proprietary agency shall be paid no less than the wages and benefits provided for in the public authority's collective bargaining agreement, provided that this provision shall not obligate the state to participate in a contract rate higher than the maximum allowable contract rate. However, providers employed by the voluntary nonprofit or proprietary agency are not covered by any existing collective bargaining agreements with the public authority.

(2) A voluntary nonprofit or proprietary agency that contracts with a participating county pursuant to subdivision (a) shall perform all of the following duties:

(A) Maintain a live, on-call emergency service response system that is available 24 hours a day, seven days a week.

(B) Replace or supplement providers for a recipient who needs immediate service for the sake of preserving his or her health or safety within two hours of notification.

(C) To the extent possible, employ the recipient's preferred provider or providers.

(D) If required by the county, provide emergency backup services to severely impaired IHSS recipients when there is an unexpected interruption in services.

(E) Maintain a list of its providers with the public authority.

(F) Establish and maintain an upskilling program, based on practices in existing agency contracts, wherein employees may have the opportunity to use work experience and training toward upward movement on a long-term care career ladder. Any costs associated with the development and maintenance of the upskilling program shall be paid solely by the voluntary nonprofit or proprietary agency.

(G) Be liable for any fraud, waste, or abuse for which it is responsible.

(3) For the duration of the pilot project, supportive services not provided in any month due to hospitalization, illness, refusal, or other cause not within the control of the provider shall not be made up in a subsequent period without case worker approval.

(c) (1) In each participating county, the in-home supportive services advisory committee, as described in Section 12301.3, shall monitor the pilot program.

(2) Each participating county shall not be eligible to receive state reimbursement of administrative costs associated with monitoring the pilot program. Any administrative costs incurred by a public authority for monitoring the pilot project shall be paid to the public authority pursuant to paragraph (4) of subdivision (a). Any advisory committee expenses incurred as a result of this pilot project, if determined to be reimbursable to the county, shall be reimbursed with the current advisory committee allocation.

(3) Each county pilot project shall continue for four years, provided that if a county takes action to terminate a contract for cause, as defined in the contract, it may then terminate its participation in the pilot project. By the end of the third year, each participating county shall provide for an independent evaluation to assess the success of the pilot program, based on all of the following criteria:

(A) Consumer satisfaction.

- (B) Cost-effectiveness.
- (C) Average turnover of providers.
- (D) The effect of the pilot project on non-IHSS vendors, workers, and referral agencies.
- (E) Worker satisfaction.
- (F) The extent to which counties identify, refer to, and work with appropriate agencies in investigation, administrative action, or prosecution of instances of fraud, as defined in subdivision (a) of Section 12305.8, in the provision of supportive services.
- (d) All costs associated with the independent evaluation shall be paid solely by the voluntary nonprofit or proprietary agency.
- (e) The independent evaluation shall be sent directly to the appropriate policy and fiscal committees of the Legislature.
- (f) County social workers shall continue to establish eligibility, needs, and frequency of service and serve as recipient advocates, as appropriate.

CHAPTER 320

An act to amend Sections 5777 and 5778 of, and to add Section 5782 to, the Welfare and Institutions Code, relating to Medi-Cal mental health services.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 5777 of the Welfare and Institutions Code is amended to read:

5777. (a) (1) Except as otherwise specified in this part, a contract entered into pursuant to this part shall include a provision that the mental health plan (MHP) contractor shall bear the financial risk for the cost of providing medically necessary specialty mental health services to Medi-Cal beneficiaries irrespective of whether the cost of those services exceeds the payment set forth in the contract. If the expenditures for services do not exceed the payment set forth in the contract, the MHP contractor shall report the unexpended amount to the department, but shall not be required to return the excess to the department.

(2) If the MHP is not the county's, the MHP may not transfer the obligation for any specialty mental health services to Medi-Cal beneficiaries to the county. The MHP may purchase services from the county. The MHP shall establish mutually agreed-upon protocols with

the county that clearly establish conditions under which beneficiaries may obtain non-Medi-Cal reimbursable services from the county. Additionally, the plan shall establish mutually agreed-upon protocols with the county for the conditions of transfer of beneficiaries who have lost Medi-Cal eligibility to the county for care under Part 2 (commencing with Section 5600), Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850).

(3) The MHP shall be financially responsible for ensuring access and a minimum required scope of benefits, consistent with state and federal requirements, to the services to the Medi-Cal beneficiaries of that county regardless of where the beneficiary resides. The department shall require that the definition of medical necessity used, and the minimum scope of benefits offered, by each mental health contractor be the same, except to the extent that any variations receive prior federal approval and are consistent with state and federal statutes and regulations.

(b) Any contract entered into pursuant to this part may be renewed if the plan continues to meet the requirements of this part, regulations promulgated pursuant thereto, and the terms and conditions of the contract. Failure to meet these requirements shall be cause for nonrenewal of the contract. The department may base the decision to renew on timely completion of a mutually agreed upon plan of correction of any deficiencies, submissions of required information in a timely manner, or other conditions of the contract. At the discretion of the department, each contract may be renewed for a period not to exceed three years.

(c) (1) The obligations of the mental health plan shall be changed only by contract or contract amendment.

(2) A change may be made during a contract term or at the time of contract renewal, where there is a change in obligations required by federal or state law or when required by a change in the interpretation or implementation of any law or regulation. To the extent permitted by federal law and except as provided under paragraph (10) of subdivision (c) of Section 5778, if any change in obligations occurs that affects the cost to the MHP of performing under the terms of its contract, the department may reopen contracts to negotiate the state General Fund allocation to the MHP under Section 5778, if the MHP is reimbursed through a fee-for-service payment system, or the capitation rate to the MHP under Section 5779, if the MHP is reimbursed through a capitated rate payment system. During the time period required to redetermine the allocation or rate, payment to the MHP of the allocation or rate in effect at the time the change occurred shall be considered interim payments and shall be subject to increase or decrease, as the case may be, effective as of the date on which the change is effective.

(3) To the extent permitted by federal law, either the department or the mental health plan may request that contract negotiations be reopened during the course of a contract due to substantial changes in the cost of covered benefits that result from an unanticipated event.

(d) The department shall immediately terminate a contract when the director finds that there is an immediate threat to the health and safety of Medi-Cal beneficiaries. Termination of the contract for other reasons shall be subject to reasonable notice of the department's intent to take that action and notification of affected beneficiaries. The plan may request a public hearing by the Office of Administrative Hearings.

(e) A plan may terminate its contract in accordance with the provisions in the contract. The plan shall provide written notice to the department at least 180 days prior to the termination or nonrenewal of the contract.

(f) Upon the request of the Director of Mental Health, the Director of the Department of Managed Health Care may exempt a MHP contractor or a capitated rate contract from the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code). These exemptions may be subject to conditions the director deems appropriate. Nothing in this part shall be construed to impair or diminish the authority of the Director of the Department of Managed Health Care under the Knox-Keene Health Care Service Plan Act of 1975, nor shall anything in this part be construed to reduce or otherwise limit the obligation of a MHP contractor licensed as a health care service plan to comply with the requirements of the Knox-Keene Health Care Service Plan Act of 1975, and the rules of the Director of the Department of Managed Health Care promulgated thereunder. The Director of Mental Health, in consultation with the Director of the Department of Managed Health Care, shall analyze the appropriateness of licensure or application of applicable standards of the Knox-Keene Health Care Service Plan Act of 1975.

(g) The department, pursuant to an agreement with the State Department of Health Care Services, shall provide oversight to the MHPs to ensure quality, access, and cost efficiency. At a minimum, the department shall, through a method independent of any agency of the mental health plan contractor, monitor the level and quality of services provided, expenditures pursuant to the contract, and conformity with federal and state law.

(h) County employees implementing or administering a mental health plan act in a discretionary capacity when they determine whether or not to admit a person for care or to provide any level of care pursuant to this part.

(i) If a county chooses to discontinue operations as the local mental health plan, the new plan shall give reasonable consideration to affiliation

with nonprofit community mental health agencies that were under contract with the county and that meet the mental health plan's quality and cost efficiency standards.

(j) Nothing in this part shall be construed to modify, alter, or increase the obligations of counties as otherwise limited and defined in Chapter 3 (commencing with Section 5700) of Part 2. The county's maximum obligation for services to persons not eligible for Medi-Cal shall be no more than the amount of funds remaining in the mental health subaccount pursuant to Sections 17600, 17601, 17604, 17605, 17606, and 17609 after fulfilling the Medi-Cal contract obligations.

SEC. 2. Section 5778 of the Welfare and Institutions Code is amended to read:

5778. (a) This section shall be limited to specialty mental health services reimbursed through a fee-for-service payment system.

(b) The following provisions shall apply to matters related to specialty mental health services provided under the Medi-Cal specialty mental health services waiver, including, but not limited to, reimbursement and claiming procedures, reviews and oversight, and appeal processes for mental health plans (MHPs) and MHP subcontractors.

(1) During the initial phases of the implementation of this part, as determined by the department, the MHP contractor and subcontractors shall submit claims under the Medi-Cal program for eligible services on a fee-for-service basis.

(2) A qualifying county may elect, with the approval of the department, to operate under the requirements of a capitated, integrated service system field test pursuant to Section 5719.5 rather than this part, in the event the requirements of the two programs conflict. A county that elects to operate under that section shall comply with all other provisions of this part that do not conflict with that section.

(3) (A) No sooner than October 1, 1994, state matching funds for Medi-Cal fee-for-service acute psychiatric inpatient services, and associated administrative days, shall be transferred to the department. No later than July 1, 1997, upon agreement between the department and the State Department of Health Care Services, state matching funds for the remaining Medi-Cal fee-for-service mental health services and the state matching funds associated with field test counties under Section 5719.5 shall be transferred to the department.

(B) The department, in consultation with the State Department of Health Care Services, a statewide organization representing counties, and a statewide organization representing health maintenance organizations shall develop a timeline for the transfer of funding and responsibility for fee-for-service mental health services from Medi-Cal managed care plans to MHPs. In developing the timeline, the department

shall develop screening, referral, and coordination guidelines to be used by Medi-Cal managed care plans and MHPs.

(4) (A) (i) A MHP subcontractor providing specialty mental health services shall be financially responsible for federal audit exceptions or disallowances to the extent that these exceptions or disallowances are based on the MHP subcontractor's conduct or determinations.

(ii) The state shall be financially responsible for federal audit exceptions or disallowances to the extent that these exceptions or disallowances are based on the state's conduct or determinations. The state shall not withhold payment from a MHP for exceptions or disallowances that the state is financially responsible for pursuant to this clause.

(iii) A MHP shall be financially responsible for state audit exceptions or disallowances to the extent that these exceptions or disallowances are based on the MHP's conduct or determinations. A MHP shall not withhold payment from a MHP subcontractor for exceptions or disallowances for which the MHP is financially responsible pursuant to this clause.

(B) For purposes of subparagraph (A), a "determination" shall be shown by a written document expressly stating the determination, while "conduct" shall be shown by any credible, legally admissible evidence.

(C) The department and the State Department of Health Care Services shall work jointly with MHPs in initiating any necessary appeals. The department may invoice or offset the amount of any federal disallowance or audit exception against subsequent claims from the MHP or MHP subcontractor. This offset may be done at any time, after the audit exception or disallowance has been withheld from the federal financial participation claim made by the State Department of Health Care Services. The maximum amount that may be withheld shall be 25 percent of each payment to the plan or subcontractor.

(5) (A) Oversight by the department of the MHPs and MHP subcontractors may include client record reviews of Early Periodic Screening Diagnosis and Treatment (EPSDT) specialty mental health services under the Medi-Cal specialty mental health services waiver in addition to other audits or reviews that are conducted.

(B) The department may contract with an independent, nongovernmental entity to conduct client record reviews. The contract awarded in connection with this section shall be on a competitive bid basis, pursuant to the Department of General Services contracting requirements, and shall meet both of the following additional requirements:

(i) Require the entity awarded the contract to comply with all federal and state privacy laws, including, but not limited to, the federal Health

Insurance Portability and Accountability Act (HIPAA; 42 U.S.C. Sec. 1320d et seq.) and its implementing regulations, the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code), and Section 1798.81.5 of the Civil Code. The entity shall be subject to existing penalties for violation of these laws.

(ii) Prohibit the entity awarded the contract from using, selling, or disclosing client records for a purpose other than the one for which the record was given.

(C) For purposes of this paragraph, the following terms shall have the following meanings:

(i) "Client record" means a medical record, chart, or similar file, as well as other documents containing information regarding an individual recipient of services, including, but not limited to, clinical information, dates and times of services, and other information relevant to the individual and services provided and that evidences compliance with legal requirements for Medi-Cal reimbursement.

(ii) "Client record review" means examination of the client record for a selected individual recipient for the purpose of confirming the existence of documents that verify compliance with legal requirements for claims submitted for Medi-Cal reimbursement.

(D) The department shall recover overpayments of federal financial participation from MHPs within the timeframes required by federal law and regulation and return those funds to the State Department of Health Care Services for repayment to the federal Centers for Medicare and Medicaid Services. The department shall recover overpayments of General Fund moneys utilizing the recoupment methods and timeframes required by the State Administrative Manual.

(6) (A) The department, in consultation with mental health stakeholders, the California Mental Health Directors Association, and MHP subcontractor representatives, shall provide an appeals process that specifies a progressive process for resolution of disputes about claims or recoupments relating to specialty mental health services under the Medi-Cal specialty mental health services waiver.

(B) The department shall provide MHPs and MHP subcontractors the opportunity to directly appeal findings in accordance with procedures that are similar to those described in Article 1.5 (commencing with Section 51016) of Chapter 3 of Subdivision 1 of Division 3 of Title 22 of the California Code of Regulations, until new regulations for a progressive appeals process are promulgated. When an MHP subcontractor initiates an appeal, it shall give notice to the MHP. The department shall propose a rulemaking package by no later than the end of the 2008–09 fiscal year to amend the existing appeals process. The

reference in this subparagraph to the procedures described in Article 1.5 (commencing with Section 51016) of Chapter 3 of Subdivision 1 of Division 3 of Title 22 of the California Code of Regulations, shall only apply to those appeals addressed in this subparagraph.

(C) The department shall develop regulations as necessary to implement this paragraph.

(7) The department shall assume the applicable program oversight authority formerly provided by the State Department of Health Care Services, including, but not limited to, the oversight of utilization controls as specified in Section 14133. The MHP shall include a requirement in any subcontracts that all inpatient subcontractors maintain necessary licensing and certification. MHPs shall require that services delivered by licensed staff are within their scope of practice. Nothing in this part shall prohibit the MHPs from establishing standards that are in addition to the minimum federal and state requirements, provided that these standards do not violate federal and state Medi-Cal requirements and guidelines.

(8) Subject to federal approval and consistent with state requirements, the MHP may negotiate rates with providers of mental health services.

(9) Under the fee-for-service payment system, any excess in the payment set forth in the contract over the expenditures for services by the plan shall be spent for the provision of specialty mental health services under the Medi-Cal specialty mental health service waiver and related administrative costs.

(10) Nothing in this part shall limit the MHP from being reimbursed appropriate federal financial participation for any qualified services even if the total expenditures for service exceeds the contract amount with the department. Matching nonfederal public funds shall be provided by the plan for the federal financial participation matching requirement.

(c) The provisions of this subdivision shall apply to managed mental health care funding allocations and risk-sharing determinations and arrangements.

(1) The department shall allocate the contracted amount at the beginning of the contract period to the MHP. The allocated funds shall be considered to be funds of the plan that may be held by the department. The department shall develop a methodology to ensure that these funds are held as the property of the plan and shall not be reallocated by the department or other entity of state government for other purposes.

(2) Each fiscal year the state matching funds for Medi-Cal specialty mental health services shall be included in the annual budget for the department. The amount included shall be based on historical cost, adjusted for changes in the number of Medi-Cal beneficiaries and other relevant factors. The appropriation for funding the state share of the

costs for EPSDT specialty mental health services provided under the Medi-Cal specialty mental health services waiver shall only be used for reimbursement payments of claims for those services.

(3) Initially, the MHP shall use the fiscal intermediary of the Medi-Cal program of the State Department of Health Care Services for the processing of claims for inpatient psychiatric hospital services and may be required to use that fiscal intermediary for the remaining mental health services. The providers for other Short-Doyle Medi-Cal services shall not be initially required to use the fiscal intermediary but may be required to do so on a date to be determined by the department. The department and its MHPs shall be responsible for the initial incremental increased matching costs of the fiscal intermediary for claims processing and information retrieval associated with the operation of the services funded by the transferred funds.

(4) The MHPs shall have sufficient funds on deposit with the department as the matching funds necessary for federal financial participation to ensure timely payment of claims for acute psychiatric inpatient services and associated administrative days. The department and the State Department of Health Care Services, in consultation with a statewide organization representing counties, shall establish a mechanism to facilitate timely availability of those funds. Any funds held by the state on behalf of a plan shall be deposited in a mental health managed care deposit fund and shall accrue interest to the plan. The department shall exercise any necessary funding procedures pursuant to Section 12419.5 of the Government Code and Sections 8776.6 and 8790.8 of the State Administrative Manual regarding county claim submission and payment.

(5) The goal for funding of the future capitated system shall be to develop statewide rates for beneficiary, by aid category and with regional price differentiation, within a reasonable time period. The formula for distributing the state matching funds transferred to the department for acute inpatient psychiatric services to the participating counties shall be based on the following principles:

(A) Medi-Cal state General Fund matching dollars shall be distributed to counties based on historic Medi-Cal acute inpatient psychiatric costs for the county's beneficiaries and on the number of persons eligible for Medi-Cal in that county.

(B) All counties shall receive a baseline based on historic and projected expenditures up to October 1, 1994.

(C) Projected inpatient growth for the period October 1, 1994, to June 30, 1995, inclusive, shall be distributed to counties below the statewide average per eligible person on a proportional basis. The average shall be determined by the relative standing of the aggregate of each county's

expenditures of mental health Medi-Cal dollars per beneficiary. Total Medi-Cal dollars shall include both fee-for-service Medi-Cal and Short-Doyle Medi-Cal dollars for both acute inpatient psychiatric services, outpatient mental health services, and psychiatric nursing facility services, both in facilities that are not designated as institutions for mental disease and for beneficiaries who are under 22 years of age and beneficiaries who are over 64 years of age in facilities that are designated as institutions for mental disease.

(D) There shall be funds set aside for a self-insurance risk pool for small counties. The department may provide these funds directly to the administering entity designated in writing by all counties participating in the self-insurance risk pool. The small counties shall assume all responsibility and liability for appropriate administration of these funds. For purposes of this subdivision, “small counties” means counties with less than 200,000 population. Nothing in this paragraph shall in any way obligate the state or the department to provide or make available any additional funds beyond the amount initially appropriated and set aside for each particular fiscal year, unless otherwise authorized in statute or regulations, nor shall the state or the department be liable in any way for mismanagement of loss of funds by the entity designated by the counties under this paragraph.

(6) The allocation method for state funds transferred for acute inpatient psychiatric services shall be as follows:

(A) For the 1994–95 fiscal year, an amount equal to 0.6965 percent of the total shall be transferred to a fund established by small counties. This fund shall be used to reimburse MHPs in small counties for the cost of acute inpatient psychiatric services in excess of the funding provided to the MHP for risk reinsurance, acute inpatient psychiatric services and associated administrative days, alternatives to hospital services as approved by participating small counties, or for costs associated with the administration of these moneys. The methodology for use of these moneys shall be determined by the small counties, through a statewide organization representing counties, in consultation with the department.

(B) The balance of the transfer amount for the 1994–95 fiscal year shall be allocated to counties based on the following formula:

County	Percentage
Alameda.....	3.5991
Alpine.....	.0050
Amador.....	.0490
Butte.....	.8724
Calaveras.....	.0683
Colusa.....	.0294

County	Percentage
Contra Costa.....	1.5544
Del Norte.....	.1359
El Dorado.....	.2272
Fresno.....	2.5612
Glenn.....	.0597
Humboldt.....	.1987
Imperial.....	.6269
Inyo.....	.0802
Kern.....	2.6309
Kings.....	.4371
Lake.....	.2955
Lassen.....	.1236
Los Angeles.....	31.3239
Madera.....	.3882
Marin.....	1.0290
Mariposa.....	.0501
Mendocino.....	.3038
Merced.....	.5077
Modoc.....	.0176
Mono.....	.0096
Monterey.....	.7351
Napa.....	.2909
Nevada.....	.1489
Orange.....	8.0627
Placer.....	.2366
Plumas.....	.0491
Riverside.....	4.4955
Sacramento.....	3.3506
San Benito.....	.1171
San Bernardino.....	6.4790
San Diego.....	12.3128
San Francisco.....	3.5473
San Joaquin.....	1.4813
San Luis Obispo.....	.2660
San Mateo.....	.0000
Santa Barbara.....	.0000
Santa Clara.....	1.9284
Santa Cruz.....	1.7571
Shasta.....	.3997
Sierra.....	.0105
Siskiyou.....	.1695
Solano.....	.0000

County	Percentage
Sonoma.....	.5766
Stanislaus.....	1.7855
Sutter/Yuba.....	.7980
Tehama.....	.1842
Trinity.....	.0271
Tulare.....	2.1314
Tuolumne.....	.2646
Ventura.....	.8058
Yolo.....	.4043

(7) The allocation method for the state funds transferred for subsequent years for acute inpatient psychiatric and other specialty mental health services shall be determined by the department in consultation with a statewide organization representing counties.

(8) The allocation methodologies described in this section shall only be in effect while federal financial participation is received on a fee-for-service reimbursement basis. When federal funds are capitated, the department, in consultation with a statewide organization representing counties, shall determine the methodology for capitation consistent with federal requirements. The share of cost ratio arrangement for EPSDT specialty mental health services provided under the Medi-Cal specialty mental health services waiver between the state and the counties in existence during the 2007–08 fiscal year shall remain as the share of cost ratio arrangement for these services unless changed by statute.

(9) The formula that specifies the amount of state matching funds transferred for the remaining Medi-Cal fee-for-service mental health services shall be determined by the department in consultation with a statewide organization representing counties. This formula shall only be in effect while federal financial participation is received on a fee-for-service reimbursement basis.

(10) (A) For the managed mental health care program, exclusive of EPSDT specialty mental health services provided under the Medi-Cal specialty mental health services waiver, the department shall establish, by regulation, a risk-sharing arrangement between the department and counties that contract with the department as MHPs to provide an increase in the state General Fund allocation, subject to the availability of funds, to the MHP under this section, where there is a change in the obligations of the MHP required by federal or state law or regulation, or required by a change in the interpretation or implementation of any such law or regulation which significantly increases the cost to the MHP of performing under the terms of its contract.

(B) During the time period required to redetermine the allocation, payment to the MHP of the allocation in effect at the time the change occurred shall be considered an interim payment, and shall be subject to increase effective as of the date on which the change is effective.

(C) In order to be eligible to participate in the risk-sharing arrangement, the county shall demonstrate, to the satisfaction of the department, its commitment or plan of commitment of all annual funding identified in the total mental health resource base, from whatever source, but not including county funds beyond the required maintenance of effort, to be spent on specialty mental health services. This determination of eligibility shall be made annually. The department may limit the participation in a risk-sharing arrangement of any county that transfers funds from the mental health account to the social services account or the health services account, in accordance with Section 17600.20 during the year to which the transfers apply to MHP expenditures for the new obligation that exceed the total mental health resource base, as measured before the transfer of funds out of the mental health account and not including county funds beyond the required maintenance of effort. The State Department of Mental Health shall participate in a risk-sharing arrangement only after a county has expended its total annual mental health resource base.

(d) The following provisions govern the administrative responsibilities of the department and the State Department of Health Care Services:

(1) It is the intent of the Legislature that the department and the State Department of Health Care Services consult and collaborate closely regarding administrative functions related to and supporting the managed mental health care program in general, and the delivery and provision of EPSDT specialty mental health services provided under the Medi-Cal specialty mental health services waiver, in particular. To this end, the following provisions shall apply:

(A) Commencing in the 2009–10 fiscal year, and each fiscal year thereafter, the department shall consult with the State Department of Health Care Services and amend the interagency agreement between the two departments as necessary to include improvements or updates to procedures for the accurate and timely processing of Medi-Cal claims for specialty mental health services provided under the Medi-Cal specialty mental health services waiver. The interagency agreement shall ensure that there are consistent and adequate time limits, consistent with federal and state law, for claims submitted and the need to correct errors.

(B) Commencing in the 2009–10 fiscal year, and each fiscal year thereafter, upon a determination by the department and the State Department of Health Care Services that it is necessary to amend the interagency agreement, the department and the State Department of

Health Care Services shall process the interagency agreement to ensure final approval by January 1, for the following fiscal year, and as adjusted by the budgetary process.

(C) The interagency agreement shall include, at a minimum, all of the following:

(i) A process for ensuring the completeness, validity, and timely processing of Medi-Cal claims as mandated by the federal Centers for Medicare and Medicaid Services.

(ii) Procedures and timeframes by which the department shall submit complete, valid, and timely invoices to the State Department of Health Care Services, which shall notify the department of inconsistencies in invoices that may delay payments.

(iii) Procedures and timeframes by which the department shall notify MHPs of inconsistencies that may delay payment.

(2) (A) The department shall consult with the State Department of Health Care Services and the California Mental Health Directors Association in February and September of each year to review the methodology used to forecast future trends in the provision of EPSDT specialty mental health services provided under the Medi-Cal specialty mental health services waiver, to estimate these yearly EPSDT specialty mental health services related costs, and to estimate the annual amount of funding required for reimbursements for EPSDT specialty mental health services to ensure relevant factors are incorporated in the methodology. The estimates of costs and reimbursements shall include both federal financial participation amounts and any state General Fund amounts for EPSDT specialty mental health services provided under the State Medi-Cal specialty mental health services waiver. The department shall provide the State Department of Health Care Services the estimate adjusted to a cash basis.

(B) The estimate of annual funding described in subparagraph (A) shall, include, but not be limited to, the following factors:

(i) The impacts of interactions among caseload, type of services, amount or number of services provided, and billing unit cost of services provided.

(ii) A systematic review of federal and state policies, trends over time, and other causes of change.

(C) The forecasting and estimates performed under this paragraph are primarily for the purpose of providing the Legislature and the Department of Finance with projections that are as accurate as possible for the state budget process, but will also be informative and useful for other purposes. Therefore, it is the intent of the Legislature that the information produced under this paragraph shall be taken into consideration under paragraph (10) of subdivision (c).

SEC. 3. Section 5782 is added to the Welfare and Institutions Code, to read:

5782. The provisions of this part are subject to and shall be read as incorporating the authority and oversight responsibilities of the State Department of Health Care Services in its role as the single state agency for the Medicaid program in California. The provisions of this part shall be implemented only to the extent that federal financial participation is available.

CHAPTER 321

An act to amend Section 19315 of the Food and Agricultural Code, relating to inedible kitchen grease.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 19315 of the Food and Agricultural Code is amended to read:

19315. (a) Except as provided in subdivision (b), in addition to the registration fee required by Section 19312, the department may charge a fee necessary to cover the costs of administering this article. Any additional fee charged pursuant to this section shall not exceed three hundred dollars (\$300) per year per vehicle that is operated to transport kitchen grease, and shall not exceed three thousand dollars (\$3,000) per year per registered transporter.

(b) An individual registered pursuant to this article who transports inedible kitchen grease for his or her own personal, noncommercial use as an alternative fuel is exempt from 75 percent of the fee charged pursuant to subdivision (a), and shall meet all of the following requirements:

- (1) The individual shall meet all other requirements of this article.
- (2) The individual shall not transport more than 55 gallons of inedible kitchen grease per load for that purpose, and shall have no more than 165 gallons of inedible kitchen grease in his or her possession or control at any time.
- (3) The individual shall not take any inedible kitchen grease from a container owned by another registered transporter of inedible kitchen grease or from an inedible kitchen grease provider under contract with

a registered transporter of inedible kitchen grease or from a container owned by a renderer or collection center.

(4) The individual shall have a document in his or her possession while transporting inedible kitchen grease signed by the responsible party providing the inedible kitchen grease to the individual at the source of the inedible kitchen grease that provides permission for the inedible kitchen grease to be removed from that site.

(5) The individual shall specify where the inedible kitchen grease is stored and processed as an alternative fuel, if that address is different from the address included on the registration form for that individual pursuant to Section 19312.

(6) The individual shall not sell, barter, or trade any inedible kitchen grease.

(c) The secretary shall fix the annual fee established pursuant to this section and may fix different fees for transporters of inedible kitchen grease and collection centers, and for transporters of interceptor grease. The secretary shall also fix the date the fee is due and the method of collecting the fee. If an additional fee is imposed on licensed renderers pursuant to subdivision (a) of Section 19227 and an additional fee is imposed on registered transporters pursuant to subdivision (a), only one additional fee may be imposed on a person or firm that is both licensed as a renderer pursuant to Article 6 (commencing with Section 19300) and registered as a transporter of inedible kitchen grease pursuant to this article, which fee shall be the higher of the two fees.

(d) If the fee established pursuant to this section is not paid within one calendar month of the date it is due, a penalty shall be imposed in the amount of 10 percent per annum on the amount of the unpaid fee.

(e) This section shall become inoperative on July 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2011, deletes or extends the dates on which it becomes inoperative and is repealed.

(f) For the purposes of this section, "interceptor grease" means inedible kitchen grease that is principally derived from food preparation, processing, or waste, and that is removed from a grease trap or grease interceptor.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the

definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 322

An act to amend Section 20300 of the Government Code, and to amend Section 11770 of the Insurance Code, relating to workers' compensation insurance.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The State Compensation Insurance Fund is a nonprofit, self-supporting, fairly competitive public enterprise that serves a dual role as both a market of choice and the safety net for California employers seeking workers' compensation insurance.

(b) The State Compensation Insurance Fund plays a critical role in California's workers' compensation system.

(c) The successful governance of the State Compensation Insurance Fund directly correlates with a strong workers' compensation insurance market.

(d) Corporate board governance structure has undergone significant review and change within the private and nonprofit sectors in recent years to ensure the highest levels of stewardship and fiduciary accountability, and the development of modes of best practices.

(e) It is important to the success of the State Compensation Insurance Fund that board members, before joining the board and continually thereafter, should ensure that:

(1) They are free from potential conflicts that may disqualify them from important decisions or otherwise compromise their independence.

(2) They are motivated and available to engage as a board member in a meaningful way.

(3) They are attentive persons of integrity and provide meaningful oversight of the management's performance.

(4) The senior management they select and evaluate has integrity and sets a high ethical standard in improving corporate governance.

SEC. 2. Section 20300 of the Government Code is amended to read:

20300. The following persons are excluded from membership in this system:

(a) Inmates of state or public agency institutions who are allowed compensation for the service they are able to perform.

(b) Independent contractors who are not employees.

(c) Persons employed as student assistants in the state colleges and persons employed as student aides in the special schools of the State Department of Education and in the public schools of the state.

(d) Persons employed as teacher assistants pursuant to Section 44926 of the Education Code.

(e) Participants, other than staff officers and employees, in the California Conservation Corps.

(f) Persons employed as participants in a program of, and whose wages are paid in whole or in part by federal funds in accordance with, Section 1501 et seq. of Title 29 of the United States Code. This subdivision does not apply with respect to persons employed in job classes that provide eligibility for patrol or safety membership or to the career staff employees of an employer.

(g) All persons who are members in any teachers' retirement system, as to the service in which they are members of any teachers' retirement system.

(h) Except as otherwise provided in this part, persons rendering professional legal services to a city, other than the person holding the office of city attorney, the office of assistant city attorney, or an established position of deputy city attorney.

(i) A person serving the university as a teacher in university extension, whose compensation for that service is established on the basis of class enrollment, either actual or estimated, with respect to that service.

(j) A person serving a California State University as a teacher in extension service, whose compensation for that service is established on the basis of class enrollment, either actual or estimated, with respect to that service.

(k) A teacher or academic employee of the university or any California State University who is otherwise fully employed and who serves as a teacher or in an academic capacity in any summer session or intersession, for which he or she receives compensation specifically attributable to that service in summer session or intersession, with respect to that service.

(l) A person who is employed under the California Senate Fellows, the Assembly Fellowship, the Judicial Administration Fellowship, or the Executive Fellowship programs.

(m) Board members of the State Compensation Insurance Fund, including those appointed by the Governor.

SEC. 3. Section 11770 of the Insurance Code is amended to read:

11770. (a) The State Compensation Insurance Fund is continued in existence, to be administered by its board of directors for the purpose

of transacting workers' compensation insurance, and insurance against the expense of defending any suit for serious and willful misconduct, against an employer or his or her agent, and insurance to employees and other persons of the compensation fixed by the workers' compensation laws for employees and their dependents. Any appropriation made therefrom or thereto before the effective date of this code shall continue to be available for the purposes for which it was made.

(b) (1) The Board of Directors of the State Compensation Insurance Fund is composed of 11 members, nine of whom shall be appointed by the Governor. The Governor shall appoint the chairperson. One of the members appointed by the Governor shall be from organized labor. The members appointed by the Governor, other than the labor member, shall have substantial experience in positions involving workers' compensation, legal, investment, financial, corporate governance and management, accounting, or auditing responsibilities with entities of sufficient size as to make their qualifications relevant to an enterprise of the financial and operational size of the State Compensation Insurance Fund. At all times the board shall have a member with auditing background for the purposes of fulfilling the responsibility of the chair of the audit committee. A quorum is a majority of those appointed, provided that at no time shall a quorum be established with less than five members.

(2) The Speaker of the Assembly shall appoint one member who shall represent organized labor, and the Senate Committee on Rules shall appoint one member who shall have been a policyholder of the State Compensation Insurance Fund, or an officer or employee of a policyholder, for one year immediately preceding the appointment, and must continue in this status during the period of his or her membership.

(3) The Director of Industrial Relations shall be an ex officio, nonvoting member of the board, and shall not be counted as members of the board for quorum purposes or any other purpose.

(4) Notwithstanding subdivision (c), the initial term of the members of the board added in the 2008 portion of the 2007–2008 Regular Session shall be as follows:

(A) One of the members appointed by the Governor shall serve an initial term of two years, one shall serve an initial term of four years, and two shall serve an initial term of five years.

(B) The member appointed by the Senate Committee on Rules shall serve an initial term of four years.

(C) The member appointed by the Speaker of the Assembly shall serve an initial term of three years.

(c) The term of office of the members of the board, other than that of the director, shall be five years and they shall hold office until the appointment and qualification of their successors.

(d) (1) Each member of the board shall receive his or her actual and necessary traveling expenses incurred in the performance of his or her duties as a member and, with the exception of the ex officio members, one hundred dollars (\$100) for each day of his or her actual attendance at meetings of the board.

(2) (A) Each member of the board appointed pursuant to paragraphs (1) and (2) of subdivision (b) shall receive the compensation fixed pursuant to subparagraph (B).

(B) Each board member described in subparagraph (A) shall be paid an annual compensation of fifty thousand dollars (\$50,000), to be automatically adjusted beginning January 1, 2010, by multiplying the compensation in effect the prior June 30 by the percentage of inflation that occurred during the previous year, adding this amount to the annual compensation from the previous year, and rounding off the result to the nearest dollar. "Percentage of inflation" means the percentage of inflation specified in the Consumer Price Index for All Urban Consumers, as published by the Department of Industrial Relations, Division of Labor Statistics and Research, or its successor index.

(e) Each member of the board of directors shall attend training approved by the board of directors that covers topics, including, but not limited to, the duties and obligations of members of a board of directors, corporate governance, ethics, board of director legal issues, insurance, finance and investment, and information technology. The training shall be conducted by persons or entities not affiliated with the State Compensation Insurance Fund.

(f) No person who has had a direct or indirect interest in any transaction with the State Compensation Insurance Fund since the beginning of the last fiscal year of the fund, or who has a direct or indirect material interest in any proposed transaction with the fund, where the amount involved in the transaction exceeds one hundred twenty thousand dollars (\$120,000) shall be eligible for appointment as a member of the board of directors of the fund. Once appointed, no member of the board of directors shall have a financial conflict of interest, as defined in Chapter 7 of Title 9 (commencing with Section 87100) of the Government Code. Every member shall be subject to Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code, provided that the existence of a contract of insurance between the State Compensation Insurance Fund and the policyholder member appointed by the Senate Committee on Rules shall not constitute a conflict pursuant to this subdivision.

(g) The appointing authority of a member of the board may remove the member and make an appointment replacing the member for the duration of the term if the member ceases to discharge the duties of his or her office for the period of three consecutive board meetings.

(h) The board of the State Compensation Insurance Fund shall create, at a minimum, an audit committee, an investment committee, a corporate governance committee, and other committees as the board determines are necessary.

CHAPTER 323

An act to amend Section 76104.1 of the Government Code, and to amend Section 42007.5 of the Vehicle Code, relating to penalty assessments.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) This is the third time that the County of Santa Barbara has sought extraordinary assistance from the Legislature in obtaining Maddy Emergency Medical Services funding.

(b) The county is the only county in the state that is receiving this unique funding.

(c) It is the intent of the Legislature in passing another extension on this penalty assessment that the County of Santa Barbara secure a permanent local funding mechanism to ensure the continuation of trauma care in the region before the repeal of Section 76104.1 of the Government Code.

SEC. 2. Section 76104.1 of the Government Code is amended to read:

76104.1. (a) (1) Except as otherwise provided in this section, and notwithstanding any other law, for purposes of supporting emergency medical services pursuant to Chapter 2.5 (commencing with Section 1797.98a) of Division 2.5 of the Health and Safety Code, in Santa Barbara County, a penalty in the amount of five dollars (\$5) for every ten dollars (\$10), or part of ten dollars (\$10), shall be imposed on every fine, penalty, or forfeiture collected for all criminal offenses. This penalty assessment shall not apply to offenses involving a violation of the Vehicle

Code, except for violations of Sections 23103.5, 23136, 23140, 23152, and 23153. This penalty assessment shall be collected together with and in the same manner as the amount established by Section 1464 of the Penal Code.

(2) The penalty imposed by this section does not apply to the following:

(A) Any restitution fine.

(B) Any penalty authorized by Section 1464 of the Penal Code or this chapter.

(C) Any parking offense subject to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code.

(D) The state surcharge authorized by Section 1465.7 of the Penal Code.

(b) The moneys collected pursuant to this section shall be held by the county treasurer in the same manner, and shall be payable for the same purposes, described in subdivision (e) of Section 76104.

(c) This section shall be implemented only if the Santa Barbara County Board of Supervisors adopts a resolution stating that implementation of this section is necessary to the county for purposes of providing payment for emergency medical services.

(d) 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. 3. Section 42007.5 of the Vehicle Code is amended to read:

42007.5. (a) Notwithstanding paragraph (2) of subdivision (b) of Section 42007, in Santa Barbara County, upon the establishment of a Maddy Emergency Medical Services Fund pursuant to Section 1797.98a of the Health and Safety Code, the amount that would have been collected pursuant to Section 76104.1 of the Government Code shall be deposited in the Maddy Emergency Medical Services Fund established by the county pursuant to Section 1797.98a of the Health and Safety Code.

(b) The Board of Supervisors of the County of Santa Barbara shall report to the Legislature whether, and to the extent that, any actions are taken by the County of Santa Barbara to implement alternative local sources of funding.

(c) 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. 4. The Legislature finds and declares that due to unique circumstances regarding emergency medical services in the County of Santa Barbara, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

Therefore, the special legislation contained in Sections 2 and 3 of this act is necessarily applicable only to the County of Santa Barbara.

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

CHAPTER 324

An act to add and repeal Article 8.5 (commencing with Section 18797) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Article 8.5 (commencing with Section 18797) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 8.5. California Ovarian Cancer Research Fund

18797. The Legislature finds and declares all of the following:

(a) Ovarian cancer is a devastating health condition that will affect one out of 50 American women during their lifetimes. Ovarian cancer accounts for 4 percent of all cancers among women, and ranks fifth as a cause of death for women with cancer. There are approximately 25,000 new cases and over 16,000 deaths each year caused by ovarian cancer. The death rate for this disease has not changed much in the last 50 years. Unfortunately, almost 70 percent of women with the common epithelial ovarian cancer are not diagnosed until the disease is advanced in stage. The five-year survival rate for these women is only 15 to 20 percent.

(b) There is no known cause, cure, or prevention at this time for ovarian cancer. Women are encouraged to listen to their bodies by heeding the following early warning signs:

(1) Unexplained change in bowel habits or bladder habits, including constipation, urinary frequency, and incontinence.

- (2) Gastrointestinal upset, including gas, indigestion, or nausea.
 - (3) Unexplained weight loss or weight gain.
 - (4) Pelvic or abdominal pain or discomfort.
 - (5) Pelvic or abdominal bloating or swelling.
 - (6) A constant feeling of fullness.
 - (7) Fatigue.
 - (8) Abnormal or postmenopausal bleeding.
 - (9) Pain during intercourse.
- (c) The state of ovarian cancer screening must be dramatically improved to identify tumors.

(d) It is the intent of the Legislature, in enacting this article, to establish a systematic program to conduct research regarding the cause, cure, and prevention of ovarian cancer. The outcome of this research may have direct effects on and consequences for the development of a comprehensive system that may identify the cause of, means of preventing, and a cure for, ovarian cancer, as well as improving the screening, diagnosis, and treatment of victims of ovarian cancer. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling those entities and persons to conduct research.

18797.1. For the purpose of this article, “research” shall include, but not be limited to, expenditures to develop and advance the understanding, techniques, and methods effective in the prevention, cure, screening, and treatment of ovarian cancer.

18797.2. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Ovarian Cancer Research Fund, pursuant to Section 18797.3.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the individual’s account, do not exceed the individual’s liability, the return shall be treated as though no designation has been made.

(d) The Franchise Tax Board shall revise the forms of the return to include a space labeled the “California Ovarian Cancer Research Fund” to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to conduct research relating to the cure, screening, and treatment of ovarian cancer.

(e) Notwithstanding any other provision of law, a voluntary contribution designation for the California Ovarian Cancer Research Fund may not be added to the tax return until another voluntary contribution is removed.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18797.3. There is hereby established in the State Treasury the California Ovarian Cancer Research Fund to receive contributions made pursuant to Section 18797.2. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18797.2 to be transferred to the California Ovarian Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Ovarian Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18797.2 for payment into that fund.

18797.4. All money transferred to the California Ovarian Cancer Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the University of California for the support of ovarian cancer research. The University of California may use up to 5 percent of the money allocated to it for costs associated with administering the ovarian cancer research program.

18797.5. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California Ovarian Cancer Research Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the University of California of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year after the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the calendar year multiplied by the inflation factor adjustment as specified in subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

CHAPTER 325

An act to add Section 53087.6 to the Government Code, relating to local government.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 53087.6 is added to the Government Code, to read:

53087.6. (a) (1) A city, county, or city and county auditor or controller who is elected to office may maintain a whistleblower hotline to receive calls from persons who have information regarding possible violations by local government employees of state, federal, or local statutes, rules, or regulations.

(2) A city, county, or city and county auditor or controller who is appointed by, or is an employee of, a legislative body or the government agency that is governed by the city, county, or city and county, shall obtain approval of that legislative body or the government agency, as the case may be, prior to establishing the whistleblower hotline.

(b) The auditor or controller may refer calls received on the whistleblower hotline to the appropriate government authority for review and possible investigation.

(c) During the initial review of a call received pursuant to subdivision (a), the auditor or controller, or other appropriate governmental agency, shall hold in confidence information disclosed through the whistleblower hotline, including the identity of the caller disclosing the information and the parties identified by the caller.

(d) A call made to the whistleblower hotline pursuant to subdivision (a), or its referral to an appropriate agency under subdivision (b) may not be the sole basis for a time period under a statute of limitation to commence. This section does not change existing law relating to statutes of limitation.

(e) (1) Upon receiving specific information that an employee or local government has engaged in an improper activity, a city or county auditor or controller may conduct an investigative audit of the matter. The identity of the person providing the information that initiated the investigative audit shall not be disclosed without the written permission of that person, unless the disclosure is to a law enforcement agency that is conducting a criminal investigation. If the specific information is in regard to improper government activity that occurred under the jurisdiction of another city, county, or city and county, the information shall be forwarded to the appropriate auditor or controller for that city, county, or city and county.

(2) Any investigative audit conducted pursuant to this subdivision shall be kept confidential, except to issue any report of an investigation

that has been substantiated, or to release any findings resulting from a conducted investigation that is deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals involved shall be kept confidential.

(f) For purposes of this section, “employee” means any individual employed by any county, city, or city and county, including any charter city or county, and any school district, community college district, municipal or public corporation, or political subdivision that falls under the auditor’s or controller’s jurisdiction.

SEC. 2. In adding Section 53807.6 to the Government Code, the Legislature finds and declares that local government whistleblower hotlines are an issue of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Accordingly, it is the intent of the Legislature that Section 53087.6 of the Government Code applies to every city, county, and city and county in this state, including charter cities, charter counties, and charter city and counties.

CHAPTER 326

An act to amend Section 30061 of the Government Code, relating to local law enforcement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 30061 of the Government Code is amended to read:

30061. (a) There shall be established in each county treasury a Supplemental Law Enforcement Services Fund (SLESF), to receive all amounts allocated to a county for purposes of implementing this chapter.

(b) In any fiscal year for which a county receives moneys to be expended for the implementation of this chapter, the county auditor shall allocate the moneys in the county’s SLESF, including any interest or other return earned on the investment of those moneys, within 30 days of the deposit of those moneys into the fund, and shall allocate those moneys in accordance with the requirements set forth in this subdivision. However, the auditor shall not transfer those moneys to a recipient agency until the Supplemental Law Enforcement Oversight Committee certifies

receipt of an approved expenditure plan from the governing board of that agency. The moneys shall be allocated as follows:

(1) Five and fifteen-hundredths percent to the county sheriff for county jail construction and operation. In the case of Madera, Napa, and Santa Clara Counties, this allocation shall be made to the county director or chief of corrections.

(2) Five and fifteen-hundredths percent to the district attorney for criminal prosecution.

(3) Thirty-nine and seven-tenths percent to the county and the cities within the county, and, in the case of San Mateo, Kern, Siskiyou, and Contra Costa Counties, also to the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District, in accordance with the relative population of the cities within the county and the unincorporated area of the county, and the Broadmoor Police Protection District in the County of San Mateo, the Bear Valley Community Services District and the Stallion Springs Community Services District in Kern County, the Lake Shastina Community Services District in Siskiyou County, and the Kensington Police Protection and Community Services District in Contra Costa County, as specified in the most recent January estimate by the population research unit of the Department of Finance, and as adjusted to provide a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. For a newly incorporated city whose population estimate is not published by the Department of Finance, but that was incorporated prior to July 1 of the fiscal year in which an allocation from the SLESF is to be made, the city manager, or an appointee of the legislative body, if a city manager is not available, and the county administrative or executive officer shall prepare a joint notification to the Department of Finance and the county auditor with a population estimate reduction of the unincorporated area of the county equal to the population of the newly incorporated city by July 15, or within 15 days after the Budget Act is enacted, of the fiscal year in which an allocation from the SLESF is to be made. No person residing within the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, or the Kensington Police Protection and Community Services District shall also be counted as residing within the unincorporated area of the County of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city located within those counties. The county auditor shall allocate a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. Moneys

allocated to the county pursuant to this subdivision shall be retained in the county SLESF, and moneys allocated to a city pursuant to this subdivision shall be deposited in an SLESF established in the city treasury.

(4) Fifty percent to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph and to the Corrections Standards Authority for administrative purposes. Funding for the Corrections Standards Authority, as determined by the Department of Finance, shall not exceed two hundred seventy-five thousand dollars (\$275,000). For the 2003–04 fiscal year, of the two hundred seventy-five thousand dollars (\$275,000), up to one hundred seventy-six thousand dollars (\$176,000) may be used for juvenile facility inspections. The juvenile justice plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. If a plan has been previously approved by the Corrections Standards Authority, the plan shall be reviewed and modified annually by the council. The plan or modified plan shall be approved by the county board of supervisors, and in the case of a city and county, the plan shall also be approved by the mayor. The plan or modified plan shall be submitted to the Corrections Standards Authority by May 1, 2002, and annually thereafter.

(A) Juvenile justice plans shall include, but not be limited to, all of the following components:

(i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol, job training, and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.

(ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary, late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.

(iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses, and job training, for at-risk youth and juvenile offenders.

(iv) Programs identified in clause (iii) that are proposed to be funded pursuant to this subparagraph, including the projected amount of funding for each program.

(B) Programs proposed to be funded shall satisfy all of the following requirements:

(i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile crime and delinquency, including prevention, intervention, suppression, incapacitation, or programs that have demonstrated effective strategies to reduce delinquency through job training and employment. For purposes of this section, job training and employment programs may include, but are not limited to, integrated components of basic skills instruction, onsite training, leadership skills, counseling, and, where appropriate, programming to assist in the attainment of a high school diploma or its equivalent and the pursuit of a postsecondary education.

(ii) Collaborate and integrate services of all the resources set forth in clause (i) of subparagraph (A), to the extent appropriate.

(iii) Employ information sharing systems to ensure that county actions are fully coordinated, and designed to provide data for measuring the success of juvenile justice programs and strategies.

(iv) Adopt goals related to the outcome measures that shall be used to determine the effectiveness of the local juvenile justice action strategy.

(C) The plan shall also identify the specific objectives of the programs proposed for funding and specified outcome measures to determine the effectiveness of the programs and contain an accounting for all program participants, including those who do not complete the programs. Outcome measures of the programs proposed to be funded shall include, but not be limited to, all of the following:

(i) The rate of juvenile arrests per 100,000 population.

(ii) The rate of successful completion of probation.

(iii) The rate of successful completion of restitution and court-ordered community service responsibilities.

(iv) Arrest, incarceration, and probation violation rates of program participants.

(v) Quantification of the annual per capita costs of the program.

(D) The Corrections Standards Authority shall review plans or modified plans submitted pursuant to this paragraph within 30 days upon receipt of submitted or resubmitted plans or modified plans. The board shall approve only those plans or modified plans that fulfill the requirements of this paragraph, and shall advise a submitting county or city and county immediately upon the approval of its plan or modified plan. The board shall offer, and provide, if requested, technical assistance to any county or city and county that submits a plan or modified plan not in compliance with the requirements of this paragraph. The SLESF shall only allocate funding pursuant to this paragraph upon notification from the board that a plan or modified plan has been approved.

(E) To assess the effectiveness of programs funded pursuant to this paragraph using the program outcome criteria specified in subparagraph (C), the following periodic reports shall be submitted:

(i) Each county or city and county shall report, beginning October 15, 2002, and annually each October 15 thereafter, to the county board of supervisors and the Corrections Standards Authority, in a format specified by the Corrections Standards Authority, on the programs funded pursuant to this chapter and program outcomes as specified in subparagraph (C).

(ii) The Corrections Standards Authority shall compile the local reports and, by March 15, 2003, and annually thereafter, make a report to the Governor and the Legislature on program expenditures within each county and city and county from the appropriation for the purposes of this paragraph, on the outcomes as specified in subparagraph (C) of the programs funded pursuant to this paragraph and the statewide effectiveness of the comprehensive multiagency juvenile justice plans.

(c) Subject to subdivision (d), for each fiscal year in which the county, each city, the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District receive moneys pursuant to paragraph (3) of subdivision (b), the county, each city, and each district specified in this subdivision shall appropriate those moneys in accordance with the following procedures:

(1) In the case of the county, the county board of supervisors shall appropriate existing and anticipated moneys exclusively to provide frontline law enforcement services, other than those services specified in paragraphs (1) and (2) of subdivision (b), in the unincorporated areas of the county, in response to written requests submitted to the board by the county sheriff and the district attorney. Any request submitted pursuant to this paragraph shall specify the frontline law enforcement needs of the requesting entity, and those personnel, equipment, and programs that are necessary to meet those needs. The board shall, at a public hearing held at a time determined by the board in each year that the Legislature appropriates funds for purposes of this chapter, or within 30 days after a request by a recipient agency for a hearing if the funds have been received by the county from the state prior to that request, consider and determine each submitted request within 60 days of receipt, pursuant to the decision of a majority of a quorum present. The board shall consider these written requests separate and apart from the process applicable to proposed allocations of the county general fund.

(2) In the case of a city, the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police

services, in accordance with written requests submitted by the chief of police of that city or the chief administrator of the law enforcement agency that provides police services for that city. These written requests shall be acted upon by the city council in the same manner as specified in paragraph (1) for county appropriations.

(3) In the case of the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County, the legislative body of that special district shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief administrator of the law enforcement agency that provides police services for that special district. These written requests shall be acted upon by the legislative body in the same manner specified in paragraph (1) for county appropriations.

(d) For each fiscal year in which the county, a city, or the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County receives any moneys pursuant to this chapter, in no event shall the governing body of any of those recipient agencies subsequently alter any previous, valid appropriation by that body, for that same fiscal year, of moneys allocated to the county or city pursuant to paragraph (3) of subdivision (b).

(e) Funds received pursuant to subdivision (b) shall be expended or encumbered in accordance with this chapter no later than June 30 of the following fiscal year. A local agency that has not met this requirement shall remit unspent SLESF moneys to the Controller for deposit into the General Fund.

(f) If a county, a city, a city and county, or a qualifying special district does not comply with the requirements of this chapter to receive an SLESF allocation, the Controller shall revert those funds to the General Fund.

SEC. 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 preserve job training programs for at-risk juveniles and to ensure that the greatest number of juveniles are able to use these programs, it is necessary that this act go into immediate effect.

CHAPTER 327

An act to add Section 787.1 to the Insurance Code, relating to insurance.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 787.1 is added to the Insurance Code, to read:
787.1. (a) The following definitions apply to this section:

(1) "Senior designation" means any degree, title, credential, certificate, certification, accreditation, or approval, that expresses or implies that a broker or agent possesses expertise, training, competence, honesty, or reliability with regard to advising seniors in particular on finance, insurance, or risk management.

(2) "Use" means utilizing a word, phrase, acronym, or logo, in any oral or written communication from which a sale of insurance to a senior may directly or indirectly result, that states or suggests, alone or in context, that a broker or agent holds a senior designation.

(b) (1) A broker or agent may not use a senior designation unless all of the following conditions have been met:

(A) The broker or agent has been granted the right to use the senior designation by the organization that issues the senior designation, and the broker or agent is currently authorized by the organization to use the designation.

(B) The senior designation has been approved by the commissioner for use by brokers and agents in the sale of insurance to seniors.

(C) The broker or agent has been licensed for at least four years to sell the types of insurance with which the designation is used.

(2) A broker or agent may not use a senior designation in a manner that misleads a person as to the significance of the senior designation. Each time a broker or agent uses a senior designation in a writing, the writing shall also contain the words "California" or "CA" next to "Insurance Agent" or "Insurance Broker Agent" and "License," and these words shall be located immediately prior to the broker's license number or the agent's license number, in type that is in the same font

and at least the same size as the type used for the senior designation. The requirements set forth in this subdivision are in addition to the requirements of Section 1725.5 and shall apply regardless of whether the broker or agent is an insurance agent, as defined in Section 1621. For purposes of this paragraph, “writing” means business cards, written price quotations, and print advertisements distributed exclusively in this state.

(c) (1) In determining whether to approve a senior designation for use in the sale of insurance to seniors, the commissioner shall ensure that the organization that issues the senior designation fulfills the following:

(A) Requires applicants for the designation to complete a minimum number of hours of education in topics approved by the commissioner before granting them the right to use its senior designation. The courses must be relevant to the sale of insurance to seniors.

(B) Is exclusively an educational or certification organization, and is not directly or indirectly, through an affiliate or partner, involved in selling insurance, nor receives any compensation directly or indirectly from any sale of insurance.

(C) Maintains reasonable standards and procedures for disciplining its designees for improper or unethical conduct, as established by proven complaints or by disciplinary action by a government licensing agency or a quasi-governmental licensing and regulatory organization.

(D) Imposes reasonable continuing education requirements or other means of periodically verifying a designee’s knowledge and skill, in order for designees to retain the senior designation in good standing.

(E) Maintains a code of ethics for its designees.

(F) Maintains reasonable standards and procedures to test for proper mastery of the knowledge and skill required to receive the designation.

(G) The commissioner may recognize an accredited organization for the purpose of this subdivision when the organization has been accredited by the American National Standards Institute, the National Commission for Certifying Agencies, or an organization that is on the United States Department of Education’s list entitled “Accrediting Agencies Recognized for Title IV Purposes” and the certification, credential, or professional designation issued therefrom does not primarily apply to sales and or marketing.

(2) A senior designation shall not be approved by the commissioner unless the courses required to earn it include, at a minimum, material covering the following topics: insurance products marketed to seniors; statutes, regulations, and case law applicable to seniors; social, psychological, and medical issues of seniors; and marketing of insurance to seniors, including when a duty of good faith and fair dealing exists.

(3) The commissioner shall consult with the curriculum board created pursuant to subdivision (a) of Section 1749.1 regarding the course material that should be deemed relevant to the sale of insurance to seniors, and regarding the minimum number of hours referred to in subparagraph (A) of paragraph (1) of subdivision (c). The minimum number of hours required shall be at least 75.

(d) (1) A word, phrase, acronym, or logo shall be deemed a senior designation if it contains the word “senior,” “Medicare,” “Medi-Cal,” “retire,” “mature,” “gerontology,” or “elder,” or any variation or synonym of one of these words within several words of the word “certified,” “chartered,” “registered,” “adviser,” “specialist,” “consultant,” “agent,” “broker,” “insurance,” “planner,” “professional,” “enrolled,” “accredited,” “analyst,” or “fellow,” or any variation or synonym of one of these words. A word, phrase, acronym, or logo may constitute a senior designation if it meets the definition in paragraph (1) of subdivision (a) regardless of whether it contains one of the words recited in this subdivision.

(2) A word, phrase, acronym, or logo shall not constitute a senior designation if it is a job title or description of an employee of a government entity, or of an organization with a contract with that government entity to provide free counseling to seniors.

(3) No exemption exists under this section for use of a senior designation that constitutes a job title or description or part of a job title or description, except as provided in paragraph (2) of subdivision (d).

(4) An advanced academic degree, such as a Ph.D., M.B.A., or M.S., may be used without compliance with subdivision (c), if the degree was awarded by an institution of higher education that has been accredited by an organization that is on the United States Department of Education’s list entitled “Accrediting Agencies Recognized for Title IV Purposes.”

(e) A violation of subdivision (b) by a broker or agent shall be grounds for suspension or revocation of the broker or agent’s license pursuant to Sections 1668 and 1738. Such a violation also shall be grounds for a cease and desist order and monetary penalty pursuant to Section 12921.8, as if the broker or agent had acted in a capacity for which a license was required but not possessed.

(f) Any person who grants to a California resident the right to use a senior designation that has not been approved by the commissioner, without reasonably attempting to determine whether California is one of the designee’s residences, shall be subject to a cease and desist order and monetary penalty pursuant to Section 12921.8, as if the person had acted in a capacity for which a license was required but not possessed.

(g) The disciplinary and remedial authority recited in this subdivision shall be in addition to any other disciplinary and remedial authority included in this code.

(h) Notwithstanding any other provision of this code, the criteria in Sections 1668 and 1668.5 apply to an organization that issues a senior designation, and the commissioner may deny or rescind approval of an organization issuing a senior designation based on that criteria.

(i) On and after January 1, 2009, and on or before June 30, 2010, notwithstanding subdivision (f), an organization may issue designations, and an agent or broker who has complied with subparagraphs (A) and (C) of paragraph (1) of subdivision (b) may use a designation, as long as the commissioner has made a determination that the organization, with respect to the designation, has for the past four years continuously done the following:

(1) Met the requirements of subparagraphs (B) to (F), inclusive, of paragraph (1) of subdivision (c).

(2) Met the requirements of paragraph (2) of subdivision (c).

(3) Required at least 75 hours of education in topics relevant to the sale of insurance to seniors before issuing the designation.

(j) The commissioner shall maintain a list of senior designations approved pursuant to subdivision (c), and determinations made pursuant to subdivision (i), and shall publish the current list on the Internet Web site of the Department of Insurance.

(k) A broker or agent holding a designation that was obtained before January 1, 2009, may continue to use that designation until June 30, 2010, if the organization that issued the designation meets the requirements of subdivision (c) or (i) and certifies in a letter to the broker or agent that he or she has completed at least 75 hours of education in topics relevant to the sale of insurance to seniors.

CHAPTER 328

An act to add and repeal Article 5.7 (commencing with Section 18755) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Article 5.7 (commencing with Section 18755) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 5.7. Municipal Shelter Spay-Neuter Fund

18755. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Municipal Shelter Spay-Neuter Fund established by Section 18755.1. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) When another voluntary contribution designation is removed from the tax return, the Franchise Tax Board shall revise the form of the return to include a space labeled the "Municipal Shelter Spay-Neuter Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to provide low cost or free spay-neuter services associated with a municipal shelter in California.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18755.1. There is hereby established in the State Treasury the Municipal Shelter Spay-Neuter Fund to receive contributions made pursuant to Section 18755. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18755 to be transferred to the Municipal Shelter Spay-Neuter Fund. The Controller shall transfer from the Personal Income Tax Fund to the Municipal Shelter Spay-Neuter Fund an amount

not in excess of the sum of the amounts designated by individuals pursuant to Section 18755 for payment into that fund.

18755.2. (a) All money transferred to the Municipal Shelter Spay-Neuter Fund, upon appropriation by the Legislature, shall be allocated as follows:

(1) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(2) (A) To the Department of Food and Agriculture for distribution of grants to eligible municipal shelters for the purposes of providing low cost or free spay-neuter services. The department may use up to 5 percent of the money allocated to municipal shelters for administrative costs incurred in connection with the Municipal Shelter Spay-Neuter Fund.

(B) For the purposes of this article, “eligible municipal shelter” means a city or county animal control agency or shelter that is current on its reporting requirements to the State Department of Public Health, Veterinary Public Health Section, and offers spay and neuter services for dogs and cats owned by individual members of the public. The State Department of Public Health shall, upon the written request of the Department of Food and Agriculture, make available information regarding whether a city or county animal control agency or shelter is current on its reporting requirements pursuant to this subparagraph.

(b) (1) Grants distributed pursuant to this article shall be made available for the purposes of providing spay and neuter services and programs for dogs and cats owned by individual members of the public.

(2) No grant shall be made, and no grant funds shall be used, to spay or neuter any animal that is impounded by an eligible municipal shelter. If the Department of Food and Agriculture determines that an eligible municipal shelter has misused its grant funds, that shelter shall no longer be eligible for grants distributed pursuant to this article.

(c) The Department of Food and Agriculture shall do all of the following with respect to the distribution of grants:

(1) Accept applications for grants from eligible municipal shelters.

(2) Process and approve, or reject all applications on a first-come-first-served basis, in the following manner:

(A) Eligible municipal shelters processing fewer than 5,000 dogs and cats each year shall receive up to seven thousand five hundred dollars (\$7,500), if funds are available.

(B) Eligible municipal shelters processing between 5,000 and 25,000 dogs and cats each year shall receive up to fifteen thousand dollars (\$15,000), if funds are available.

(C) Eligible municipal shelters processing more than 25,000 dogs and cats shall receive up to twenty-two thousand five hundred dollars (\$22,500), if funds are available.

(3) Make applications available to eligible municipal shelters on the first day of the second calendar year after the Municipal Shelter Spay-Neuter Fund first appears on the tax return.

(d) In order to be eligible for grants authorized by this article, eligible municipal shelters shall file an application with the Department of Food and Agriculture, in the form and manner as specified by the Department of Food and Agriculture.

(e) Any grants distributed under this article create an additional funding source for spay and neuter services and programs for eligible municipal shelters and shall be used to supplement, not supplant, other funding sources for these services and programs.

18755.3. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the Municipal Shelter Spay-Neuter Fund on the tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) (1) By September 1 of the second calendar year and by September 1 of each subsequent calendar year that the Municipal Shelter Spay-Neuter Fund appears on the tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the Department of Food and Agriculture of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000)

for the second calendar year after the first appearance of the Municipal Shelter Spay-Neuter Fund on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year after the first appearance of the Municipal Shelter Spay-Neuter Fund on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1, multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

CHAPTER 329

An act to amend Sections 4836, 5097, and 5151 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 4836 of the Revenue and Taxation Code is amended to read:

4836. (a) If the correction will result in a reduction of an assessment that would entitle the assessee to a refund, the auditor shall either process the refund or notify the assessee in writing of the requirements for obtaining a refund pursuant to Section 5097. The notice shall state that the assessee is entitled to a refund and that a claim for a refund shall be filed, pursuant to Section 5097, within 60 days of the date of the notice.

Notwithstanding Section 5097, a claim for a refund shall be deemed timely filed if it is filed within 60 days of the date of the notice.

(b) If the correction will increase the amount of unpaid taxes, the assessor shall notify the assessee of the procedure for obtaining review by the county board under Section 1605 and the procedure for applying for cancellation under Section 4986.

SEC. 2. Section 5097 of the Revenue and Taxation Code is amended to read:

5097. (a) No order for a refund under this article shall be made, except on a claim:

(1) Verified by the person who paid the tax, his or her guardian, executor, or administrator.

(2) Except as provided in paragraph (3), filed within four years after making the payment sought to be refunded, or within one year after the mailing of notice as prescribed in Section 2635, or the period agreed to as provided in Section 532.1, or within 60 days of the date of the notice prescribed by subdivision (a) of Section 4836, whichever is later.

(3) (A) Filed within one year, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, of either of the following events, whichever occurs first:

(i) After the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property, and mails a written notice of its determination to the applicant and the notice does not advise the applicant to file a claim for refund.

(ii) After the expiration of the time period specified in subdivision (c) of Section 1604 if the county assessment appeals board fails to hear evidence and fails to make a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property.

(B) Filed within six months, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, after the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment, and mails a written notice of its determination to the applicant and the notice advises the applicant to file a claim for refund within six months of the date of the county assessment appeals board's final determination.

(b) An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund under this section if the applicant states in the application that the application is intended to constitute a claim for refund. If the applicant does not so state, he or she may thereafter and within the period provided in paragraph (3) of subdivision (a) file a separate claim for refund of taxes extended on the assessment which the applicant applied to have reduced pursuant to Section 1603 or Section 1604.

(c) If an application for equalization of an escape assessment is filed pursuant to Section 1603, a claim may be filed on any taxes resulting from the escape assessment or the original assessment to which the escape relates within the period provided in paragraph (3) of subdivision (a).

SEC. 3. Section 5151 of the Revenue and Taxation Code is amended to read:

5151. (a) Interest at the greater of 3 percent per annum or the county pool apportioned rate shall be paid, when that interest is ten dollars (\$10) or more, on any amount refunded under Section 5096.7, or refunded to a taxpayer for any reason whatsoever. However, no interest shall be paid under the provisions of this section if the taxpayer has been given the notice required by Section 2635 and has failed to apply for the refund within 30 days after the mailing of that notice. For purposes of this section, "county pool apportioned rate" means the annualized rate of interest earned on the total amount of pooled idle funds from all accounts held by the county treasurer, in excess of the county treasurer's administrative costs with respect to that amount, as of June 30 of the fiscal year preceding the date the refund is calculated by the auditor. For each fiscal year, the county treasurer shall advise the Controller of the county pool apportioned rate, and of computations made in deriving that rate, no later than 60 days after the end of that fiscal year. Any interest paid on a refund at a rate provided for by this subdivision as it read prior to January 1, 2009, shall be deemed to be correct.

(b) The interest rate provided for in subdivision (a) does not apply to interest on refunds of those amounts of tax that became due and payable before March 1, 1993. Interest on refunds of amounts of a qualified tax shall be paid at that rate provided for by this section as it read prior to January 1, 1993. As used in this section, a "qualified tax" means a tax that became due and payable before March 1, 1993, and had not been refunded as of April 6, 1995. This subdivision shall not be construed to affect the interest paid on refunds of those amounts of tax that became due and payable before March 1, 1993, and have been refunded as of April 6, 1995.

(c) (1) The interest computation period shall commence with the date of payment of the tax when any of the following applies:

(A) A timely application for reduction in an assessment was filed, without regard to whether the refund ultimately results from a judgment or order of a court, an order of a board of equalization or assessment appeals board, or an assessor's correction to the assessment roll.

(B) The refund is pursuant to a roll correction resulting from the determination or adjustment by the assessor or a local assessment appeals board of a base year value.

(C) The refund results from a correction to the assessment roll pursuant to Section 4831 or 4876.

(2) Interest on refunds of taxes on property acquired by a public agency in eminent domain shall accrue from the date of recordation of the deed.

(3) In all other cases the interest computation period shall commence on the date of filing a claim for refund or payment of the tax, whichever is later. However, in the event of the granting of property tax relief pursuant to Section 69, 69.3, or 170, interest is not payable on any resulting refund of taxes, provided that payment of that refund of taxes is made within 120 days after the county assessor has sent authorization for the reduction to the county auditor.

(d) The computation of interest shall terminate as of a date within 30 days of the date of mailing or personal delivery of the refund payment.

(e) The interest charged shall be apportioned to the appropriate funds, as determined by the county auditor.

(f) The amendments made to this section by Section 4 of Chapter 801 of the Statutes of 1996 shall apply to all refunds made after January 1, 1997.

SEC. 4. (a) The amendments made by this act to Sections 5097 and 5151 of the Revenue and Taxation Code shall not affect any litigation involving property tax refunds pending before January 1, 2009, that assert either of the following:

(1) Claims of miscalculation of interest paid under Section 5151 of the Revenue and Taxation Code.

(2) Claims interposing noncompliance with Section 2635 of the Revenue and Taxation Code to revive property tax refund claims otherwise outside the tax refund limitation period of Section 5097 of the Revenue and Taxation Code.

(b) Nothing in the legislative history of the amendments made by this act shall be construed as any indication of the meaning of the law as it existed prior to the effective date of the amendments made by this act.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies

and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

CHAPTER 330

An act to add and repeal Article 15 (commencing with Section 18861) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Article 15 (commencing with Section 18861) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 15. California Cancer Research Fund

18861. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Cancer Research Fund, pursuant to Section 18862.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's liability, the return shall be treated as though no designation has been made.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the forms of the return to include a space labeled the "California Cancer Research Fund" to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to conduct research relating to the causes, detection, and prevention

of cancer, to expand community-based education on cancer, and to provide prevention and awareness activities for communities that are disproportionately at risk or afflicted by cancer.

(f) Notwithstanding any other provision of law, a voluntary contribution designation for the California Cancer Research Fund may not be added to the tax return until another voluntary contribution is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18862. There is hereby created in the State Treasury the California Cancer Research Fund to receive contributions made pursuant to Section 18861. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18861 to be transferred to the California Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18861 for payment into that fund.

18863. All money transferred to the California Cancer Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the Regents of the University of California for distribution of grants for the purposes of conducting research on the causes and treatments for cancer, expanding community-based education on cancer, and providing culturally sensitive and appropriate prevention and awareness activities targeted toward communities that are disproportionately at risk or afflicted by cancer, and for reimbursement of any costs incurred by the regents for administering the grants authorized pursuant to this section.

18864. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Cancer Research Fund on the personal income tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) (1) By September 1 of the second calendar year and each subsequent calendar year that the California Cancer Research Fund appears on the tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the Regents of the University of California of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of the contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the California Cancer Research Fund on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year after the first appearance of the California Cancer Research Fund on the personal income tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the calendar year multiplied by the inflation factor adjustment as specified in subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

CHAPTER 331

An act to add Section 1367.08 to the Health and Safety Code, and to add Section 10604.5 to the Insurance Code, relating to health care.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 1367.08 is added to the Health and Safety Code, to read:

1367.08. A health care service plan shall annually disclose to the governing board of a public agency that is the subscriber of a group contract, the name and address of, and amount paid to, any agent, broker, or individual to whom the plan paid fees or commissions related to the public agency's group contract. As part of this disclosure, the health care service plan shall include the name, address, and amounts paid to the specific agents, brokers, or individuals involved in transactions with the public agency. The compensation disclosure required by this section is in addition to any other compensation disclosure requirements that exist under law.

SEC. 2. Section 10604.5 is added to the Insurance Code, to read:

10604.5. An insurer shall annually disclose to the governing board of a public agency that is the policyholder of a group health insurance policy, the name and address of, and amount paid to, any agent, broker, or individual to whom the insurer paid fees or commissions related to the public agency's group health insurance policy. As part of this disclosure, the insurer shall include the name, address, and amounts paid to the specific agents, brokers, or individuals involved in transactions with the public agency. The compensation disclosure required by this section is in addition to any other compensation disclosure requirements that exist under law.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 332

An act to add Section 89 to the Military and Veterans Code, relating to veterans.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 89 is added to the Military and Veterans Code, to read:

89. The department may apply to the California Debt Limit Allocation Committee for allocations of the state ceiling on qualified private activity bonds for qualified residential rental projects.

CHAPTER 333

An act to amend Sections 1930 and 1932 of, and to add Sections 1930.5 and 1932.5 to, the Fish and Game Code, relating to fish and game.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 1930 of the Fish and Game Code is amended to read:

1930. The Legislature finds and declares that:

(a) Areas containing diverse ecological and geological characteristics are vital to the continual health and well being of the state's natural resources and of its citizens.

(b) Many habitats and ecosystems that constitute the state's natural diversity are in danger of being lost.

(c) Connectivity between wildlife habitats is important to the long-term viability of the state's biodiversity.

(d) Increasingly fragmented habitats threaten the state's wildlife species.

(e) There is insufficient incentive for private landowners to maintain and perpetuate significant local natural areas in their natural state.

(f) Efforts to preserve natural areas have been fragmented between federal, state, local, and private sectors.

(g) Analysis of the state's habitat connectivity benefits from the consideration of all relevant data, including information from private and public landowners.

(h) The Department of Fish and Game's existing mapping activities and products should be developed and sustained.

SEC. 2. Section 1930.5 is added to the Fish and Game Code, to read:

1930.5. (a) Contingent upon funding being provided by the Wildlife Conservation Board from moneys available pursuant to Section 75055 of the Public Resources Code, or from other appropriate bond funds, upon appropriation by the Legislature, the department shall investigate, study, and identify those areas in the state that are most essential as wildlife corridors and habitat linkages, as well as the impacts to those corridors from climate change, and shall prioritize vegetative data development in these areas.

(b) It is the intent of the Legislature that the Wildlife Conservation Board use various funds to work with the department to complete a statewide analysis of corridors and connectivity to support conservation planning and climate change adaptation activities.

SEC. 3. Section 1932 of the Fish and Game Code is amended to read:

1932. There is hereby established the Significant Natural Areas Program which shall be administered by the department. The department, in administering this program, shall do all of the following:

(a) Obtain access to the most recent information with respect to natural resources. In order to accomplish this, the department shall maintain, expand, and keep current a data management system, designated the California Natural Diversity Data Base, designed to document information on these resources. That data shall be made available to interested parties on request.

(b) Develop and maintain a spatial data system that identifies those areas in the state that are most essential for maintaining habitat connectivity, including wildlife corridors and habitat linkages. This data should include information essential for evaluating the needs of wildlife species, as defined in Section 711.2, that require habitat connectivity for their long-term conservation, including distribution and movement patterns.

(c) As appropriate, develop and maintain the database by incorporating mapping products and data developed by other state agencies.

(d) Make all of the data sets, and associated analytical products, available to the public and other government entities.

(e) Ensure cost sharing by all who use the data management system and develop an appropriate schedule of compensation to be paid by individuals using the data management system, not to exceed the actual costs for use of the data management system.

(f) Ensure recognition of the state's most significant natural areas, including those affected by climate change. The department shall, after consultation with federal, state, and local agencies, education institutions, civic and public interest organizations, private organizations, landowners, and other private individuals, identify by means of periodic reports those natural areas deemed to be most significant.

(g) Seek the maintenance and perpetuation of the state's most significant natural areas for present and future generations in the most feasible manner. The department shall consider alternative approaches for that maintenance, including alternatives to fee acquisition such as incentives, leasing, and dedication.

(h) Reduce unnecessary duplication of effort. The department shall provide coordinating services to federal, state, local, and private interests wishing to aid in the maintenance and perpetuation of significant natural areas.

(i) Actively pursue grants and cost-sharing opportunities with local, state, or federal agencies, or private entities that use the data sets and benefit from their creation and maintenance.

SEC. 4. Section 1932.5 is added to the Fish and Game Code, to read:

1932.5. (a) In carrying out its responsibilities pursuant to this chapter, the department shall solicit and utilize all relevant results of existing studies and information from local government, state, and federal agencies, academic institutions, nonprofit organizations, certified environmental documents, private and public landowners, and agricultural and rangeland information developed by the Department of Conservation and agriculture associations.

(b) The department shall seek input from representatives of other state agencies, local government, federal agencies, nongovernmental conservation organizations, landowners, agriculture, recreation, scientific entities, and industry in determining essential wildlife corridors and habitat linkages. Private and public landowners shall be given a reasonable opportunity to review and comment on the wildlife characteristics of their land if it is identified pursuant to this chapter. The department shall utilize all relevant information when developing data sets and associated analytical products pursuant to this chapter.

(c) This chapter does not require, mandate, or authorize, under state or federal law, any state or local planning, zoning, or other land use action or decision.

(d) This chapter does not alter any legal rights and privileges, under state or federal law, of ownership or use of privately or publicly owned property.

(e) The Legislature finds and declares that the data sets and associated analytical products required pursuant to this chapter are for inventory

and planning purposes and may not be suitable to support regulatory actions without additional specificity or information.

CHAPTER 334

An act to add Section 12012.53 to the Government Code, relating to gaming, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The Legislature finds and declares the following:

(a) The terms of the tribal-state gaming compact ratified by this act apply only to the State of California and the tribe that has signed it, and the terms of the compact ratified by this act do not bind any other tribe.

(b) The Legislature acknowledges the right of federally recognized tribes to exercise their sovereignty to negotiate and enter into compacts with the state that are materially different from the compact ratified pursuant to Section 12012.53.

SEC. 2. Section 12012.53 is added to the Government Code, to read:

12012.53. (a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Shingle Springs Band of Miwok Indians, executed on June 30, 2008, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to

the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the tribal-state gaming compact ratified by this section shall be deposited in the General Fund, except as otherwise provided by the amended compact or by a statute directing that a portion of the revenue contributions be deposited in a special fund.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the revenues from this act to be eligible for revenue sharing at the earliest possible time to address some of the state's pressing budget issues, it is necessary that this act take effect immediately.

CHAPTER 335

An act to add Article 2.7 (commencing with Section 115950) to Chapter 5 of Part 10 of Division 104 of the Health and Safety Code, relating to wave pools.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. The Legislature finds and declares all of the following:
(a) The purpose of the Wave Pool Safety Act is to help safeguard wave pool users who are most at risk.

(b) The provisions of this act should not be interpreted to diminish the role of parents or adults charged with supervising children in wave pools. Parents and adults who supervise children need to be educated about the potential dangers and inherent risks for children and

nonswimmers using wave pools. Working in tandem with lifeguards on duty, parents and adults supervising children need to remain alert while children are in the water.

(c) The Legislature encourages the aquatic industry to release public service announcements regarding the provisions of this act and educate the public as to the dangers for children and nonswimmers using, and the safety requirements of, wave pools.

SEC. 2. Article 2.7 (commencing with Section 115950) is added to Chapter 5 of Part 10 of Division 104 of the Health and Safety Code, to read:

Article 2.7. Wave Pool Safety Act

115950. This article shall be known and may be cited as the Wave Pool Safety Act.

115951. For purposes of this article, the following definitions shall apply:

(a) "Nonswimmer" means a person who is a weak or inexperienced swimmer or a person who cannot swim.

(b) "Patron" means a swimmer or nonswimmer using a wave pool.

(c) "Rest period" means a period of time that the wave generating equipment for the wave pool is not producing breaking waves.

(d) "Wave pool" means a swimming pool designed for the purpose of producing breaking wave action in the water and that is not primarily designed for standup surfing or bodyboarding.

115952. On and after January 1, 2009, a wave pool in this state shall comply with all of the following:

(a) (1) A wave pool operator shall provide a United States Coast Guard-approved Type II or Type III lifevest that is free and available for use by a nonswimmer or a child under 48 inches in height. A wave pool operator shall also provide a United States Coast Guard-approved Type II or Type III lifevest that is free and available for use to any other patron at the request of the patron.

(2) Notwithstanding paragraph (1), a patron, including a nonswimmer and child, may use his or her own lifevest if that lifevest is a United States Coast Guard-approved Type II or Type III lifevest.

(b) (1) Children under 48 inches in height, regardless of whether the child is accompanied by an adult, shall wear a properly fitting United States Coast Guard-approved Type II or Type III lifevest to gain access to a wave pool.

(2) A child under 42 inches in height shall be accompanied by an adult in order to gain entry into the park. A wave pool operator shall

deny entrance into the park of a child under 42 inches in height if that child is not accompanied by an adult.

(3) Any person or child who refuses to comply with paragraph (2) of subdivision (a) or paragraph (1) of this subdivision shall be removed from the park by the wave pool operator.

(c) In all cases where wave action is suspended for any reason, an audible signal shall be used prior to resuming wave action to warn patrons of impending waves. That audible signal may be of any duration, but shall sound within 15 seconds immediately prior to resuming the breaking wave action. The audible signal shall be loud enough so that it can be heard by all patrons of the wave pool, but shall not exceed 90 decibels.

(d) (1) Lifeguards shall be assigned to guard a wave pool.

(2) The wave pool operator shall ensure that there are a sufficient number of lifeguards on duty to recognize, respond, and provide care to swimmers in distress or passive or active drowning persons within, but no longer than, 30 seconds of the onset of their peril.

(3) A lifeguard subject to this subdivision shall have an unobstructed view of, and be able to completely observe, in its entirety, his or her defined zone of protection in the wave pool.

(4) A wave pool operator shall ensure that conditions in a wave pool are continually reevaluated for safety and shall adjust lifeguard staffing accordingly.

(e) An emergency stop for the wave equipment shall be easily accessible to the lifeguards and other pool officials, as required by the Division of Occupational Safety and Health.

(f) A wave pool operator shall ensure that the wave pool has regular periods without breaking waves being produced; to accomplish this, the wave pool operator shall ensure that continuous breaking wave cycles in a wave pool shall not exceed 15 minutes.

(g) Signs with clearly legible letters and, if appropriate, symbols, indicating the requirements described in subdivisions (a) to (c), inclusive, shall appear at the ticket booth or entrance gate to the park or other facility where the wave pool is located.

CHAPTER 336

An act to amend Sections 70 and 74.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 70 of the Revenue and Taxation Code is amended to read:

70. (a) “Newly constructed” and “new construction” means:

(1) Any addition to real property, whether land or improvements, including fixtures, since the last lien date; and

(2) Any alteration of land or of any improvement, including fixtures, since the last lien date that constitutes a major rehabilitation thereof or that converts the property to a different use.

(b) Any rehabilitation, renovation, or modernization that converts an improvement or fixture to the substantial equivalent of a new improvement or fixture is a major rehabilitation of that improvement or fixture.

(c) Notwithstanding subdivisions (a) and (b), where real property has been damaged or destroyed by misfortune or calamity, “newly constructed” and “new construction” does not mean any timely reconstruction of the real property, or portion thereof, where the property after reconstruction is substantially equivalent to the property prior to damage or destruction. Any reconstruction of real property, or portion thereof, that is not substantially equivalent to the damaged or destroyed property, shall be deemed to be new construction and only that portion that exceeds substantially equivalent reconstruction shall have a new base year value determined pursuant to Section 110.1.

(d) (1) Notwithstanding subdivisions (a) and (b), where a tank must be improved, upgraded, or replaced to comply with federal, state, and local regulations on underground storage tanks, “newly constructed” and “new construction” does not mean the improvement, upgrade, or replacement of a tank to meet compliance standards, and the improvement, upgrade, or replacement shall be considered to have been performed for the purpose of normal maintenance and repair.

(2) Notwithstanding subdivisions (a) and (b), where a structure, or any portion thereof, was reconstructed, as a consequence of completing work on an underground storage tank to comply with federal, state, and local regulations on these tanks, timely reconstruction of the structure shall be considered to have been performed for the purpose of normal maintenance and repair where the structure, or portion thereof, after reconstruction is substantially equivalent to the prior structure in size, utility, and function.

SEC. 2. Section 74.5 of the Revenue and Taxation Code is amended to read:

74.5. (a) For purposes of subdivision (a) of Section 2 of Article XIII A of the California Constitution, “newly constructed” and “new

construction” does not include that portion of an existing structure that consists of the construction or reconstruction of seismic retrofitting components, as defined in this section.

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

(1) “Seismic retrofitting components” means seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies.

(2) “Seismic retrofitting improvements” means retrofitting or reconstruction of an existing building or structure, to abate falling hazards from structural or nonstructural components of any building or structure including, but not limited to, parapets, appendages, cornices, hanging objects, and building cladding that pose serious danger. “Seismic retrofitting improvements” also means either structural strengthening or providing the means necessary to resist seismic force levels that would otherwise be experienced by an existing building or structure during an earthquake, so as to significantly reduce hazards to life and safety while also providing for the substantially safe ingress and egress of building occupants during and immediately after an earthquake. “Seismic retrofitting improvements” does not include alterations, such as new plumbing, electrical, or other added finishing materials, made in addition to seismic-related work performed on an existing structure. “Seismic retrofitting” includes, but is not limited to, those items referenced in Appendix Chapters 5 and 6 of the Uniform Code for Building Conservation of the International Conference of Building Officials.

(3) “Improvements utilizing earthquake hazard mitigation technologies” means improvements to existing buildings identified by a local government as being hazardous to life in the event of an earthquake. These improvements shall involve strategies for earthquake protection of structures. These improvements shall use technologies such as those referenced in Part 2 (commencing with Section 101) of Title 24 of the California Building Code and similar seismic provisions in the Uniform Building Code.

(c) The property owner, primary contractor, civil or structural engineer, or architect shall certify to the building department those portions of the project that are seismic retrofitting components, as defined in this section. Upon completion of the project, the building department shall report to the county assessor the costs of the portions of the project that are seismic retrofitting components.

(d) In order to receive the exclusion, the property owner shall notify the assessor prior to, or within 30 days of, completion of the project that he or she intends to claim the exclusion for seismic retrofitting components. The State Board of Equalization shall prescribe the manner and form for claiming the exclusion. All documents necessary to support

the exclusion shall be filed by the property owner with the assessor not later than six months after the completion of the project.

(e) The Legislature finds and declares that the reconstruction and improvement actions that were excluded from “newly constructed” and “new construction” by Chapter 1187 of the Statutes of 1983 meet the requirements of “construction or reconstruction of seismic retrofitting components on an existing structure,” as provided in the act that amended this subdivision. Therefore, a structure constructed of unreinforced masonry bearing wall construction that is receiving a 15-year new construction exclusion as provided by Chapter 1187 of the Statutes of 1983 on the operative date of this act shall continue to receive, pursuant to this section, an exclusion after the 15-year period expires, unless the property is purchased or changes ownership, in which case Chapter 2 (commencing with Section 60) applies.

SEC. 3. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to 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.

SEC. 5. This act shall become operative only if Senate Constitutional Amendment 4 of the 2007–08 Regular Session is approved by the voters and, in that event, shall become operative on the date upon which this act is chaptered or the effective date of that measure, whichever is later.

CHAPTER 337

An act to amend Sections 23399.6 and 25503.9 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. (a) This act shall be known and may be cited as the Nonprofit Organization Equal Participation Act.

(b) The Legislature finds and declares all of the following:

(1) The California wine industry generates one hundred million dollars (\$115,000,000) annually in support of nonprofit organizations and their causes.

(2) The collaboration between the wine industry and nonprofit organizations has a proven track record in attracting supporters to nonprofit fundraising events. This support has resulted in sustaining vital community services across the state.

(3) Current law provides that the wine industry can participate in winetastings, donate wine, take orders, and sell bottled wine at certain nonprofit events.

(4) The purpose of this act is to provide continuity and equal participation for nonprofit organizations in sanctioned wine-related events and to provide orderly direction for wine producers.

SEC. 2. Section 23399.6 of the Business and Professions Code is amended to read:

23399.6. (a) Any licensee under a winegrower's license may apply to the department for a wine sales event permit. The wine sales event permit shall authorize the sale of bottled wine produced by the winegrower at festivals, state, county, district, or citrus fruit fairs, civic or cultural celebrations, or similar events approved by the department. The sale of the wine shall not be the primary purpose of the event, and the sale shall be for consumption off the premises where sold. The permit shall be valid for a maximum of five consecutive days during the event period. The event shall be sponsored by an organization that is exempt from taxation under Section 23701a of the Revenue and Taxation Code, including state designated fairs as specified in Section 19418 of the Revenue and Taxation Code, or exempt from taxation under Section 23701b, 23701d, 23701e, 23701f, 23701g, 23701i, 23701k, 23701l, 23701r, or 23701w of the Revenue and Taxation Code.

(b) A wine sales event permit may not be used more than two times a month at a particular location.

(c) Consent for sales at each event shall be first obtained by an annual authorization issued by the department. The applicant for the wine sales permit is required to notify the city, county, or city and county where the event is being held at least five days prior to the event. At all events, a copy of the wine sales permit shall be maintained. The licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to that license, and any violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

(d) (1) A licensee may not sell more than 5,000 gallons of wine annually pursuant to wine sales event permits issued under this section to that licensee.

(2) A licensee holding a wine sales event permit may not sell more than 1,250 gallons of wine per event.

(3) A licensee that is eligible to receive a certified farmers' market sales permit under Section 23399.4 and a wine sales event permit may not, under both permits collectively, sell more than a total of 5,000 gallons of wine annually.

(4) The licensee shall annually report to the department the total gallons of wine sold by that licensee under permits issued under this section to that licensee. The report may be included within the annual report of production submitted by the licensee to the department, or may be made in another manner as prescribed by the department in regulation.

(e) The sponsoring tax-exempt organization may charge a fee of the licensee for the licensee's use of display booth space. The fee, if paid, shall be comparable with, or less than, fees, or goods or services of equivalent value, paid by other vendors at the event for a similar booth size and location.

(f) The sponsoring tax-exempt organization shall allow the participation of more than one winegrower under a wine sales event permit at an event if public attendance at the event is expected to reach or exceed 1,000 attendees. The prior year's stated attendance for the event shall be used to determine the expected attendance.

(g) (1) The fee for the authorization to utilize a wine sales permit shall be fifty dollars (\$50) per year, and the authorization may be renewable annually at the time of the licensee's license. The wine sales permit authorization shall be transferable as part of the license.

(2) All money collected as fees pursuant to this subdivision shall be deposited in the Alcohol Beverage Control Fund, as described in Section 25761, for allocation, upon appropriation by the Legislature, as provided in subdivision (d) of that section.

(h) The department may adopt any regulations as it determines to be necessary for the administration of this section.

SEC. 3. Section 25503.9 of the Business and Professions Code is amended to read:

25503.9. (a) Nothing in this division prohibits a winegrower or a beer and wine wholesaler that also holds an off-sale beer and wine retail license and only sells wine from giving or selling wine, a beer manufacturer from giving or selling beer, a distilled spirits manufacturer or a distilled spirits manufacturer's agent from giving or selling distilled spirits, or an importer general licensee from giving or selling beer, wine, or distilled spirits at prices other than those contained in schedules filed with the department, to any of the following:

(1) A nonprofit charitable corporation or association exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code.

(2) A nonprofit incorporated trade association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code, and the members of which trade association are licensed under this division. However, the wine, beer, and distilled spirits shall be used solely for a convention or meeting of the nonprofit incorporated trade association.

(3) A nonprofit corporation or association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and is defined as a tax exempt organization under Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701i, 23701k, 23701l, 23701r, or 23701w of the Revenue and Taxation Code. Wine, beer, and distilled spirits given or sold by a winegrower, beer manufacturer, distilled spirits manufacturer, distilled spirits manufacturer's agent, or importer general licensee pursuant to this subdivision may be furnished only in connection with public service or fundraising activities including picnics, parades, fairs, amateur sporting events, agricultural exhibitions, or similar events.

(b) Nothing in this division prohibits a winegrower or a beer and wine wholesaler, that also holds an off-sale beer and wine retail license and only sells wine, from giving or selling wine, a beer manufacturer from giving or selling beer, a distilled spirits manufacturer or a distilled spirits manufacturer's agent from giving or selling distilled spirits, or a beer and wine wholesaler that also holds an importer's license from giving or selling beer, wine, or distilled spirits at prices other than those contained in schedules filed with the department, to any of the following:

(1) A nonprofit charitable corporation or association exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code.

(2) A nonprofit incorporated trade association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code, and the members of which trade association are licensed under this division. However, the wine, beer, and distilled spirits shall be used solely for a convention or meeting of the nonprofit incorporated trade association.

(3) A nonprofit corporation or association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and is defined as a tax exempt organization under Section 23701a, 23701d, 23701e, 23701f, or 23701r of the Revenue and Taxation Code. Wine, beer, and distilled spirits given or sold by a winegrower, beer manufacturer, distilled spirits manufacturer, distilled

spirits manufacturer’s agent, or licensed importer pursuant to this subdivision may be furnished only in connection with public service or fundraising activities including picnics, parades, fairs, amateur sporting events, agricultural exhibitions, or similar events.

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.

CHAPTER 338

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

[Approved by Governor September 26, 2008. Filed with Secretary of State September 26, 2008.]

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

SECTION 1. (a) The sum of five hundred fifty-two thousand four hundred eighty-three dollars and seventy-three cents (\$552,483.73) 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: General Fund (0001).....	\$468,800.38
Total for Fund: Item 0840-001-0001	
Budget Act of 2008, Program 50.....	\$139.17
Total for Fund: Item 1760-001-0666	
Budget Act of 2008, Program 15.6.....	\$7,798.20
Total for Fund: Item 1760-001-0666	
Budget Act of 2008, Program 30.....	\$696.71
Total for Fund: Item 1900-001-0822	
Budget Act of 2008.....	\$4,489.64

Total for Fund: Item 2660-001-0042	
Budget Act of 2008, Program 20.10.....	\$17,089.74
Total for Fund: Item 2740-001-0044	
Budget Act of 2008, Program 11.....	\$583.19
Total for Fund: Item 5225-001-0001	
Budget Act of 2008, Program 10.....	\$769.78
Total for Fund: Item 5225-001-0001	
Budget Act of 2008, Program 25.....	\$17,326.44
Total for Fund: Item 5225-001-0001	
Budget Act of 2008, Program 30.....	\$7,328.48
Total for Fund: Item 6610-510-0948	
Budget Act of 2008.....	\$17,358.38
Total for Fund: Item 7100-001-0185	
Budget Act of 2008, Program 21.....	\$6,369.58
Total for Fund: Item 8380-001-0821	
Budget Act of 2008, Program 54.....	\$372.00
Total for Fund: Item 8430-901-0512	
Budget Act of 2008.....	\$3,362.04

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 of this act to Item 1870-001-0001 of Section 2.00 of the Budget Act of 2008. 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 2008. 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 two hundred thirty-four thousand dollars (\$234,000) is hereby appropriated from the General Fund to the Executive Officer of the California Victim Compensation and Government Claims Board to pay a claim resulting from county special election costs pursuant to Chapter 487 of the Statutes of 2007.

(b) The amount of the appropriation in subdivision (a) 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 in this section may only be used to pay claims for special election costs authorized pursuant to Chapter 487 of the Statutes of 2007. 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, 2009.

SEC. 4. The sum of thirty-one thousand seven hundred dollars (\$31,700) is hereby appropriated from the General Fund to the Executive Officer of the California Victim Compensation and Government Claims Board for the payment of Claim No. 565437 (In the Matter of the Claim of James Ochoa) accepted by the board and reported to the Legislature pursuant to Section 4904 of the Penal Code.

SEC. 5. 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. 780029.....	\$9,079.52
Claim No. 728990.....	\$4,110.00
Claim No. 728997.....	\$4,090.00

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 settle claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 339

An act to amend Sections 1568.15 and 1568.17 of the Health and Safety Code, relating to public health.

[Approved by Governor September 26, 2008. Filed with Secretary of State September 26, 2008.]

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

SECTION. 1. The Legislature finds and declares all of the following:

(a) Roughly 500,000 California families are living with Alzheimer's disease and other dementia disorders.

(b) It is estimated that the incidence of these tragic diseases in California will triple, from approximately 500,000 to 1.5 million, by the year 2050, as the state's population of baby boomers ages.

(c) The surge in the numbers of those persons affected by Alzheimer's disease, including family caregivers, will place a severe strain on the state's already challenged health, social services, and geriatric service delivery systems.

(d) Morbidity and mortality data collected by counties has demonstrated a dramatic and rapid increase in the number of deaths associated with Alzheimer's disease and other forms of dementia, making it the sixth leading cause of death in California, and the seventh leading cause of death nationally.

(e) Advances in Alzheimer's disease research and promising ongoing clinical trials are testing agents that may slow progress of the disease, delay its onset, and prevent the disease altogether, as well as more effectively manage challenging behavioral symptoms.

(f) The Alzheimer's Disease Research Centers of California have made significant contributions to the advancement of Alzheimer's disease research, and it is imperative for the state to have primary care and long-term care delivery systems that are positioned to utilize these research findings to improve care for persons living with Alzheimer's disease and other dementia disorders.

(g) While advances in Alzheimer's research create hope for the future, they will not head off the increasing need for community, home, and residential care that is equipped to care for persons suffering from Alzheimer's disease and other dementia disorders.

(h) To avoid bankrupting our health and social service systems serving the elderly, California must prepare now by identifying strategies that will provide appropriate care to families coping with caring for a family member afflicted with Alzheimer's disease.

(i) It is in the interest of the state to better serve the approximately 500,000 families statewide who are currently struggling to care for a family member with Alzheimer's disease.

(j) It is also in the interest of the state to adequately serve the following emerging populations:

(1) Underserved and unserved families.

(2) Persons in the very earliest stages of Alzheimer's disease, and those individuals suffering from other dementia disorders.

(3) Persons with special needs who cannot access existing care systems.

(4) Non-English speakers, and ethnically diverse populations coping with memory loss.

(5) The mentally ill.

(6) Rural residents.

(7) Younger populations afflicted with early onset Alzheimer's disease.

SEC. 2. Section 1568.15 of the Health and Safety Code is amended to read:

1568.15. The Secretary of California Health and Human Services shall be responsible for the oversight and coordination of programs serving people living with Alzheimer's disease and related disorders and their families. This responsibility shall include, but not be limited to:

(a) State level support and assistance to all programs within the Health and Human Services Agency and member departments developed for this target population.

(b) Establishment of the Alzheimer's Disease and Related Disorders Advisory Committee pursuant to Section 1568.17.

(c) Review of the recommendations contained in the 1987 California Alzheimer's Disease Task Force Report and subsequent state plans, in consultation with appropriate state departments and the Alzheimer's Disease and Related Disorders Advisory Committee.

SEC. 3. Section 1568.17 of the Health and Safety Code is amended to read:

1568.17. (a) The California Health and Human Services Agency shall establish an Alzheimer's Disease and Related Disorders Advisory Committee consisting of 14 members selected as follows:

(1) One representing the field of academic medical research.

(2) One representing the field of social research.

(3) One representing the field of mental health.

(4) One representing the Alzheimer's day care resource centers.

(5) One representing the Alzheimer's disease diagnostic and treatment centers.

(6) Two representing families of persons suffering from Alzheimer's disease or related disorders.

(7) Two representing organizations providing services to Alzheimer's disease patients.

(8) One representing a consumer organization representing persons with Alzheimer's disease.

(9) One representing a member of the State Bar who is familiar with the legal issues confronting Alzheimer's disease victims and their families.

(10) Two people who have been diagnosed with Alzheimer's disease to serve one-year terms.

(11) The Secretary of California Health and Human Services or his or her designee.

(b) Members shall serve at the pleasure of the Secretary of California Health and Human Services. The agency secretary may establish fixed terms for advisory committee membership. For purposes of continuity, those terms shall be staggered.

(c) Members shall serve without compensation, but shall receive reimbursement for travel and other necessary expenses actually incurred in the performance of their official duties.

(d) The Alzheimer's Disease and Related Disorders Advisory Committee shall do all of the following:

(1) Provide ongoing advice and assistance to the administration and the Legislature as to the program needs and priorities of the target population.

(2) Provide planning support to the administration and the Legislature by updating recommendations of the 1987 California Alzheimer's Disease Task Force Report and regularly reviewing and updating recommendations as needed.

(3) Appoint a chairperson and vice chairperson.

(4) Meet quarterly.

(e) The Alzheimer's Disease and Related Disorders Advisory Committee shall do all of the following when making policy and plan recommendations:

(1) Consult with a broad range of stakeholders, including, but not limited to, people diagnosed with Alzheimer's disease, family caregivers, community-based and institutional providers, Alzheimer's disease researchers and academicians, formal caregivers, the Alzheimer's Association, the California Commission on Aging, and other state entities.

(2) Consider the recommendations of other state plans, including, but not limited to, the Olmstead Plan, the Long-Range Strategic Plan on Aging, and the California Department of Aging's State Plan on Aging.

(3) Consider cultural and linguistic factors that impact persons with Alzheimer's disease and their families who are from diverse populations.

(4) Review current state policies and practices concerning care and treatment related to Alzheimer's disease and other dementia disorders, and develop recommendations concerning all of the following issues:

(A) Community-based support for California's diverse people with Alzheimer's disease and their family members.

(B) Choices for care and residence for persons with Alzheimer's disease and their families.

(C) An integrated public health care management approach to Alzheimer's disease in health care settings that makes full use of dementia care practices.

(D) The dementia competence of health care professionals.

(E) Early identification and intervention through increasing public awareness of Alzheimer's disease.

(f) All meetings of the advisory committee, and any subcommittees thereof, shall be open to the public and adequate notice shall be provided in accordance with Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 340

An act to amend Sections 21200 and 21200.1 of the Financial Code, relating to pawnbrokers.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 21200 of the Financial Code is amended to read:

21200. (a) Except as otherwise provided in this chapter, no pawnbroker shall charge or receive compensation at a rate exceeding the sum of the following:

(1) Two and one-half percent per month on that portion of the unpaid principal balance of any loan up to, including, but not in excess of two hundred twenty-five dollars (\$225).

(2) Two percent per month on that portion of the unpaid principal balance of the loan in excess of two hundred twenty-five dollars (\$225) up to, including, but not exceeding nine hundred dollars (\$900).

(3) One and one-half percent per month on that part of the unpaid principal balance in excess of nine hundred dollars (\$900) up to and including, but not in excess of, one thousand six hundred fifty dollars (\$1,650).

(4) One percent per month on any remainder of the unpaid principal balance in excess of one thousand six hundred fifty dollars (\$1,650).

(5) A charge not exceeding three dollars (\$3) a month on any loan when the monthly charge permitted by this section would otherwise be less than that minimum charge.

(b) One month's interest may be charged for any part of the month in which pawned property is redeemed.

SEC. 2. Section 21200.1 of the Financial Code is amended to read:

21200.1. A loan setup fee not to exceed five dollars (\$5) or 2 percent, whichever is greater, may be charged for each loan. However, the maximum loan setup fee shall not exceed ten dollars (\$10). Loan setup fees are in addition to any other allowed charges.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 341

An act to add and repeal Section 7202 of the Public Contract Code, relating to public contracts.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 7202 is added to the Public Contract Code, to read:

7202. (a) The Department of Transportation is prohibited from withholding retention proceeds when making progress payments to a contractor for work performed on a transportation project.

(b) Nothing in this section shall alter, amend, or impair the rights, duties, and obligations of an original contractor, its subcontractors, and all subcontractors thereunder, relating to the construction of any public work of improvement as set forth in Section 7200 of the Public Contract Code.

(c) The department shall promptly notify the appropriate policy committees of the Legislature if the state's best interests are compromised because retention was not withheld on a transportation project.

(d) This section shall become inoperative and shall be repealed on January 1, 2014.

CHAPTER 342

An act to amend Section 739.3 of, and to add and repeal Section 275.6 of, the Public Utilities Code, relating to telecommunications.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. It is the intent of the Legislature, in extending the California High-Cost Fund-A and California High-Cost Fund-B programs pursuant to this act, that the funds be used to address the continued need for universal and affordable high-quality service in high-cost areas of the state, particularly where telecommunications competition is limited, without diminishing basic telephone service.

SEC. 2. Section 275.6 is added to the Public Utilities Code, to read:

275.6. (a) The commission shall develop, implement, and maintain a suitable program to establish a fair and equitable local rate structure aided by universal service rate support to small independent telephone corporations that serve rural areas and are subject to rate-of-return regulation by the commission. The purpose of the program shall be to promote the goals of universal telephone service and to reduce any disparity in the rates charged by those companies.

(b) For purposes of this section, "small independent telephone corporations" means those independent telephone corporations serving rural areas that are subject to rate-of-return regulation by the commission, as determined by the commission.

(c) The commission shall structure the programs required by this section so that any charge imposed to promote the goals of universal service reasonably equals the value of the benefits of universal service to contributing entities and their subscribers.

(d) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

SEC. 3 Section 739.3 of the Public Utilities Code is amended to read:

739.3. (a) The commission shall develop, implement, and maintain a suitable program to establish a fair and equitable local rate structure aided by universal service rate support to small independent telephone

corporations serving rural and small metropolitan areas. The purpose of the program shall be to promote the goals of universal telephone service and to reduce any disparity in the rates charged by those companies.

(b) For purposes of this section, small independent telephone corporations means those independent telephone corporations serving rural areas, as determined by the commission.

(c) The commission shall develop, implement, and maintain a suitable, competitively neutral, and broadbased program to establish a fair and equitable local rate support structure aided by universal service rate support to telephone corporations serving areas where the cost of providing services exceeds rates charged by providers, as determined by the commission. The commission shall develop and implement the program on or before October 1, 1996. The purpose of the program shall be to promote the goals of universal telephone service and to reduce any disparity in the rates charged by those companies. Except as otherwise explicitly provided, this subdivision does not limit the manner in which the commission collects and disburses funds, and does not limit the manner in which it may include or exclude the revenue of contributing entities in structuring the program.

(d) The commission shall structure the programs required by this section so that any charge imposed to promote the goals of universal service reasonably equals the value of the benefits of universal service to contributing entities and their subscribers.

(e) The commission shall investigate reducing the level of universal service rate support, or elimination of universal service rate support in service areas with demonstrated competition.

(f) By July 1, 2010, the commission shall prepare and submit to the Legislature a report on the affordability of basic telephone service in areas funded by the California High-Cost Fund-B Administrative Committee Fund. The report, among other things, shall provide information on prices and costs of basic telephone service, and penetration and utilization rates of basic telephone service by income, ethnicity, age, and other demographic characteristics, using surveys and other methods of identifying the factors affecting affordability of basic telephone service for customers and noncustomers. The report shall describe the characteristics of noncustomers and their reasons for not having telephone service. The report shall identify those persons most at risk of losing basic telephone service. The report shall be funded out of the California High-Cost Fund-B Administrative Committee Fund.

(g) This section shall only apply to the California High-Cost Fund-B Administrative Committee Fund program.

(h) This section 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. 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.

CHAPTER 343

An act to amend Sections 40183, 40184, 41783, 41820.6, 41821, 41850, 42921, and 42926 of, to amend the headings of Article 4 (commencing with Section 41825) and Article 5 (commencing with Section 41850) of Chapter 7 of Part 2 of Division 30 of, to add Sections 40127, 40145, 40150.1, 41780.05, 42921.5, and 42927 to, and to repeal and add Section 41825 of, the Public Resources Code, relating to solid waste.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. It is the intent of the Legislature that the California Integrated Waste Management Board shall not consider a jurisdiction's per capita disposal rate to be determinative as to whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

SEC. 2. Section 40127 is added to the Public Resources Code, to read:

40127. "Diversion program" means a program in the source reduction and recycling element of a jurisdiction's integrated waste management plan, specified in Chapter 2 (commencing with Section 41000) of, or Chapter 3 (commencing with Section 41300) of, Part 2 and that has the purpose of diverting solid waste from landfill disposal or transformation through source reduction, recycling, and composting activities. "Diversion program" additionally includes any amendments, revisions, or updates to the element, and any programs set forth in a time extension,

alternative requirement, or compliance order approved by the board pursuant to Part 2 (commencing with Section 40900).

SEC. 3. Section 40145 is added to the Public Resources Code, to read:

40145. "Jurisdiction" means a city, county, or regional agency that is approved by the board pursuant to Section 40975.

SEC. 4. Section 40150.1 is added to the Public Resources Code, to read:

40150.1. "Multicounty regional agency" means a regional agency, as defined in Section 40181, that includes all of the jurisdictions that are located in at least two or more rural counties.

SEC. 5. Section 40183 of the Public Resources Code is amended to read:

40183. (a) "Rural city" or "rural regional agency" means a city or regional agency that is located within a rural county as defined in Section 40184.

(b) (1) Unless the board takes action pursuant to paragraph (2), this section does not affect any reduction granted to a rural city by the board pursuant to Section 41787 prior to January 1, 2008.

(2) The board may review and take action regarding any reduction granted to a rural city by the board in accordance with subdivision (b) of Section 41787.

SEC. 6. Section 40184 of the Public Resources Code is amended to read:

40184. (a) "Rural county" means a county or multicounty regional agency that annually disposes of no more than 200,000 tons of solid waste.

(b) (1) Unless the board takes action pursuant to paragraph (2), this section does not affect any reduction granted to a rural county by the board pursuant to Section 41787 prior to January 1, 2008.

(2) The board may review and take action regarding any reduction granted to a rural county in accordance with subdivision (b) of Section 41787.

SEC. 7. Section 41780.05 is added to the Public Resources Code, to read:

41780.05. (a) After January 1, 2009, pursuant to the review authorized by Section 41825, the board shall determine each jurisdiction's compliance with Section 41780 for the years commencing with January 1, 2007, by comparing each jurisdiction's change in its per capita disposal rate in subsequent years with the equivalent per capita disposal rate that would have been necessary for the jurisdiction to meet the requirements of Section 41780 on January 1, 2007, as calculated pursuant to subdivisions (c) and (d).

(b) (1) For purposes of paragraph (5) of subdivision (e) of Section 41825, in making a determination whether a jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board shall consider, but is not limited to the consideration of, the jurisdiction's per capita disposal rate and whether the jurisdiction adequately implemented its diversion programs.

(2) When determining whether a jurisdiction has made a good faith effort pursuant to Section 41825 to implement its source reduction and recycling element or its household hazardous waste element, the board shall consider that an increase in the per capita disposal rate is the result of the amount of the jurisdiction's disposal increasing faster than the jurisdiction's growth. The board shall use this increase in the per capita disposal rate that is in excess of the equivalent per capita disposal rate as a factor in determining whether the board is required, pursuant to Section 41825, to more closely examine a jurisdiction's program implementation efforts. This examination may indicate that a jurisdiction is required to expand existing programs or implement new programs, in accordance with the procedures specified in Article 4 (commencing with Section 41825) and in Article 5 (commencing with Section 41850).

(3) When reviewing the level of program implementation pursuant to Sections 41825 and 41850, the board shall use, as a factor in determining compliance with Section 41780, the amount determined pursuant to subdivision (d) when comparing a jurisdiction's per capita disposal rate in subsequent years.

(c) (1) Except as otherwise provided in this subdivision, for purposes of this section, "per capita disposal" or "per capita disposal rate" means the total annual disposal, in pounds, from a jurisdiction divided by the total population in a jurisdiction, as reported by the Department of Finance, divided by 365 days.

(2) (A) If a jurisdiction is predominated by commercial or industrial activities and by solid waste generation from those sources, the board may alternatively calculate per capita disposal to reflect those differing conditions.

(B) When making a calculation for a jurisdiction subject to this paragraph, "per capita disposal" or "per capita disposal rate" means the total annual disposal, in pounds, from a jurisdiction divided by total industry employment in a jurisdiction, as reported by the Employment Development Department, divided by 365 days.

(C) The board shall calculate the per capita disposal rate for a jurisdiction subject to this paragraph using the level of industry employment in a jurisdiction instead of the level of population in a jurisdiction.

(3) If the board determines that the method for calculating the per capita disposal rate for a jurisdiction provided by paragraph (1) or (2) does not accurately reflect that jurisdiction's disposal reduction, the board may use an alternative per capita factor, other than population or industry employment, to calculate the per capita disposal rate that more accurately reflects the jurisdiction's efforts to divert solid waste.

(d) The board shall calculate the equivalent per capita disposal rate for each jurisdiction as follows:

(1) Except as otherwise provided in this subdivision, the equivalent per capita disposal rate for a jurisdiction shall be determined using the method specified in this paragraph.

(A) The calculated generation tonnage for each year from 2003 to 2006, inclusive, shall be multiplied by 0.5 to yield the 50 percent equivalent disposal total for each year.

(B) The 50 percent equivalent disposal total for each year shall be multiplied by 2,000, divided by the population of the jurisdiction in that year, and then divided by 365 to yield the 50 percent equivalent per capita disposal for each year.

(C) The four 50 percent equivalent per capita disposal amounts from the years 2003 to 2006, inclusive, shall be averaged to yield the equivalent per capita disposal rate.

(2) If a jurisdiction is predominated by commercial or industrial activities and by solid waste generation from those sources, the board may alternatively calculate the equivalent per capita disposal rate to reflect those conditions by using the level of industry employment in a jurisdiction instead of the level of population in that jurisdiction.

(3) If the board determines that the method for calculating the equivalent per capita disposal rate for a jurisdiction pursuant to this subdivision does not accurately reflect a jurisdiction's per capita disposal rate that would be equivalent to the amount required to meet the 50 percent diversion requirements of Section 41780, the board may use an alternative per capita factor, other than population or industry employment, to calculate the equivalent per capita disposal rate that more accurately reflects the jurisdiction's diversion efforts.

(4) The board shall modify the percentage used in paragraph (1) to maintain the diversion requirements approved by the board for a rural jurisdiction pursuant to Section 41787 or for a reduction granted pursuant to Section 41786.

(5) The board may modify the years included in making a calculation pursuant to this subdivision for an individual jurisdiction to eliminate years in which the calculated generation amount is shown not to be representative or accurate, based upon a generation study completed in one of the five years 2003 to 2007, inclusive. In these cases, the board

shall not allow the use of an additional year other than 2003, 2004, 2005, 2006, or 2007.

(6) The board may modify the method of calculating the equivalent per capita disposal rate for an individual jurisdiction to accommodate the incorporation of a new city, the formation of a new regional agency, or changes in membership of an existing regional agency. These modifications shall ensure that a new entity has a new equivalent per capita disposal rate and that the existing per capita disposal rate of an existing entity is adjusted to take into account the disposal amounts lost by the creation of the new entity.

(7) The board shall not incorporate generation studies or new base year calculations for a year commencing after 2006 into the equivalent per capita disposal rate, unless a generation study that included the year 2007 was commenced on or before June 30, 2008.

(8) If the board determines that the equivalent per capita disposal rate cannot accurately be determined for a jurisdiction, or that the rate is no longer representative of a jurisdiction's waste stream, the board shall evaluate trends in the jurisdiction's per capita disposal to establish a revised equivalent per capita disposal rate for that jurisdiction.

SEC. 8. Section 41783 of the Public Resources Code is amended to read:

41783. (a) For a jurisdiction's source reduction and recycling element submitted to the board after January 1, 1995, and on or before January 1, 2009, the 50 percent diversion requirement specified in paragraph (2) of subdivision (a) of Section 41780 may include not more than 10 percent through transformation, as defined in Section 40201, if all of the following conditions are met:

(1) The transformation project is in compliance with Sections 21151.1 and 44150 of this code and Section 42315 of the Health and Safety Code.

(2) The transformation project uses front-end methods or programs to remove all recyclable materials from the waste stream prior to transformation to the maximum extent feasible.

(3) The ash or other residue generated from the transformation project is routinely tested at least once quarterly, or on a more frequent basis as determined by the agency responsible for regulating the testing and disposal of the ash or residue, and, notwithstanding Section 25143.5 of the Health and Safety Code, if hazardous wastes are present, the ash or residue is sent to a class 1 hazardous waste disposal facility.

(4) The board holds a public hearing in the city, county, or regional agency jurisdiction within which the transformation project is proposed, and, after the public hearing, the board makes both of the following findings, based upon substantial evidence on the record:

(A) The city, county, or regional agency is, and will continue to be, effectively implementing all feasible source reduction, recycling, and composting measures.

(B) The transformation project will not adversely affect public health and safety or the environment.

(5) The transformation facility is permitted and operational on or before January 1, 1995.

(6) The city, county, or regional agency does not include biomass conversion, as authorized pursuant to Section 41783, in its source reduction and recycling element.

(b) On and after January 1, 2009, for purposes of the review authorized by Section 41825, with regard to a jurisdiction's compliance with Section 41780 for each year commencing January 1, 2007, the board may reduce the per capita disposal rate for a jurisdiction, as calculated pursuant to subdivision (d) of Section 41780.05, by no more than 10 percent of the average of the calculated per capita generation tonnage amount, if the jurisdiction otherwise meets the substantive requirements specified in paragraphs (1) to (6), inclusive, of subdivision (a), for solid waste to be included as diversion for purposes of that subdivision.

SEC. 9. Section 41820.6 of the Public Resources Code is amended to read:

41820.6. (a) In addition to its authority under Section 41820, the board may, after a public hearing, grant a time extension from the requirements of Section 41780 to a city if both of the following conditions exist:

(1) The city was incorporated pursuant to Division 3 (commencing with Section 56000) of Title 5 of the Government Code on or after January 1, 2001.

(2) The county within which the city is located did not include provisions in its franchises that ensured that the now incorporated area would comply with the requirements of Section 41780.

(b) The board may authorize a city that meets the requirements of subdivision (a) to submit a source reduction and recycling element that includes an implementation schedule that shows that the city shall comply with the requirements of Section 41780, within three years from the date on which the source reduction and recycling element is due pursuant to subdivision (b) of Section 41791.5, through source reduction, recycling, and composting activities.

SEC. 10. Section 41821 of the Public Resources Code is amended to read:

41821. (a) (1) Each year following the board's approval of a jurisdiction's source reduction and recycling element, household hazardous waste element, and nondisposal facility element, the

jurisdiction shall submit a report to the board summarizing its progress in reducing solid waste as required by Section 41780, in accordance with the schedule set forth in this subdivision.

(2) The annual report shall be due on or before August 1 of the year following board approval of the source reduction and recycling element, the household hazardous waste element, and the nondisposal facility element, and on or before August 1 in each subsequent year. The information in this report shall encompass the previous calendar year, January 1 to December 31, inclusive.

(b) Each jurisdiction's annual report to the board shall, at a minimum, include the following:

(1) Calculations of annual disposal reduction.

(2) A summary of progress made in implementing the source reduction and recycling element and the household hazardous waste element.

(3) An update of the jurisdiction's source reduction and recycling element and household hazardous waste element to include any new or expanded programs the jurisdiction has implemented or plans to implement.

(4) An update of the jurisdiction's nondisposal facility element to reflect any new or expanded nondisposal facilities the jurisdiction is using or planning to use.

(5) A summary of progress made in diversion of construction and demolition of waste material, including information on programs and ordinances implemented by the local government and quantitative data, where available.

(6) Other information relevant to compliance with Section 41780.

(c) A jurisdiction may also include, in the report required by this section, all of the following:

(1) Information on disposal reported pursuant to Section 41821.5 that the jurisdiction believes may be relevant to the board's determination of the jurisdiction's per capita disposal rate.

(2) Disposal characterization studies or other completed studies that show the effectiveness of the programs being implemented.

(3) Factors that the jurisdiction believes would affect the accuracy of, or mitigate the amount of, solid waste disposed by the jurisdiction, including, but not limited to, either of the following:

(A) Whether the jurisdiction hosts a solid waste facility or regional diversion facility.

(B) The effects of self-hauled waste and construction and demolition waste.

(4) The extent to which the jurisdiction previously relied on biomass diversion credit and the extent to which it may be impacted by the lack of the credit.

(5) Information regarding the programs the jurisdiction is undertaking to address specific disposal challenges, and why it is not feasible to implement programs to respond to other factors that affect the amount of waste that is disposed.

(6) Other information that describes the good faith efforts of the jurisdiction to comply with Section 41780.

(d) The board shall use, but is not limited to the use of, the annual report in the determination of whether the jurisdiction's source reduction and recycling element needs to be revised or updated.

(e) (1) The board shall adopt procedures for requiring additional information in a jurisdiction's annual report. The procedures shall require the board to notify a jurisdiction of any additional required information no later than 120 days after the board receives the report from the jurisdiction.

(2) Paragraph (1) does not prohibit the board from making additional requests for information in a timely manner. A jurisdiction receiving a request for information shall respond in a timely manner.

(3) If the schedule for the submission of an annual report by a jurisdiction does not correspond with the scheduled review by the board specified in subdivision (a) of Section 41825, the board shall utilize the information contained in the annual report to assist the board in providing technical assistance and reviewing the jurisdiction's diversion program implementation.

(f) The board shall adopt procedures for conferring with a jurisdiction regarding the implementation of its diversion programs.

(g) Notwithstanding the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code), a jurisdiction shall submit the progress report required by this section to the board electronically, using the board's electronic reporting format system.

(h) Notwithstanding the reporting schedule required by this section, and in addition to the review required by Section 41825, the board shall visit each jurisdiction not less than once each year to monitor the jurisdiction's implementation and maintenance of its diversion programs.

SEC. 11. The heading of Article 4 (commencing with Section 41825) of Chapter 7 of Part 2 of Division 30 of the Public Resources Code is amended to read:

Article 4. Review and Compliance Orders

SEC. 12. Section 41825 of the Public Resources Code is repealed.

SEC. 13. Section 41825 is added to the Public Resources Code, to read:

41825. (a) Using the information in the report submitted to the board by the jurisdiction pursuant to Section 41821 and any other relevant information, the board shall make a finding whether each jurisdiction was in compliance with Section 41780 for calendar year 2006 and shall review a jurisdiction's compliance with Section 41780 in accordance with the following schedule:

(1) If the board makes a finding that the jurisdiction was in compliance with Section 41780 for calendar year 2006, the board shall review, commencing January 1, 2012, and at least once every four years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(2) If the board makes a finding that the jurisdiction made a good faith effort to implement its source reduction and recycling element and household hazardous waste element, the board shall review, commencing January 1, 2010, and at least once every two years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(3) If the board makes a finding that the jurisdiction was not in compliance with Section 41780 for calendar year 2006 or for any subsequent calendar year, the board shall review, commencing January 1, 2010, and at least once every two years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(4) If, after determining that a jurisdiction is subject to paragraph (2), or, if, after determining that a jurisdiction is not in compliance with Section 41780 and is subject to paragraph (3), the board subsequently determines that the jurisdiction has come into compliance with Section 41780, the board shall review, at least once every four years, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste in the same manner as a jurisdiction that is subject to paragraph (1).

(5) If, after determining that a jurisdiction is in compliance with Section 41780 and is subject to paragraph (1), the board subsequently determines that the jurisdiction is not in compliance with Section 41780, the board shall review, at least once every two years, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element in the same manner as a jurisdiction that is subject to paragraph (2) or (3).

(b) In addition to the requirements of subdivision (a), the board may review whether a jurisdiction is in compliance with Section 41780 in accordance with the requirements of this section at any time that the board receives information that indicates the jurisdiction may not be

making a good faith effort to implement its source reduction and recycling element and household hazardous waste element.

(c) (1) Before issuing a compliance order pursuant to subdivision (d), the board shall confer with the jurisdiction regarding conditions relating to the proposed order of compliance, with a first meeting occurring not less than 60 days before issuing a notice of intent to issue an order of compliance.

(2) The board shall issue a notice of intent to issue an order of compliance not less than 30 days before the board holds a hearing to issue the notice of compliance. The notice of intent shall specify all of the following:

(A) The proposed basis for issuing an order of compliance.

(B) The proposed actions the board recommends are necessary for the jurisdiction to complete to implement its source reduction and recycling element or household hazardous waste element.

(C) The proposed recommendations to the board.

(3) The board shall consider any information provided pursuant to subdivision (c) of Section 41821 if the proposed issuance of an order of compliance involves changes to a jurisdiction's calculation of annual disposal.

(d) (1) If, after holding a public hearing, which, to the extent possible, shall be held in the local or regional agency's jurisdiction, the board finds that a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board shall issue an order of compliance with a specific schedule for achieving compliance.

(2) The compliance order shall include those conditions that the board determines to be necessary for the jurisdiction to implement its diversion programs.

(3) In addition to considering the good faith efforts of a jurisdiction, as specified in subdivision (e), to implement a diversion program, the board shall consider both of the following factors in determining whether or not to issue a compliance order:

(A) Whether an exceptional growth rate may have affected compliance.

(B) Other information that the jurisdiction may provide that indicates the effectiveness of the jurisdiction's programs, such as disposal characterization studies or other jurisdiction specific information.

(e) For purposes of making a determination pursuant to this section whether a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board shall consider all of the following criteria:

(1) For the purposes of this section, “good faith effort” means all reasonable and feasible efforts by a jurisdiction to implement those programs or activities identified in its source reduction and recycling element or household hazardous waste element, or alternative programs or activities that achieve the same or similar results.

(2) For purposes of this section, “good faith effort” may also include the evaluation by a jurisdiction of improved technology for the handling and management of solid waste that would reduce costs, improve efficiency in the collection, processing, or marketing of recyclable materials or yard waste, and enhance the ability of the jurisdiction to adequately address all sources of significant disposal, the submission by the jurisdiction of a compliance schedule, and the undertaking of all other reasonable and feasible efforts to implement the programs identified in the jurisdiction’s source reduction and recycling element or household hazardous waste element.

(3) In determining whether a jurisdiction has made a good faith effort, the board shall consider the enforcement criteria included in its enforcement policy, as adopted on April 25, 1995, or as subsequently amended.

(4) The board shall consider all of the following when considering whether a jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element:

(A) Natural disasters.

(B) Budgetary conditions within a jurisdiction that could not be remedied by the imposition or adjustment of solid waste fees.

(C) Work stoppages that directly prevent a jurisdiction from implementing its source reduction and recycling element or household hazardous waste element.

(D) The impact of the failure of federal, state, and other local agencies located within the jurisdiction to implement source reduction and recycling programs in the jurisdiction.

(E) The extent to which the jurisdiction has implemented additional source reduction, recycling, and composting activities.

(F) The extent to which the jurisdiction has made program implementation choices driven by considerations related to other environmental issues, including climate change.

(G) Whether the jurisdiction has provided information to the board concerning whether construction and demolition waste material is at least a moderately significant portion of the waste stream, and, if so, whether the local jurisdiction has adopted an ordinance for diversion of construction and demolition waste materials from solid waste disposal facilities, has adopted a model ordinance pursuant to subdivision (a) of

Section 42912 for diversion of construction and demolition waste materials from solid waste disposal facilities, or has implemented another program to encourage or require diversion of construction and demolition waste materials from solid waste disposal facilities.

(H) The extent to which the jurisdiction has implemented programs to comply with Section 41780 and to maintain its per capita disposal rate.

(5) In making a determination whether a jurisdiction has made a good faith effort, pursuant to this section, the board may consider a jurisdiction's per capita disposal rate as a factor in determining whether the jurisdiction adequately implemented its diversion programs. The board shall not consider a jurisdiction's per capita disposal rate to be determinative as to whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

(f) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

SEC. 14. Section 41825 is added to the Public Resources Code, to read:

41825. (a) At least once every two years, the board shall review each jurisdiction's source reduction and recycling element and household hazardous waste element for compliance with Section 41780.

(b) In addition to the requirements of subdivision (a), the board may review whether a jurisdiction is in compliance with Section 41780 in accordance with the requirements of this section at any time that the board receives information that indicates the jurisdiction may not be making a good faith effort to implement its source reduction and recycling element and household hazardous waste element.

(c) (1) Before issuing a compliance order pursuant to subdivision (d), the board shall confer with the jurisdiction regarding conditions relating to the proposed order of compliance, with a first meeting occurring not less than 60 days before issuing a notice of intent to issue an order of compliance.

(2) The board shall issue a notice of intent to issue an order of compliance not less than 30 days before the board holds a hearing to issue the notice of compliance. The notice of intent shall specify all of the following:

(A) The proposed basis for issuing an order of compliance.

(B) The proposed actions the board recommends are necessary for the jurisdiction to complete the implementation of its source reduction and recycling element or household hazardous waste element.

(C) The proposed recommendations to the board.

(3) The board shall consider any information provided pursuant to subdivision (c) of Section 41821, if the proposed issuance of an order of compliance involves changes to a jurisdiction's calculation of annual disposal.

(d) (1) If, after holding a public hearing, which, to the extent possible, shall be held in the local or regional agency's jurisdiction, the board finds that a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board shall issue an order of compliance with a specific schedule for achieving compliance.

(2) The compliance order shall include those conditions that the board determines to be necessary for the jurisdiction to implement its diversion programs.

(3) In addition to considering the good faith efforts of a jurisdiction, as specified in subdivision (e), to implement a diversion program, the board shall consider all of the following factors in determining whether or not to issue a compliance order:

(A) Whether an exceptional growth rate may have affected compliance.

(B) Other information that the jurisdiction may provide that indicates the effectiveness of the jurisdiction's programs, such as disposal characterization studies or other jurisdiction specific information.

(e) For purposes of making a determination pursuant to this section as to whether a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board shall consider all of the following criteria:

(1) For the purposes of this section, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement those programs or activities identified in its source reduction and recycling element or household hazardous waste element, or alternative programs or activities that achieve the same or similar results.

(2) For purposes of this section, "good faith effort" may also include the evaluation by a jurisdiction of improved technology for the handling and management of solid waste that would reduce costs, improve efficiency in the collection, processing, or marketing of recyclable materials or yard waste, and enhance the ability of the jurisdiction to adequately address all sources of significant disposal, the submission by the jurisdiction of a compliance schedule, and the undertaking of all other reasonable and feasible efforts to implement the programs identified in the jurisdiction's source reduction and recycling element or household hazardous waste element.

(3) In determining whether a jurisdiction has made a good faith effort, the board shall also consider the enforcement criteria included in its enforcement policy, as adopted on April 25, 1995, or as subsequently amended.

(4) The board shall consider all of the following when considering whether a jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element:

(A) Natural disasters.

(B) Budgetary conditions within a jurisdiction that could not be remedied by the imposition or adjustment of solid waste fees.

(C) Work stoppages that directly prevent a jurisdiction from implementing its source reduction and recycling element or household hazardous waste element.

(D) The impact of the failure of federal, state, and other local agencies located within the jurisdiction to implement source reduction and recycling programs in the jurisdiction.

(E) The extent to which the jurisdiction has implemented additional source reduction, recycling, and composting activities.

(F) The extent to which the jurisdiction has made program implementation choices driven by considerations related to other environmental issues, including climate change.

(G) Whether the jurisdiction has provided information to the board concerning whether construction and demolition waste material is at least a moderately significant portion of the waste stream, and, if so, whether the local jurisdiction has adopted an ordinance for diversion of construction and demolition waste materials from solid waste disposal facilities, has adopted a model ordinance pursuant to subdivision (a) of Section 42912 for diversion of construction and demolition waste materials from solid waste disposal facilities, or has implemented another program to encourage or require diversion of construction and demolition waste materials from solid waste disposal facilities.

(H) The extent to which the jurisdiction has implemented programs to comply with Section 41780 and to maintain its per capita disposal rate.

(5) In making a determination whether a jurisdiction has made a good faith effort, pursuant to this section, the board may consider a jurisdiction's per capita disposal rate as a factor in determining whether the jurisdiction adequately implemented its diversion programs. The board shall not consider a jurisdiction's per capita disposal rate to be determinative as to whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

(f) This section shall become operative on January 1, 2018.

SEC. 15. The heading of Article 5 (commencing with Section 41850) of Chapter 7 of Part 2 of Division 30 of the Public Resources Code is amended to read:

Article 5. Enforcement and Penalties

SEC. 16. Section 41850 of the Public Resources Code is amended to read:

41850. (a) Except as specifically provided in Section 41813, if, after holding the public hearing and issuing an order of compliance pursuant to Section 41825, the board finds that the jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the board may impose administrative civil penalties upon the city or county or, pursuant to Section 40974, upon the city or county as a member of a regional agency, of up to ten thousand dollars (\$10,000) per day until the jurisdiction implements the element.

(b) In determining whether or not to impose any penalties, or in determining the amount of any penalties imposed under this section, including any penalties imposed due to the exclusion of solid waste pursuant to Section 41781.2 that results in a reduction in the quantity of solid waste diverted by a jurisdiction, the board shall consider whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element. In addition, the board shall consider only those relevant circumstances that have prevented a jurisdiction from meeting the requirements of this division, including, but not limited to, the factors described in subdivisions (d) and (e) of Section 41825.

SEC. 17. Section 42921 of the Public Resources Code is amended to read:

42921. (a) Each state agency and each large state facility shall divert at least 25 percent of all solid waste generated by the state agency by January 1, 2002, through source reduction, recycling, and composting activities.

(b) On and after January 1, 2004, each state agency and each large state facility shall divert at least 50 percent of all solid waste through source reduction, recycling, and composting activities.

SEC. 18. Section 42921.5 is added to the Public Resources Code, to read:

42921.5. (a) After January 1, 2009, the board shall determine each state agency's or a large state facility's compliance with Section 42921, for each year, commencing with January 1, 2007, by comparing the per

capita disposal rate in subsequent years with the equivalent per capita disposal rate that would have been necessary for the state agency or large state facility to comply with Section 42921 on January 1, 2007, as calculated pursuant to subdivision (d).

(b) In making a determination whether a state agency or large state facility is in compliance with the requirements of Section 42921, the board may consider an agency's or facility's per capita disposal rate as a factor in determining whether the state agency or large state facility is adequately implementing its integrated waste management plan. The board shall not consider a state, agency, or large state facility's per capita disposal rate to be determinative when considering whether the agency or facility is implementing its integrated waste management plan.

(c) When determining whether an agency or facility is in compliance with Section 42921, the board shall consider that an increase in the per capita disposal rate is a result of disposal amounts increasing faster than the growth of the state agency or large state facility. The board shall use an increase in the per capita disposal rate that is in excess of the equivalent per capita disposal rate as a factor in determining whether the board is required to more closely examine the agency's or facility's plan implementation efforts. If indicated by this examination, the board may require a state agency or large state facility to expand existing programs or implement new programs.

(d) (1) Except as provided in paragraph (2), "per capita disposal" or "per capita disposal rate" means the total annual disposal by a state agency or large state facility, in pounds, divided by total number of employees in that state agency or large state facility, and divided by 365 days.

(2) The board may alternatively define per capita disposal or per capita disposal rate for a state agency or large state facility that has a significant amount of disposal from nonemployees or for other reasons that would make calculation of per capita disposal by the number of employees inaccurate.

SEC. 19. Section 42926 of the Public Resources Code is amended to read:

42926. (a) In addition to the information provided to the board pursuant to Section 12167.1 of the Public Contract Code, each state agency shall submit an annual report to the board summarizing its progress in reducing solid waste as required by Section 42921. The annual report shall be due on or before September 1, 2009, and on or before September 1 in each subsequent year. The information in this report shall encompass the previous calendar year.

(b) Each state agency's annual report to the board shall, at a minimum, include all of the following:

- (1) Calculations of annual disposal reduction.
 - (2) Information on the changes in waste generated or disposed of due to increases or decreases in employees, economics, or other factors.
 - (3) A summary of progress made in implementing the integrated waste management plan.
 - (4) The extent to which the state agency intends to utilize programs or facilities established by the local agency for the handling, diversion, and disposal of solid waste. If the state agency does not intend to utilize those established programs or facilities, the state agency shall identify sufficient disposal capacity for solid waste that is not source reduced, recycled, or composted.
 - (5) Other information relevant to compliance with Section 42921.
- (c) The board shall use, but is not limited to the use of, the annual report in the determination of whether the agency's integrated waste management plan needs to be revised.

SEC. 20. Section 42927 is added to the Public Resources Code, to read:

42927. (a) A community college district shall give first priority for the expenditure of the revenues derived from the sale of recyclable materials resulting from the implementation of the district's integrated waste management plan for the purposes of offsetting the recycling program costs imposed pursuant to this chapter.

(b) A community college district shall expend all cost savings that result from implementation of the district's integrated waste management plan pursuant to this chapter to fund the continued implementation of the plan consistent with the requirement that revenues from the sale of recyclable materials be used to offset recycling program costs, as specified in Sections 12167 and 12167.1 of the Public Contract Code.

(c) A community college district shall provide information on the quantities of recyclable materials collected for recycling annually to the board, according to a schedule determined by the board and the district.

SEC. 21. 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 or because the act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

CHAPTER 344

An act to amend Sections 6254, 11121.1, and 11126 of the Government Code, and to amend Sections 11785 and 11873 of, and to repeal Section 11770.5 of, the Insurance Code, relating to workers' compensation insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, if the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes. However, state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files that reflects the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined in any of the sections of the Penal Code set forth in this subdivision may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, where the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code. However, the address of the victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph may not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. Nothing in this paragraph shall be construed

to prohibit or limit a scholarly, journalistic, political, or government use of address information obtained pursuant to this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of Division 14 of Title 3 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary. However, public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business

Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. If a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places and records of Native American places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code maintained by, or in the possession of, the Native American Heritage Commission, another state agency, or a local agency.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Care Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.

(2) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695) or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after their effective dates.

(B) If a contract that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract is open to inspection pursuant to paragraph (3).

(w) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract is open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data

regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, shall be open to inspection one year after their effective dates.

(B) If a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff shall also apply to the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (c) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended

to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(ab) Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the California Office of Homeland Security for use by that office, including the identity of the person who or entity that voluntarily submitted the information. As used in this subdivision, "voluntarily submitted" means submitted in the absence of the office exercising any legal authority to compel access to or submission of critical infrastructure information. This subdivision shall not affect the status of information in the possession of any other state or local governmental agency.

(ac) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

(ad) The following records of the State Compensation Insurance Fund:

(1) Records related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) Records related to the discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the fund, and any related deliberations.

(3) Records related to the impressions, opinions, recommendations, meeting minutes of meetings or sessions that are lawfully closed to the public, research, work product, theories, or strategy of the fund or its staff, on the development of rates, contracting strategy, underwriting, or competitive strategy pursuant to the powers granted to the fund in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

(4) Records obtained to provide workers' compensation insurance under Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, including, but not limited to, any medical claims information, policyholder information provided that nothing in this paragraph shall be interpreted to prevent an insurance agent or broker from obtaining proprietary information or other information authorized by law to be obtained by the agent or broker, and information on rates, pricing, and claims handling received from brokers.

(5) (A) Records that are trade secrets pursuant to Section 6276.44, or Article 11 (commencing with Section 1060) of Chapter 4 of Division 8 of the Evidence Code, including without limitation, instructions, advice, or training provided by the State Compensation Insurance Fund to its

board members, officers, and employees regarding the fund's special investigation unit, internal audit unit, and informational security, marketing, rating, pricing, underwriting, claims handling, audits, and collections.

(B) Notwithstanding subparagraph (A), the portions of records containing trade secrets shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(6) (A) Internal audits containing proprietary information and the following records that are related to an internal audit:

(i) Personal papers and correspondence of any person providing assistance to the fund when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon order of the fund.

(ii) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed or an internal audit that contains proprietary information.

(B) Notwithstanding subparagraph (A), the portions of records containing proprietary information, or any information specified in subparagraph (A) shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(7) (A) Except as provided in subparagraph (C), contracts entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code shall be open to inspection one year after the contract has been fully executed.

(B) If a contract entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(C) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(D) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to this paragraph.

(E) Nothing in this paragraph is intended to apply to documents related to contracts with public entities that are not otherwise expressly confidential as to that public entity.

(F) For purposes of this paragraph, “fully executed” means the point in time when all of the necessary parties to the contract have signed the contract.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act (29 U.S.C. Sec. 158).

SEC. 1.1. Section 6254 of the Government Code is amended to read: 6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, if the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes. However, state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files that reflects the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 236.1, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined in any of the sections of the Penal Code set forth in this subdivision may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, where the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code. However, the address of the victim of any crime defined by Section 220, 236.1, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph may not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. Nothing in this paragraph shall be construed

to prohibit or limit a scholarly, journalistic, political, or government use of address information obtained pursuant to this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of Division 14 of Title 3 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary. However, public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business

Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. If a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places and records of Native American places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code maintained by, or in the possession of, the Native American Heritage Commission, another state agency, or a local agency.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Care Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.

(2) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695) or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after their effective dates.

(B) If a contract that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to the contracts are open to inspection pursuant to paragraph (3).

(w) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to the contracts are open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data

regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, shall be open to inspection one year after their effective dates.

(B) If a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff shall also apply to the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (c) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended

to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(ab) Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the California Office of Homeland Security for use by that office, including the identity of the person who or entity that voluntarily submitted the information. As used in this subdivision, "voluntarily submitted" means submitted in the absence of the office exercising any legal authority to compel access to or submission of critical infrastructure information. This subdivision shall not affect the status of information in the possession of any other state or local governmental agency.

(ac) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

(ad) The following records of the State Compensation Insurance Fund:

(1) Records related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) Records related to the discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the fund, and any related deliberations.

(3) Records related to the impressions, opinions, recommendations, meeting minutes of meetings or sessions that are lawfully closed to the public, research, work product, theories, or strategy of the fund or its staff, on the development of rates, contracting strategy, underwriting, or competitive strategy pursuant to the powers granted to the fund in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

(4) Records obtained to provide workers' compensation insurance under Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, including, but not limited to, any medical claims information, policyholder information provided that nothing in this paragraph shall be interpreted to prevent an insurance agent or broker from obtaining proprietary information or other information authorized by law to be obtained by the agent or broker, and information on rates, pricing, and claims handling received from brokers.

(5) (A) Records that are trade secrets pursuant to Section 6276.44, or Article 11 (commencing with Section 1060) of Chapter 4 of Division 8 of the Evidence Code, including without limitation, instructions, advice, or training provided by the State Compensation Insurance Fund to its

board members, officers, and employees regarding the fund's special investigation unit, internal audit unit, and informational security, marketing, rating, pricing, underwriting, claims handling, audits, and collections.

(B) Notwithstanding subparagraph (A), the portions of records containing trade secrets shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(6) (A) Internal audits containing proprietary information and the following records that are related to an internal audit:

(i) Personal papers and correspondence of any person providing assistance to the fund when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon order of the fund.

(ii) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed or an internal audit that contains proprietary information.

(B) Notwithstanding subparagraph (A), the portions of records containing proprietary information, or any information specified in subparagraph (A) shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(7) (A) Except as provided in subparagraph (C), contracts entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code shall be open to inspection one year after the contract has been fully executed.

(B) If a contract entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(C) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(D) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to this paragraph.

(E) Nothing in this paragraph is intended to apply to documents related to contracts with public entities that are not otherwise expressly confidential as to that public entity.

(F) For purposes of this paragraph, “fully executed” means the point in time when all of the necessary parties to the contract have signed the contract.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act (29 U.S.C. Sec. 158).

SEC. 1.2. Section 6254 of the Government Code is amended to read: 6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, if the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, the California Emergency Management Agency, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes. However, state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files that reflects the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined in any of the sections of the Penal Code set forth in this subdivision may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, where the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code. However, the address of the victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph may not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. Nothing in this paragraph shall be construed

to prohibit or limit a scholarly, journalistic, political, or government use of address information obtained pursuant to this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of Division 14 of Title 3 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary. However, public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business

Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. If a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places and records of Native American places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code maintained by, or in the possession of, the Native American Heritage Commission, another state agency, or a local agency.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Care Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.

(2) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695) or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after their effective dates.

(B) If a contract that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract are open to inspection pursuant to paragraph (3).

(w) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract are open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data

regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, shall be open to inspection one year after their effective dates.

(B) If a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff shall also apply to the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (c) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended

to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(ab) Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the California Emergency Management Agency for use by that office, including the identity of the person who or entity that voluntarily submitted the information. As used in this subdivision, "voluntarily submitted" means submitted in the absence of the office exercising any legal authority to compel access to or submission of critical infrastructure information. This subdivision shall not affect the status of information in the possession of any other state or local governmental agency.

(ac) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

(ad) The following records of the State Compensation Insurance Fund:

(1) Records related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) Records related to the discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the fund, and any related deliberations.

(3) Records related to the impressions, opinions, recommendations, meeting minutes of meetings or sessions that are lawfully closed to the public, research, work product, theories, or strategy of the fund or its staff, on the development of rates, contracting strategy, underwriting, or competitive strategy pursuant to the powers granted to the fund in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

(4) Records obtained to provide workers' compensation insurance under Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, including, but not limited to, any medical claims information, policyholder information provided that nothing in this paragraph shall be interpreted to prevent an insurance agent or broker from obtaining proprietary information or other information authorized by law to be obtained by the agent or broker, and information on rates, pricing, and claims handling received from brokers.

(5) (A) Records that are trade secrets pursuant to Section 6276.44, or Article 11 (commencing with Section 1060) of Chapter 4 of Division 8 of the Evidence Code, including without limitation, instructions, advice, or training provided by the State Compensation Insurance Fund to its

board members, officers, and employees regarding the fund's special investigation unit, internal audit unit, and informational security, marketing, rating, pricing, underwriting, claims handling, audits, and collections.

(B) Notwithstanding subparagraph (A), the portions of records containing trade secrets shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(6) (A) Internal audits containing proprietary information and the following records that are related to an internal audit:

(i) Personal papers and correspondence of any person providing assistance to the fund when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon order of the fund.

(ii) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed or an internal audit that contains proprietary information.

(B) Notwithstanding subparagraph (A), the portions of records containing proprietary information, or any information specified in subparagraph (A) shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(7) (A) Except as provided in subparagraph (C), contracts entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code shall be open to inspection one year after the contract has been fully executed.

(B) If a contract entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(C) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(D) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to this paragraph.

(E) Nothing in this paragraph is intended to apply to documents related to contracts with public entities that are not otherwise expressly confidential as to that public entity.

(F) For purposes of this paragraph, “fully executed” means the point in time when all of the necessary parties to the contract have signed the contract.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act (29 U.S.C. Sec. 158).

SEC. 1.3. Section 6254 of the Government Code is amended to read: 6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, if the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, the California Emergency Management Agency, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes. However, state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files that reflects the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 236.1, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined in any of the sections of the Penal Code set forth in this subdivision may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, where the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code. However, the address of the victim of any crime defined by Section 220, 236.1, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3 (as added by Chapter 337 of the Statutes of 2006), 288.3 (as added by Section 6 of Proposition 83 of the November 7, 2006, statewide general election), 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph may not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. Nothing in this paragraph shall be construed

to prohibit or limit a scholarly, journalistic, political, or government use of address information obtained pursuant to this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of Division 14 of Title 3 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary. However, public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business

Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. If a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places and records of Native American places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code maintained by, or in the possession of, the Native American Heritage Commission, another state agency, or a local agency.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Care Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.

(2) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695) or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after their effective dates.

(B) If a contract that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to a contracts are open to inspection pursuant to paragraph (3).

(w) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to a the contracts are open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data

regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, shall be open to inspection one year after their effective dates.

(B) If a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff shall also apply to the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (c) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended

to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(ab) Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the California Emergency Management Agency for use by that office, including the identity of the person who or entity that voluntarily submitted the information. As used in this subdivision, "voluntarily submitted" means submitted in the absence of the office exercising any legal authority to compel access to or submission of critical infrastructure information. This subdivision shall not affect the status of information in the possession of any other state or local governmental agency.

(ac) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

(ad) The following records of the State Compensation Insurance Fund:

(1) Records related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) Records related to the discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the fund, and any related deliberations.

(3) Records related to the impressions, opinions, recommendations, meeting minutes of meetings or sessions that are lawfully closed to the public, research, work product, theories, or strategy of the fund or its staff, on the development of rates, contracting strategy, underwriting, or competitive strategy pursuant to the powers granted to the fund in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

(4) Records obtained to provide workers' compensation insurance under Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, including, but not limited to, any medical claims information, policyholder information provided that nothing in this paragraph shall be interpreted to prevent an insurance agent or broker from obtaining proprietary information or other information authorized by law to be obtained by the agent or broker, and information on rates, pricing, and claims handling received from brokers.

(5) (A) Records that are trade secrets pursuant to Section 6276.44, or Article 11 (commencing with Section 1060) of Chapter 4 of Division 8 of the Evidence Code, including without limitation, instructions, advice, or training provided by the State Compensation Insurance Fund to its

board members, officers, and employees regarding the fund's special investigation unit, internal audit unit, and informational security, marketing, rating, pricing, underwriting, claims handling, audits, and collections.

(B) Notwithstanding subparagraph (A), the portions of records containing trade secrets shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(6) (A) Internal audits containing proprietary information and the following records that are related to an internal audit:

(i) Personal papers and correspondence of any person providing assistance to the fund when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon order of the fund.

(ii) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed or an internal audit that contains proprietary information.

(B) Notwithstanding subparagraph (A), the portions of records containing proprietary information, or any information specified in subparagraph (A) shall be available for review by the Joint Legislative Audit Committee, the Bureau of State Audits, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(7) (A) Except as provided in subparagraph (C), contracts entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code shall be open to inspection one year after the contract has been fully executed.

(B) If a contract entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(C) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(D) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to this paragraph.

(E) Nothing in this paragraph is intended to apply to documents related to contracts with public entities that are not otherwise expressly confidential as to that public entity.

(F) For purposes of this paragraph, “fully executed” means the point in time when all of the necessary parties to the contract have signed the contract.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act (29 U.S.C. Sec. 158).

SEC. 2. Section 11121.1 of the Government Code is amended to read:

11121.1. As used in this article, “state body” does not include any of the following:

(a) State agencies provided for in Article VI of the California Constitution.

(b) Districts or other local agencies whose meetings are required to be open to the public pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

(c) State agencies provided for in Article IV of the California Constitution whose meetings are required to be open to the public pursuant to the Grunsky-Burton Open Meeting Act (Article 2.2 (commencing with Section 9027) of Chapter 1.5 of Part 1 of Division 2 of Title 2).

(d) State agencies when they are conducting proceedings pursuant to Section 3596.

(e) State agencies provided for in Section 109260 of the Health and Safety Code, except as provided in Section 109390 of the Health and Safety Code.

(f) The Credit Union Advisory Committee established pursuant to Section 14380 of the Financial Code.

SEC. 3. Section 11126 of the Government Code is amended to read:

11126. (a) (1) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing.

(2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public

hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.

(3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.

(4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

(b) For the purposes of this section, "employee" does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

(c) Nothing in this article shall be construed to do any of the following:

(1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.

(4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other

disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(5) Prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.

(6) Prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(7) (A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

(B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.

(C) For purposes of this paragraph, the negotiator may be a member of the state body.

(D) For purposes of this paragraph, "lease" includes renewal or renegotiation of a lease.

(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

(8) Prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.

(11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of Division 2 of the Revenue and Taxation Code.

(12) Prevent the Corrections Standards Authority from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the Superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of, or pursuant to Chapter 9 (commencing with Section 60850) of, Part 33 of Division 4 of Title 2 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

(15) Prevent the California Integrated Waste Management Board or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

(16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(18) (A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

(B) Notwithstanding any other provision of law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

(C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.

(D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.

(d) (1) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

(2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.

(e) (1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

(2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(B) (i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.

(ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).

(C) (i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

(ii) The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

(iii) For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent an administrative committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and

Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.

(6) Prevent a state body, as defined in subdivision (c) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(7) Prevent the State Board of Equalization from holding closed sessions for either of the following:

(A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.

(B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of the Revenue and Taxation Code.

(9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(g) This article does not prevent either of the following:

(1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of

the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(2) The Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

(h) This article does not prevent the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters relating to the development of rates and competitive strategy for plans offered pursuant to Chapter 15 (commencing with Section 21660) of Part 3 of Division 5 of Title 2.

(i) This article does not prevent the Managed Risk Medical Insurance Board from holding closed sessions when considering matters related to the development of rates and contracting strategy for entities contracting or seeking to contract with the board pursuant to Part 6.2 (commencing with Section 12693), Part 6.3 (commencing with Section 12695), Part 6.4 (commencing with Section 12699.50), or Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code.

(j) Nothing in this article shall be construed to prevent the board of the State Compensation Insurance Fund from holding closed sessions in the following:

(1) When considering matters related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) To the extent that matters related to audits and investigations that have not been completed would be disclosed.

(3) To the extent that an internal audit containing proprietary information would be disclosed.

(4) To the extent that the session would address the development of rates, contracting strategy, underwriting, or competitive strategy, pursuant to the powers granted to the board in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, when discussion in open session concerning those matters would prejudice the position of the State Compensation Insurance Fund.

(k) The State Compensation Insurance Fund shall comply with the procedures specified in Section 11125.4 of the Government Code with respect to any closed session or meeting authorized by subdivision (j), and in addition shall provide an opportunity for a member of the public to be heard on the issue of the appropriateness of closing the meeting or session.

SEC. 4. Section 11770.5 of the Insurance Code is repealed.

SEC. 5. Section 11785 of the Insurance Code is amended to read:

11785. (a) The board of directors shall appoint a president, a chief financial officer, a chief operating officer, a chief information technology officer, a chief investment officer, a chief risk officer, and a general counsel. The board of directors shall set the salary for each position. These positions shall not be subject to otherwise applicable provisions of the Government Code and the Public Contract Code, and for those purposes the fund shall not be considered a state agency or other public entity. The president shall manage and conduct the business and affairs of the fund under the general direction and subject to the approval of the board of directors, and shall perform other duties as the board of directors prescribes.

(b) Section 87406 of the Government Code, the Milton Marks Postgovernment Employment Restrictions Act of 1990, shall apply to the fund. Members of the board, the president, the chief financial officer, the chief operating officer, the general counsel, and any other person designated by the fund shall be deemed to be designated employees for the purpose of that act.

(c) Both the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall apply to the fund.

SEC. 6. Section 11873 of the Insurance Code is amended to read:

11873. (a) Except as provided by subdivision (b), the fund shall not be subject to the provisions of the Government Code made applicable to state agencies generally or collectively, unless the section specifically names the fund as an agency to which the provision applies.

(b) The fund shall be subject to the provisions of Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1 of, Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of, Chapter 6.5 (commencing with Section 8543) of Division 1 of Title 2 of, Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, the Government Code, and Division 5 (commencing with Section 18000) of Title 2 of the Government Code, with the exception of all of the following provisions of that division:

(1) Article 1 (commencing with Section 19820) and Article 2 (commencing with Section 19823) of Chapter 2 of Part 2.6 of Division 5.

(2) Sections 19849.2, 19849.3, 19849.4, and 19849.5.

(3) Chapter 4.5 (commencing with Section 19993.1) of Part 2.6 of Division 5.

(c) Notwithstanding any provision of the Government Code or any other provision of law, the positions funded by the State Compensation

Insurance Fund are exempt from any hiring freezes and staff cutbacks otherwise required by law. This subdivision is declaratory of existing law.

SEC. 7. (a) Section 1.1 of this bill incorporates amendments to Section 6254 of the Government Code proposed by both this bill and AB 2810. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 6254 of the Government Code, and (3) AB 38 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 2810, in which case Section 6254 of the Government Code, as amended by Section 1 of this bill shall remain operative only until the operative date of AB 2810, at which time Section 1.1 of this bill shall become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 6254 of the Government Code proposed by both this bill and AB 38. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 6254 of the Government Code, (3) AB 2810 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 38, in which case Section 6254 of the Government Code, as amended by Section 1 of this bill, shall remain operative only until the operative date of AB 38, at which time Section 1.2 of this bill shall become operative.

(c) Section 1.3 of this bill incorporates amendments to Section 6254 of the Government Code proposed by this bill, AB 2810, and AB 38. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2009, (2) all three bills amend Section 6254 of the Government Code, and (3) this bill is enacted after AB 2810 and AB 38, in which case Section 6254 of the Government Code, as amended by Section 1 of this bill, shall remain operative only until the operative date of AB 2810 and AB 38, at which time Section 1.3 of this bill shall become operative.

SEC. 8. 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 proper and orderly functioning of the State Compensation Insurance Fund as required by this act is urgently needed to preserve public health and safety, and it is therefore necessary for this act to take effect immediately.

CHAPTER 345

An act to amend and repeal Section 19551.1 of, to amend, repeal, and add Section 19551 of, and to add and repeal Section 19551.5 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 19551 of the Revenue and Taxation Code is amended to read:

19551. (a) The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, other tax officials of this state, the Multistate Tax Commission, the proper officer of any state imposing an income tax or a tax measured by income or the authorized representative of that officer, or the tax officials of Mexico, if a reciprocal agreement exists, to inspect the income tax returns of any taxpayer, or may furnish to the commission, or the officer or the authorized representative thereof an abstract of the return or supply thereto information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return. The information shall be furnished to the Multistate Tax Commission, the federal or state officer or his or her representative, or the officials of Mexico for tax purposes only. Except when furnished pursuant to a written agreement, information furnished pursuant to this section shall be furnished only if the request is in the form of an affidavit under penalty of perjury stating that the purpose for the request relates to an investigation of the tax specified in the request and that the information will be used in the ordinary performance of the applicant's official duties.

(b) Notwithstanding subdivision (a) and except as otherwise provided in Section 19551.1, tax officials of political subdivisions of this state shall request information from the Franchise Tax Board by affidavit only. At the time a tax official makes the request, he or she shall provide the affected person with a copy of the affidavit and, upon request, make the information obtained available to that person.

(c) For purposes of this section, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax

administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(d) This section shall remain in effect through and including December 31, 2013, and shall be repealed on January 1, 2014.

SEC. 2. Section 19551 is added to the Revenue and Taxation Code, to read:

19551. (a) The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, other tax officials of this state, the Multistate Tax Commission, the proper officer of any state imposing an income tax or a tax measured by income or the authorized representative of that officer, or the tax officials of Mexico, if a reciprocal agreement exists, to inspect the income tax returns of any taxpayer, or may furnish to the commission, or the officer or the authorized representative thereof an abstract of the return or supply thereto information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return. The information shall be furnished to the Multistate Tax Commission, the federal or state officer or his or her representative, or the officials of Mexico for tax purposes only. Except when furnished pursuant to a written agreement, information furnished pursuant to this section shall be furnished only if the request is in the form of an affidavit under penalty of perjury stating that the purpose for the request relates to an investigation of the tax specified in the request and that the information will be used in the ordinary performance of the applicant's official duties.

(b) Notwithstanding subdivision (a), tax officials of political subdivisions of this state shall request information from the Franchise Tax Board by affidavit only. At the time a tax official makes the request, he or she shall provide the affected person with a copy of the affidavit and, upon request, make the information obtained available to that person.

(c) For purposes of this section, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(d) This section shall become operative on January 1, 2014.

SEC. 3. Section 19551.1 of the Revenue and Taxation Code is amended to read:

19551.1. (a) (1) The Franchise Tax Board may permit the tax officials of any city to enter into a reciprocal agreement with the Franchise Tax Board to obtain tax information from the Franchise Tax Board, as specified in subdivision (b).

(2) For purposes of this section, "reciprocal agreement" means a formal agreement to exchange information for tax administration purposes between tax officials of a city and the Franchise Tax Board.

(b) The information furnished to tax officials of a city under this section shall be limited as follows:

(1) The tax officials of a city are authorized to receive information only with respect to taxpayers with an address as reflected on the Franchise Tax Board's records within the jurisdictional boundaries of the city who report income from a trade or business to the Franchise Tax Board.

(2) The tax information that may be provided by the Franchise Tax Board to a city is limited to a taxpayer's name, address, social security or taxpayer identification number, and business activity code.

(3) Tax information provided to the taxing authority of a city may not be furnished to, or used by, any person other than an employee of that taxing authority.

(4) The information provided to the tax officials of the city by the Franchise Tax Board under this section is subject to Section 19542, and may not be used for any purpose other than the city's tax enforcement, or as otherwise authorized by state or federal law.

(5) Section 19542.1 applies to this section.

(c) The Franchise Tax Board may not provide any information pursuant to this section until all of the following have occurred:

(1) An agreement has been executed between a city and the Franchise Tax Board, that provides that an amount equal to all first year costs necessary to furnish the city information pursuant to this section shall be received by the Franchise Tax Board before the Franchise Tax Board incurs any costs associated with the activity permitted by this section. For purposes of this section, first year costs include costs associated with, but not limited to, the purchasing of equipment, the development of processes, and labor.

(2) An agreement has been executed between a city and the Franchise Tax Board, that provides that the annual costs incurred by the Franchise Tax Board, as a result of the activity permitted by this section, shall be reimbursed by the city to the Franchise Tax Board.

(3) Pursuant to the agreement described in paragraph (1), the Franchise Tax Board has received an amount equal to the first year costs.

(d) Any information, other than the type of tax information specified in subdivision (b), may be requested by the tax officials of a city from the Franchise Tax Board by affidavit. At the time a tax official makes the request, he or she shall provide the person whose information is the subject of the request, with a copy of the affidavit and, upon request, make the information obtained available to that person.

(e) This section does not invalidate any other law. This section does not preclude any city or county from obtaining information about individual taxpayers, including those taxpayers not subject to this section, by any other means permitted by state or federal law.

(f) Nothing in this section shall be construed to affect any obligations, rights, or remedies regarding personal information provided under state or federal law.

(g) Notwithstanding subdivision (c), the Franchise Tax Board shall waive a city's reimbursement of the Franchise Tax Board's cost if a city enters into a reciprocal agreement as defined in paragraph (2) of subdivision (a). The reciprocal agreement shall specify that each party shall bear its own costs to furnish the data involved in the exchange authorized by this section and Section 19551.5, and a city shall be precluded from obtaining reimbursement as specified under Section 5 of the act adding this subdivision.

(h) This section shall remain in effect through and including December 31, 2013, and shall be repealed on January 1, 2014.

SEC. 4. Section 19551.5 is added to the Revenue and Taxation Code, to read:

19551.5. (a) Notwithstanding any other law, each city that assesses a city business tax or requires a city business license shall, upon the request of the Franchise Tax Board, annually submit to the Franchise Tax Board the information that is collected in the course of administration of the city's business tax program, as described in subdivision (b).

(b) Information, collected in the course of administration of the city's business tax program, shall be limited to the following:

(1) Name of the business, if the business is a corporation, partnership, or limited liability company, or the owner's name if the business is a sole proprietorship.

(2) Business mailing address.

(3) Federal employer identification number, if applicable, or the business owner's social security number.

(4) Standard Industrial Classification Code (SIC) or North American Industry Classification System (NAICS) Code.

(5) Business start date.

(6) Business cease date.

(7) City number.

(8) Ownership type.

(c) The reports required under this section shall be filed on magnetic media such as tapes or compact discs, through a secure electronic process, or in other machine-readable form, according to standards prescribed by regulations promulgated by the Franchise Tax Board.

(d) Cities that receive a request from the Franchise Tax Board shall begin providing to the Franchise Tax Board the information required by this section as soon as economically feasible, but no later than December 31, 2009. The information shall be furnished annually at a time and in the form that the Franchise Tax Board may prescribe by regulation.

(e) The city data provided to the Franchise Tax Board under this section is subject to Section 19542, and may not be used for any purpose other than state tax enforcement or as otherwise authorized by law.

(f) If a city enters into a reciprocal agreement with the Franchise Tax Board pursuant to subdivision (a) of Section 19551.1, the city shall also waive reimbursement for costs incurred to provide information required under this section and shall be precluded from obtaining reimbursement as specified under Section 5 of the act adding this subdivision. The reciprocal agreement shall specify that each party shall bear its own costs to furnish the data involved in the exchange authorized by Section 19551.1 and this section, and the Franchise Tax Board shall be precluded from obtaining reimbursement as specified under subdivision (c) of Section 19551.1.

(g) A city shall not be required to provide information to the Franchise Tax Board pursuant to this section if the Franchise Tax Board fails to provide tax information to the city pursuant to a reciprocal agreement entered into pursuant to subdivision (a) of Section 19551.5 for reasons other than concerns related to confidentiality of tax information provided to the city.

(h) This section shall remain in effect through and including December 31, 2013, and shall be repealed on January 1, 2014.

SEC. 5. (a) Reimbursement to local agencies for those costs mandated by the state pursuant to this act shall be provided by the Franchise Tax Board beginning in the 2009–10 fiscal year and each fiscal year thereafter, by an appropriation in the annual Budget Act. Reimbursement for costs mandated by the state pursuant to Section 19551.5 of the Revenue and Taxation Code, as added by this act, shall be for actual costs incurred by the local agency to provide records in the manner prescribed by the Franchise Tax Board, not to exceed a rate of one dollar (\$1) per usable record submitted by the local agency to the Franchise Tax Board beginning in the 2009–10 fiscal year. The rate shall be annually adjusted in the Budget Act for the implicit price deflator.

(b) In the event of a determination by the Commission on State Mandates that the costs mandated by the state pursuant to this act exceed the rate provided for by subdivision (a), this act shall be repealed 90 days after the date on which the Commission on State Mandates adopts the statement of decision.

(c) (1) This act shall not be repealed pursuant to subdivision (b) if the Director of Finance files a written Notice of Intent to Appeal with the Commission on State Mandates within 90 days of the adoption of a statement of decision finding that the costs mandated by the state pursuant to this act exceed the rate provided for by subdivision (a). The Notice of Intent to Appeal shall consist of a written notice setting forth the intention of the Director of Finance to seek judicial review of the decision of the Commission on State Mandates.

(2) In the event of a determination by a California court of appellate jurisdiction that the costs mandated by the state pursuant to this act exceed the rate provided for by subdivision (a), this act shall be repealed 90 days after the date on which the judicial determination becomes final.

CHAPTER 346

An act to amend Section 12020.1 of the Penal Code, relating to hard plastic knuckles.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 12020.1 of the Penal Code is amended to read:
12020.1. Any person in this state who commercially manufactures or causes to be commercially manufactured, or who knowingly imports into the state for commercial sale, keeps for commercial sale, or offers or exposes for commercial sale, any hard plastic knuckles or hard wooden knuckles is guilty of a misdemeanor. As used in this section, "hard plastic knuckles" or "hard wooden knuckles" means any device or instrument made wholly or partially of plastic or of wood, composite, or paper materials that is not a metal knuckle as defined in paragraph (7) of subdivision (c) of Section 12020, that is worn for purposes of offense or defense in or on the hand, and that either protects the wearer's hand while striking a blow or increases the force of impact from the blow or injury to the individual receiving the blow. The plastic, wood, composite or paper products contained in the device may help support the hand or

fit, provide a shield to protect it, or consist of projections or studs that would contact the individual receiving a blow.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 347

An act to amend Section 1644.5 of, and to add Section 121023 to, the Health and Safety Code, relating to infectious disease reporting, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 1644.5 of the Health and Safety Code is amended to read:

1644.5. (a) No tissues shall be transferred into the body of another person by means of transplantation, unless the donor of the tissues has been screened and found nonreactive by laboratory tests for evidence of infection with HIV, agents of viral hepatitis (HBV and HCV), human T lymphotropic virus-1 (HTLV-1), and syphilis, except as provided in subdivision (c). The department may adopt regulations requiring additional screening tests of donors of tissues when, in the opinion of the department, the action is necessary for the protection of the public, donors, or recipients.

(b) Notwithstanding subdivision (a), infectious disease screening of blood and blood products shall be carried out solely in accordance with Article 2 (commencing with Section 1601) of Chapter 4.

(c) All donors of sperm shall be screened and found nonreactive as required under subdivision (a), except in the following instances:

(1) A recipient of sperm, from a sperm donor known to the recipient, may waive a second or other repeat testing of that donor if the recipient is informed of the requirements for testing donors under this section and signs a written waiver.

(2) A recipient of sperm may consent to therapeutic insemination of sperm or use of sperm in other advanced reproductive technologies even if the sperm donor is found reactive for hepatitis B, hepatitis C, syphilis, HIV or HTLV-1 if the sperm donor is the spouse of, partner of, or designated donor for that recipient. The physician providing insemination or advanced reproductive technology services shall advise the donor and recipient of the potential medical risks associated with receiving sperm from a reactive donor. The donor and the recipient shall sign a document affirming that each comprehends the medical repercussions of using sperm from a reactive donor for the proposed procedure and that each consents to it. Copies of the document shall be placed in the medical records of the donor and the recipient.

(3) (A) Sperm whose donor has tested reactive for syphilis may be used for the purposes of insemination or advanced reproductive technology only after the donor has been treated for syphilis. Sperm whose donor has tested reactive for hepatitis B may be used for the purposes of insemination or advanced reproductive technology only after the recipient has been vaccinated against hepatitis B.

(B) (i) Sperm whose donor has tested reactive for HIV or HTLV-1 may be used for the purposes of insemination or advanced reproductive technology for a recipient testing negative for HIV or HTLV-1 only after the donor's sperm has been effectively processed to minimize the infectiousness of the sperm for that specific donation and where informed and mutual consent has occurred.

(ii) The department shall adopt regulations by January 1, 2010, regulating facilities that perform sperm processing, pursuant to this subparagraph, that prescribe standards for the handling and storage of sperm samples of carriers of HIV, HTLV-1, or any other virus as deemed appropriate by the department. Until the department adopts these regulations, facilities that perform sperm processing shall follow facility and sperm processing guidelines developed by the American Society of Reproductive Medicine.

(iii) Prior to insemination or other advanced reproductive technology services, the physician shall inform the recipient of sperm from a donor who has tested reactive for HIV or HTLV-1 that sperm processing may not eliminate all risks of HIV or HTLV-1 transmission, and that the sperm may be tested to determine whether or not it is free of HIV or HTLV-1. The physician shall also inform the recipient of potential adverse effects the testing may have on the processed sperm.

(iv) The physician providing insemination or advanced reproductive technology services shall provide, as appropriate, prophylactic treatments, including, but not limited to, antiretroviral treatments, to the recipient to reduce the risk of acquiring infection during, and subsequent to,

insemination or advanced reproductive technology. The physician providing advanced reproductive technology services shall also verify, and document in the recipient's medical record, that the donor of sperm who tests reactive for HIV or HTLV-1 is under the care of a physician managing the HIV or HTLV-1 to minimize the risk of transmission during the course of insemination or advanced reproductive technology services. The physician shall perform appropriate followup testing of the recipient for HIV or HTLV-1 following the insemination or other advanced reproductive technology, and recommend ongoing monitoring by a physician during treatment and pregnancy. The physician shall also recommend in the sperm recipient's medical record that the recipient be monitored during treatment and pregnancy.

(v) In the event that the recipient tests reactive for HIV or HTLV-1 following insemination or other advanced reproductive technology, the physician shall inform the recipient of appropriate treatments during and after pregnancy, and of treatments or procedures that may reduce the risk of transmission to the offspring.

(vi) Sperm whose donor has tested reactive for HIV or HTLV-1 may be used for the purposes of insemination or advanced reproductive technology if the recipient already has been previously documented with HIV or HTLV-1 infection, and where informed and mutual consent has occurred.

(4) The penalties of Section 1621.5 shall not apply to a sperm donor covered under this subdivision.

(d) Subdivision (a) shall not apply to the transplantation of tissue from a donor who has not been tested or, with the exception of HIV and HTLV-1, has been found reactive for the infectious diseases listed in subdivision (a) or for which the department has, by regulation, required additional screening tests, if both of the following conditions are satisfied:

(1) The physician and surgeon performing the transplantation has determined any one or more of the following:

(A) Without the transplantation the intended recipient will most likely die during the period of time necessary to obtain other tissue or to conduct the required tests.

(B) The intended recipient already is diagnosed with the infectious disease for which the donor has tested positive.

(C) The symptoms from the infectious disease for which the donor has tested positive will most likely not appear during the intended recipient's likely lifespan after transplantation with the tissue or may be treated prophylactically if they do appear.

(2) Consent for the use of the tissue has been obtained from the recipient, if possible, or if not possible, from a member of the recipient's family, or the recipient's legal guardian. For purposes of this section,

“family” shall mean spouse, adult son or daughter, either parent, adult brother or sister, or grandparent.

(e) Human breast milk from donors who test reactive for agents of viral hepatitis (HBV and HCV), human T lymphotropic virus-1 (HTLV-1), HIV, or syphilis shall not be used for deposit into a milk bank for human ingestion in California.

SEC. 2. Section 121023 is added to the Health and Safety Code, to read:

121023. (a) Each clinical laboratory, as defined in Section 1206 of the Business and Professions Code, shall report all CD4+ T-Cell test results to the local health officer for the local health jurisdiction where the health care provider facility is located within seven days of the completion of the CD4+ T-Cell test.

(b) The clinical laboratory report with CD4+ T-Cell test results shall also include, if provided by the ordering health care provider, all of the following:

- (1) The patient’s name.
- (2) The patient’s date of birth.
- (3) The patient’s gender.
- (4) The name, telephone number, and address of the local health care provider that ordered the test.

(c) The clinical laboratory report with CD4+ T-Cell test results shall also include all of the following information:

(1) CD4+ T-Cell test results expressed as an absolute count (the number of lymphocytes containing the CD4 epitope per cubic millimeter) and, if available, the relative count (the number of lymphocytes expressing the CD4 epitope as a percentage of total lymphocytes).

- (2) The type of laboratory test performed.
- (3) The date the laboratory test was performed.
- (4) The name, telephone number, and address of the clinical laboratory that performed the test.

(5) The laboratory CLIA number.

(6) The laboratory report number.

(d) (1) Each local health officer shall inspect each clinical laboratory CD4+ T-Cell test report to determine if the test is related to a case of HIV infection.

(2) If the clinical laboratory CD4+ T-Cell test result is related to a case of HIV infection, the local health officer shall report the case of HIV infection or AIDS, as appropriate, to the State Department of Public Health within 45 days of receipt of the laboratory report.

(3) If the clinical laboratory CD4+ T-Cell test result is not related to a case of HIV infection, the local health officer shall destroy the laboratory CD4+ T-Cell test report.

(e) Pursuant to Section 121025, CD4+ T-Cell test reports shall not be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(f) CD4+ T-Cell test reports shall be considered confidential public health records as defined in Section 121035.

(g) For the purposes of this section, "CD4+ T-Cell test" means any test used to measure the number of lymphocytes containing the CD4 epitope.

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 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 funding 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) at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 348

An act to amend Section 23399 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 23399 of the Business and Professions Code is amended to read:

23399. (a) An on-sale general license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises where sold. Any licensee under an on-sale general license, an on-sale beer and wine

license, a club license, or a veterans' club license may apply to the department for a caterer's permit. A caterer's permit under an on-sale general license shall authorize the sale of beer, wine, and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under an on-sale beer and wine license shall authorize the sale of beer and wine for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under a club license or a veterans' club license shall authorize sales at these events only upon the licensed club premises.

(b) Any licensee under an on-sale general license or an on-sale beer and wine license may apply to the department for an event permit. An event permit under an on-sale general license or an on-sale beer and wine license shall authorize, at events held no more frequently than four days in any single calendar year, the sale of beer, wine, and distilled spirits only under an on-sale general license or beer and wine only under an on-sale beer and wine license for consumption on property adjacent to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public.

(c) This section shall in no way limit the power of the department to issue special licenses under the provisions of Section 24045 or to issue daily on-sale general licenses under the provisions of Section 24045.1. Consent for sales at each event shall be first obtained from the department in the form of a catering or event authorization issued pursuant to rules prescribed by it. Any event authorization shall be subject to approval by the appropriate local law enforcement agency. Each catering or event authorization shall be issued at a fee not to exceed ten dollars (\$10) and this fee shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

(d) At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

(e) The fee for a caterer's permit for a licensee under an on-sale general license, a caterer's permit for a licensee under an on-sale beer and wine license, or an event permit for a licensee under an on-sale general license or an on-sale beer and wine license shall be one hundred four dollars (\$104) for permits issued during the 2002 calendar year, one hundred seven dollars (\$107) for permits issued during the 2003

calendar year, one hundred ten dollars (\$110) for permits issued during the 2004 calendar year, and for permits issued during the years thereafter, the annual fee shall be calculated pursuant to subdivisions (b) and (c) of Section 23320, and the fee for a caterer's permit for a licensee under a club license or a veterans' club license shall be as specified in Section 23320, and the permit may be renewable annually at the same time as the licensee's license. A caterer's or event permit shall be transferable as a part of the license.

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 laws regulating alcoholic beverages are enacted at the earliest possible time, thereby protecting public health, it is necessary that this act take effect immediately.

CHAPTER 349

An act to amend Section 63.1 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

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

SECTION 1. Section 63.1 of the Revenue and Taxation Code is amended to read:

63.1. (a) Notwithstanding any other provision of this chapter, a change in ownership shall not include the following purchases or transfers for which a claim is filed pursuant to this section:

(1) (A) The purchase or transfer of real property which is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children.

(B) A purchase or transfer of a principal residence from a foster child to the child's biological parent shall not be excluded under subparagraph (A) if the transferor child received that principal residence, or interest therein, from a foster parent through a purchase or transfer that was excluded under subparagraph (A).

(2) The purchase or transfer of the first one million dollars (\$1,000,000) of full cash value of all other real property of an eligible

transferor in the case of a purchase or transfer between parents and their children.

(3) (A) Subject to subparagraph (B), the purchase or transfer of real property described in paragraphs (1) and (2) of subdivision (a) occurring on or after March 27, 1996, between grandparents and their grandchild or grandchildren, 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 purchase or transfer. Notwithstanding any other provision of law, for the lien date for the 2006–07 fiscal year and each fiscal year thereafter, in determining whether “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 purchase or transfer,” a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the 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) of subdivision (a). 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 (2) of subdivision (a) 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 paragraph (2) of subdivision (a), the one million dollar (\$1,000,000) full cash value limit specified in paragraph (2) of subdivision (a).

(b) (1) For purposes of paragraph (1) of subdivision (a), “principal residence” means a dwelling that is eligible for a homeowners’ exemption or a disabled veterans’ exemption as a result of the transferor’s ownership and occupation of the dwelling. “Principal residence” includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence.

(2) For purposes of paragraph (2) of subdivision (a), the one-million-dollar (\$1,000,000) exclusion shall apply separately to each eligible transferor with respect to all purchases by and transfers to eligible transferees on and after November 6, 1986, of real property, other than the principal residence, of that eligible transferor. The exclusion shall not apply to any property in which the eligible transferor’s interest was received through a transfer, or transfers, excluded from change in ownership by the provisions of either subdivision (f) of Section 62 or subdivision (b) of Section 65, unless the transferor qualifies as an original transferor under subdivision (b) of Section 65. In the case of any purchase or transfer subject to this paragraph involving two or more eligible

transferors, the transferors may elect to combine their separate one-million-dollar (\$1,000,000) exclusions and, upon making that election, the combined amount of their separate exclusions shall apply to any property jointly sold or transferred by the electing transferors, provided that in no case shall the amount of full cash value of real property of any one eligible transferor excluded under this election exceed the amount of the transferor's separate unused exclusion on the date of the joint sale or transfer.

(c) As used in this section:

(1) "Purchase or transfer between parents and their children" means either a transfer from a parent or parents to a child or children of the parent or parents or a transfer from a child or children to a parent or parents of the child or children. For purposes of this section, the date of any transfer between parents and their children under a will or intestate succession shall be the date of the decedent's death, if the decedent died on or after November 6, 1986.

(2) "Purchase or transfer of real property between grandparents and their grandchild or grandchildren" means a purchase or transfer on or after March 27, 1996, from a grandparent or grandparents to a grandchild or grandchildren 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 transfer. For purposes of this section, the date of any transfer between grandparents and their grandchildren under a will or by intestate succession shall be the date of the decedent's death. Notwithstanding any other provision of law, for the lien date for the 2006-07 fiscal year and each fiscal year thereafter, in determining whether "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 purchase or transfer," a son-in-law or daughter-in-law of the grandparent that is a stepparent to the grandchild need not be deceased on the date of the transfer.

(3) "Children" means any of the following:

(A) Any child born of the parent or parents, except a child, as defined in subparagraph (D), who has been adopted by another person or persons.

(B) Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists. For purposes of this paragraph, the relationship of stepparent and stepchild shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.

(C) Any son-in-law or daughter-in-law of the parent or parents. For the purposes of this paragraph, the relationship of parent and son-in-law or daughter-in-law shall be deemed to exist until the marriage on which

the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving son-in-law or daughter-in-law.

(D) Any child adopted by the parent or parents pursuant to statute, other than an individual adopted after reaching the age of 18 years.

(E) Any foster child of a state-licensed foster parent, if that child was not, because of a legal barrier, adopted by the foster parent or foster parents before the child aged out of the foster care system. For purposes of this paragraph, the relationship between a foster child and foster parent shall be deemed to exist until terminated by death. However, for purposes of a transfer that occurs on the date of death, the relationship shall be deemed to exist on the date of death.

(4) "Grandchild" or "grandchildren" means any child or children of the child or children of the grandparent or grandparents.

(5) "Full cash value" means full cash value, as defined in Section 2 of Article XIII A of the California Constitution and Section 110.1, with any adjustments authorized by those sections, and the full value of any new construction in progress, determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee of real property subject to this section.

(6) "Eligible transferor" means a grandparent, parent, or child of an eligible transferee.

(7) "Eligible transferee" means a parent, child, or grandchild of an eligible transferor.

(8) "Real property" means real property as defined in Section 104. Real property does not include any interest in a legal entity.

(9) "Transfer" includes, and is not limited to, any transfer of the present beneficial ownership of property from an eligible transferor to an eligible transferee through the medium of an inter vivos or testamentary trust.

(10) "Social security number" also includes a taxpayer identification number issued by the Internal Revenue Service in the case in which the taxpayer is a foreign national who cannot obtain a social security number.

(d) (1) The exclusions provided for in subdivision (a) shall not be allowed unless the eligible transferee, the transferee's legal representative, or the executor or administrator of the transferee's estate files a claim with the assessor for the exclusion sought and furnishes to the assessor each of the following:

(A) A written certification by the transferee, the transferee's legal representative, or the executor or administrator of the transferee's estate, signed and made under penalty of perjury that the transferee is a parent, child, or grandchild of the transferor and that the transferor is his or her parent, child, or grandparent. In the case of a grandparent-grandchild

transfer, the written certification shall also include a certification that all the parents of the grandchild or grandchildren who qualify as children of the grandparents were deceased as of the date of the purchase or transfer and that the grandchild or grandchildren did or did not receive a principal residence excludable under paragraph (1) of subdivision (a) from the deceased parents, and that the grandchild or grandchildren did or did not receive real property other than a principal residence excludable under paragraph (2) of subdivision (a) from the deceased parents. The claimant shall provide legal substantiation of any matter certified pursuant to this subparagraph at the request of the county assessor.

(B) A written certification by the transferor, the transferor's legal representative, or the executor or administrator of the transferor's estate, signed and made under penalty of perjury that the transferor is a grandparent, parent, or child of the transferee and that the transferor is seeking the exclusion under this section and will not file a claim to transfer the base year value of the property under Section 69.5.

(C) A written certification shall also include either or both of the following:

(i) If the purchase or transfer of real property includes the purchase or transfer of residential real property, a certification that the residential real property is or is not the transferor's principal residence.

(ii) If the purchase or transfer of real property includes the purchase or transfer of real property other than the transferor's principal residence, a certification that other real property of the transferor that is subject to this section has or has not been previously sold or transferred to an eligible transferee, the total amount of full cash value, as defined in subdivision (c), of any real property subject to this section that has been previously sold or transferred by that transferor to eligible transferees, the location of that real property, the social security number of each eligible transferor, and the names of the eligible transferees of that property.

(D) If there are multiple transferees, the certification and signature may be made by any one of the transferees, if both of the following conditions are met:

(i) The transferee has actual knowledge that, and the certification signed by the transferee states that, all of the transferees are eligible transferees within the meaning of this section.

(ii) The certification is signed by the transferee as a true statement made under penalty of perjury.

(E) In the case of a transfer between a foster parent and foster child, the claim filed with the assessor shall include a certified copy of the court decision regarding the foster child status of the individual and a

certified statement from the appropriate county agency stating that the foster child was not, because of a legal barrier, adopted by the foster parent or foster parents. Upon a request by the county assessor, the claimant also shall provide to the assessor legal substantiation of any matter certified under this subparagraph.

(2) If the full cash value of the real property purchased by or transferred to the transferee exceeds the permissible exclusion of the transferor or the combined permissible exclusion of the transferors, in the case of a purchase or transfer from two or more joint transferors, taking into account any previous purchases by or transfers to an eligible transferee from the same transferor or transferors, the transferee shall specify in his or her claim the amount and the allocation of the exclusion he or she is seeking. Within any appraisal unit, as determined in accordance with subdivision (d) of Section 51 by the assessor of the county in which the real property is located, the exclusion shall be applied only on a pro rata basis, however, and shall not be applied to a selected portion or portions of the appraisal unit.

(e) (1) The State Board of Equalization shall design the form for claiming eligibility. Except as provided in paragraph (2), any claim under this section shall be filed:

(A) For transfers of real property between parents and their children occurring prior to September 30, 1990, within three years after the date of the purchase or transfer of real property for which the claim is filed.

(B) For transfers of real property between parents and their children occurring on or after September 30, 1990, and for the purchase or transfer of real property between grandparents and their grandchildren occurring on or after March 27, 1996, within three years after the date of the purchase or transfer of real property for which the claim is filed, or prior to transfer of the real property to a third party, whichever is earlier.

(C) Notwithstanding subparagraphs (A) and (B), a claim shall be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed.

(2) In the case in which the real property subject to purchase or transfer has not been transferred to a third party, a claim for exclusion under this section that is filed subsequent to the expiration of the filing periods set forth in paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any exclusion granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) Under any exclusion granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (A) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

(3) (A) Unless otherwise expressly provided, the provisions of this subdivision shall apply to any purchase or transfer of real property that occurred on or after November 6, 1986.

(B) Paragraph (2) shall apply to purchases or transfers between parents and their children that occurred on or after November 6, 1986, and to purchases or transfers between grandparents and their grandchildren that occurred on or after March 27, 1996.

(4) For purposes of this subdivision, a transfer of real property to a parent or child of the transferor shall not be considered a transfer to a third party.

(f) The assessor may report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to subdivision (d). Each report shall contain the assessor's parcel number for each parcel for which the exclusion is claimed, the amount of each exclusion claimed, the social security number of each eligible transferor, and any other information the board may require in order to monitor the one-million-dollar (\$1,000,000) limitation in paragraph (2) of subdivision (a). In recognition of the state and local interests served by the action made optional in this subdivision, the Legislature encourages the assessor to continue taking the action formerly mandated by this subdivision.

(g) This section shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree. Nothing in this subdivision shall be construed as conflicting with paragraph (1) of subdivision (c) or the general principle that transfers by reason of death occur at the time of death.

(h) (1) Except as provided in paragraph (2), this section shall apply to purchases and transfers of real property completed on or after November 6, 1986, and shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

(2) This section shall apply to purchases or transfers of real property between grandparents and their grandchildren occurring on or after March 27, 1996, and, with respect to purchases or transfers of real property between grandparents and their grandchildren, shall not be effective for any change in ownership, including a change in ownership arising on the date of a decedent's death, that occurred prior to that date.

(i) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the transferee and the transferor or their respective spouse, the transferee's legal representative, the transferor's legal representative, and the executor or administrator of the transferee's or transferor's estate.

(j) (1) If the assessor notifies the transferee in writing of potential eligibility for exclusion from change in ownership under this section, a certified claim for exclusion shall be filed with the assessor within 45 days of the date of the notice of potential eligibility. If a certified claim for exclusion is not filed within 45 days, the assessor may send a second notice of potential eligibility for exclusion, notifying the transferee that a certified claim for exclusion has not been received and that reassessment of the property will commence unless a certified claim for exclusion is filed within 60 days of the date of the second notice of potential eligibility. The second notice of potential eligibility shall indicate whether a certified claim for exclusion that is not filed within 60 days will be subject to a processing fee as provided in paragraph (2).

(2) If a certified claim for exclusion is not filed within 60 days of the date of the second notice of potential eligibility and an eligible transferee subsequently files a claim and qualifies for the exclusion, the assessor may, upon authorization by a county board of supervisors, require an eligible transferee to pay a one-time processing fee, collected at the time the claim is submitted, and reimbursed by the assessor if the claim is ineligible. The fee shall be subject to the provisions of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code and shall not exceed the amount of the actual and reasonable costs incurred by the assessor for reassessment work done due to failure to file the claim for exclusion or one hundred seventy-five dollars (\$175), whichever is less.

(3) The failure to file a certified claim for exclusion within the filing periods specified by this subdivision shall not be construed to limit any exclusion from being granted pursuant to a claim filed within the filing periods specified by subdivision (e).
