

**Assembly Bill No. 1811**

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Passed the Assembly June 27, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate June 27, 2006

\_\_\_\_\_  
*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

CHAPTER \_\_\_\_\_

An act to amend and supplement the Budget Act of 2006 by amending Items 0250-001-0001, 0250-101-0932, 0250-111-0001, 0520-001-0001, 0520-001-0044, 0520-101-0001, 0690-102-0001, 2640-101-0046, 2660-001-0042, 3600-001-0001, 3790-001-0001, 3820-001-0001, 3860-001-0001, 3900-001-0044, 3940-001-0001, 3940-001-0193, 3940-001-3058, 3960-001-0001, 3960-001-0014, 3960-001-0557, 4120-001-0001, 4260-001-0001, 4260-111-0001, 4280-001-0001, 4280-102-0001, 5225-001-0001, 5225-101-0001, 6110-108-0001, 6110-113-0001, 6110-128-0001, 6110-137-0001, 6110-161-0001, 6110-182-0001, 6110-190-0001, 6110-195-0001, 6110-196-0001, 6110-204-0001, 6110-265-0001, 6110-295-0001, 6360-101-0001, 6440-001-0001, 6610-001-0001, 8885-295-0001, 8885-299-0001, 8955-001-0083, and 9210-101-0001 of, by adding Items 6110-260-0001, 6110-268-0001, and 9210-105-0001 to, and by repealing Items 4280-103-0001, 6110-141-0001, 6110-262-0001, and 9619-399-0001 of, Section 2.00 of, and by amending Section 35.50 of, that act, relating to the State Budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST

AB 1811, Laird. Budget Act of 2006.

AB 1801, as proposed by Conference Report No. 1 on June 12, 2006, would make appropriations for the support of state government for the 2006–07 fiscal year.

This bill would amend and supplement the Budget Act of 2006 by revising items of appropriation for the judicial branch; the Secretary for Business, Transportation and Housing; the Office of Emergency Services; the Department of Transportation; the Department of Fish and Game; the San Francisco Bay Conservation and Development Commission; the Department of Water Resources; the State Water Resources Control Board; the

State Department of Health Services; the Managed Risk Medical Insurance Board; the Department of Parks and Recreation; the State Air Resources Board; the Department of Toxic Substances Control; the Department of Corrections and Rehabilitation; the State Department of Education; the University of California; the California State University; the Department of Veterans Affairs; local government financing; the repayment of state-mandated local costs; and the Deficit Reduction Reserve Account.

This bill would become operative only if AB 1801, as proposed by Conference Report No. 1 on June 12, 2006, is enacted on or before January 1, 2007.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Item 0250-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0250-001-0001—For support of Judicial Branch.....	316,722,000
Schedule:	
(1) 10-Supreme Court.....	41,528,000
(2) 20-Courts of Appeal.....	181,448,000
(3) 30-Judicial Council.....	92,332,000
(4) 35-Judicial Branch Facility Program.....	2,094,000
(5) 50-Habeas Corpus Resource Center.....	12,842,000
(6) Reimbursements.....	-4,311,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044).....	-160,000
(8) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327).....	-155,000
(9) Amount payable from the Federal Trust Fund (Item 0250-001-0890).....	-3,046,000
(10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060).....	-5,850,000

## Provisions:

1. Notwithstanding Section 26.00, the funds appropriated or scheduled in this item may be 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.
4. The funds appropriated by Schedule (5) shall be available for costs associated directly or indirectly with the California Habeas Corpus Resource Center (CHCRC). The CHCRC shall report to the Legislature and the Department of Finance on September 1, 2006, and April 1, 2007, on expenditures, specifically detailing personal services expenditures, and operating expenses and equipment expenditures.
5. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-011-0001 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and justices, and administrative costs pursuant to Section 68114.10 of the Government Code.

- 6. Of the amount appropriated in this item, \$2,127,000 from the price increase for the court-appointed counsel budget is to provide funding for up to a \$10 per hour increase in compensation at all three levels of appointed counsel.
- 7. Of the amount appropriated in this item, \$870,000 shall be used to increase judicial salaries by 8.5 percent effective January 1, 2007.

SEC. 2. Item 0250-101-0932 of Section 2.00 of the Budget Act of 2006 is amended to read:

0250-101-0932—For local assistance, Judicial Branch,  
payable from the Trial Court Trust Fund..... 2,802,900,000

Schedule:

- (1) 45.10-Support for Operation of the  
Trial Courts..... 2,426,937,000
- (2) 45.25-Compensation of Superior  
Court Judges..... 247,955,000
- (3) 45.35-Assigned Judges..... 22,824,000
- (4) 45.45-Court Interpreters..... 96,126,000
- (5) 45.55.060-Court Appointed Special  
Advocate (CASA) Program..... 2,148,000
- (6) 45.55.065-Model Self-Help Pro-  
gram..... 929,000
- (7) 45.55.090-Equal Access Fund Pro-  
gram..... 5,199,000
- (8) 45.55.095-Family Law Information  
Centers..... 336,000
- (9) 45.55.100-Civil Case Coordination..... 446,000

Provisions:

- 1. Notwithstanding Section 26.00, the funds appropriat-  
ed or scheduled in this item may be allocated or real-  
located among categories by the Judicial Council.
- 2. The funds appropriated in Schedule (2) shall be made  
available for costs of the workers' compensation pro-  
gram for trial court judges.
- 3. The amount appropriated in Schedule (3) shall be  
made available for all judicial assignments. Schedule  
(3) expenditures for necessary support staff may not

exceed the staffing level that is necessary to support the equivalent of three judicial officers sitting on assignments.

4. The funds appropriated in Schedule (4) shall be for payments for services of contractual court interpreters, and certified and registered court interpreters employed by the courts, and the following court interpreter coordinators: 1.0 each in counties of the 1st through the 15th classes, 0.5 each in counties of the 16th through the 31st classes, and 0.25 each in counties of the 32nd through the 58th classes. For the purposes of this provision, “court interpreter coordinators” may be full- or part-time court employees, or those contracted by the court to perform these services.

The Judicial Council shall set statewide or regional rates and policies for payment of court interpreters, not to exceed the rate paid to certified interpreters in the federal court system. The Judicial Council shall adopt appropriate rules and procedures for the administration of these funds. The Judicial Council shall report to the Legislature and Director of Finance annually regarding expenditures from this schedule.

5. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the Trial Court Trust Fund, which is in addition to the amount appropriated in this item. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairperson of the committee and appropriate subcommittees that consider the State Budget and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.
6. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the

amount appropriated in this item shall be reduced by the amount transferred in Item 0250-115-0932 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and judges, and administrative costs pursuant to Section 68114.10 of the Government Code.

7. Of the funds appropriated in Schedule (1), which will be transferred to the Trial Court Improvement Fund in accordance with subdivision (b) of Section 77209 of the Government Code, up to \$5,000,000 shall be available for support of services for self-represented litigants.
8. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall transfer up to \$9,019,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.
- 8.5. Upon approval by the Director of the Administrative Office of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase the amount of the transfer by an amount or amounts no more than \$901,000. Any augmentations shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.
9. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (7) are available for distribution by the Judicial Council through the Legal Services Trust Fund Com-

mission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Upon approval by the Director of the Administrative Office of the Courts, the Controller shall transfer up to 5 percent of the funding appropriated in Schedule (7) to Item 0250-001-0932 for administrative expenses. Ten percent of the funds remaining after administrative costs shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds remaining after administrative costs shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.

10. Of the funds appropriated in this item, \$5,450,000 is provided for the costs of new judgeships and accompanying staff. Any funds not used for this purpose shall revert to the General Fund. The Judicial Council shall report to the Legislature on January 1, 2008, and annually thereafter, until all judgeships are appointed and new staff hired, on the amount of funds allocated to each trial court to fund the new portions.
11. Of the funds appropriated in Schedule (4), \$10,000,000 is provided for services of court interpreters in civil actions and proceedings. In the event that sufficient funds are not available for all cases, or if, after diligent search, a sufficient number of interpreters is not available for all civil actions and proceedings, priority shall be given as follows, provided, however, that this case priority shall not be construed to negate or limit any right to an interpreter in a civil action or proceeding otherwise provided by state or

federal law: (a) Parties appearing in forma pauperis or whom the court otherwise determines are financially unable to pay the cost of an interpreter with priority given to actions and proceedings relating to domestic violence, child custody, protective orders, unlawful detainer, elder and dependent abuse, guardians and conservators, and family law; (b) Parties appearing in propria persona with priority given to actions and proceedings relating to domestic violence, child custody, protective orders, unlawful detainer, elder and dependent abuse, guardians and conservators, and family law; and (c) actions and proceedings in small claims court, notwithstanding Section 116.550 of the Code of Civil Procedure. Any unspent funds, shall revert to the General Fund.

- 12. Of the funds appropriated in this item, \$13,796,000 shall be used to increase judicial salaries by 8.5 percent effective January 1, 2007.

SEC. 3. Item 0250-111-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund..... 1,612,357,000

SEC. 4. Item 0520-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0520-001-0001—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the General Fund..... 11,421,000

Provisions:

- 1. Of the amount appropriated in this item, \$7,300,000 shall be available for use by the California Travel and Tourism Commission for use in promoting California tourism to potential visitors.
- 2. Of the amount appropriated in this item, \$2,500,000 is allocated to administer the California Partnership for the San Joaquin Valley (Partnership). No funds shall be expended for this purpose until the Partner-

ship adopts the Strategic Action Proposal and submits to the Joint Legislative Budget Committee, at least 30 days prior to expenditure, a report detailing the governance and organizational structure for the Partnership.

SEC. 5. Item 0520-001-0044 of Section 2.00 of the Budget Act of 2006 is amended to read:

0520-001-0044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund..... 1,171,000

Schedule:

- (1) 10-Administration of Business, Transportation and Housing Agency..... 3,037,000
- (2) 25-Infrastructure Finance and Economic Development Program..... 16,359,000
- (3) Reimbursements..... -2,973,000
- (4) Amount payable from the General Fund (Item 0520-001-0001)..... -11,421,000
- (5) Amount payable from the California Infrastructure and Economic Development Bank Fund (Item 0520-001-0649)..... -3,067,000
- (6) Amount payable from the Small Business Expansion Fund (Item 0520-001-0918)..... -420,000
- (7) Amount payable from the Welcome Center Fund (Item 0520-001-3083)..... -56,000
- (8) Amount payable from the Film Promotion and Marketing Fund (Item 0520-001-3095)..... -10,000
- (9) Amount payable from the Chrome Plating Pollution Prevention Fund (Item 0520-001-9329)..... -278,000

Provisions:

- 1. Of the amount appropriated in Schedule (2), \$85,000 is for reimbursement of the Department of Toxic Substances Control for expansion of the Model Shop Program pursuant to Chapter 2 (commencing with

Section 42100) of Part 3 of Division 30 of the Public Resources Code.

SEC. 6. Item 0520-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0520-101-0001—For local assistance, Secretary of Business, Transportation and Housing..... 2,500,000

Schedule:

- (1) 25-Infrastructure Finance and Economic Development Program..... 4,500,000
- (2) Reimbursements..... - 2,000,000

Provisions:

- 1. Of the amount appropriated in this item, \$2,500,000 is allocated to establish a competitive grant program to be administered by the California Partnership for the San Joaquin Valley (Partnership). No funds shall be expended for this purpose until the Partnership adopts the Strategic Action Proposal and submits to the Joint Legislative Budget Committee, at least 30 days prior to expenditure, a report detailing the governance and organizational structure for the Partnership.

SEC. 7. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services..... 56,699,000

Schedule:

- (1.5) 50.20-Victim Services..... 9,317,000
- (2.5) 50.30-Public Safety..... 52,953,000
- (18) Reimbursements..... -5,571,000

Provisions:

- 1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow prob-

- lems according to the criteria set forth by the Office of Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.
  3. Of the amount appropriated in Schedule (2.5), \$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.
  6. Of the amount appropriated in this item, the Department of Finance may authorize the transfer of up to 5 percent (up to \$995,000) of the augmentation for the

California Multijurisdictional Methamphetamine Enforcement Teams Program to Item 0690-001-0001 for the purpose of conducting an independent evaluation of the program.

7. Of the funding appropriated in this item, \$29,400,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams Program. \$19,900,000 of this funding is provided on a two-year, limited-term basis. No later than January 10, 2008, the Office of Emergency Services, in consultation with the Department of Finance, shall submit to the Joint Legislative Budget Committee a report that proposes a funding allocation plan that links grant funding to the size of the problem in each of the five state-designated regions. The report shall also include a summary of spending by region, program activities, and demonstrated outcomes such as lab seizures and arrests.
8. Of the amount appropriated in this item, \$400,000 shall be available for grants to any private nonprofit organizations that have previously received funding from the California Innocence Protection Program. Any entity receiving funding under this program shall provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. The Office of Emergency Services shall prepare and submit a report to the Joint Legislative Budget Committee on or before June 30, 2007, on the foregoing information for each entity receiving funding under this program.
9. Of the amount appropriated in Schedule (2.5), \$8,000,000 is in augmentation of the Vertical Prosecution Block Grants for a total program of \$16,176,000.

SEC. 8. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2006 is amended to read:

2640-101-0046—For local assistance, Special Transportation Programs, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund..... 629,815,000

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$67,387 of the amount appropriated in this item shall reimburse the Controller for expenditures for administration of state transportation assistance funds.

SEC. 9. Item 2660-001-0042 of Section 2.00 of the Budget Act of 2006 is amended to read:

2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund..... 2,322,131,000

Schedule:

- (1) 10-Aeronautics..... 3,154,000
- (2) 20.10-Highway Transportation—Capital Outlay Support..... 1,394,844,000
- (3) 20.30-Highway Transportation—Local Assistance..... 35,779,000
- (4) 20.40-Highway Transportation—Program Development..... 71,768,000
- (5) 20.65-Highway Transportation—Legal..... 75,599,000
- (6) 20.70-Highway Transportation—Operations..... 183,867,000
- (7) 20.80-Highway Transportation—Maintenance..... 967,664,000
- (8) 30-Mass Transportation..... 112,144,000
- (9) 40-Transportation Planning..... 94,063,000
- (10) 50.00-Administration..... 326,613,000
- (11) 60.10-Equipment Service Program Costs..... 173,266,000
- (11.5) 60.20-Distributed Equipment Service Program Costs..... -173,266,000
- (12) Reimbursements..... -245,163,000

- (13) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041)..... -3,118,000
- (14) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045)..... -44,000
- (15) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046)..... -131,201,000
- (16) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365)..... -1,507,000
- (17) Amount payable from the Federal Trust Fund (Item 2660-001-0890)..... -547,224,000
- (18) Amount payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund (Item 2660-001-6801)..... -15,107,000

Provisions:

- 1. For purposes of the funds appropriated in Schedules (2) to (7), inclusive, Program 20—Highway Transportation, upon approval of the Department of Finance, the Department of Transportation shall notify the chairpersons of the fiscal committees of both houses of the Legislature and the Chairperson of the Joint Legislative Budget Committee at least 20 days prior to spending funds to expand activities above budgeted levels or to implement a new activity not identified in this act, including any of those expenditures to be funded through a transfer of moneys from other expenditure categories or programs, except in the case of emergency work increases caused by fire, snow, storm, or earth movement damage.
- 2. From funds appropriated in this item, the Department of Transportation may enter into interagency agreements with the Department of the California Highway Patrol to compensate that department for the

cost of work performed by patrol officers at or near state highway construction projects so as to reduce the risk of occurrence of serious motor vehicle accidents.

3. (a) Notwithstanding any other provision of law, funds appropriated in this item from the State Highway Account may be reduced and replaced by an equivalent amount of federal funds determined by the department to be available and necessary to comply with Section 8.50 and the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.
- (b) To the extent that moneys in the State Highway Account are reduced pursuant to this provision, the Department of Transportation may transfer, with the approval of the Business, Transportation and Housing Agency, and upon authorization by the Director of Finance, all or part of the savings to Item 2660-101-0042, 2660-301-0042, 2660-302-0042, or 2660-303-0042 for local assistance or capital outlay projects approved by the California Transportation Commission. The Director of Finance shall authorize the transfer not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.
4. Notwithstanding any other provision of law, funding appropriated in this item may be transferred to Item 2660-005-0042 to pay for any necessary insurance, debt service, and other financing-related expenditures for department-owned office buildings. Any

transfer will require the prior approval of the Department of Finance.

5. The funds appropriated in Schedule (2) for external consultant and professional services related to project delivery (also known as 232 contracts) that are unencumbered or encumbered but unexpended related to work that will not be performed during the fiscal year shall revert to the fund from which they were appropriated.
6. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior fiscal year State Highway Account appropriation balances at a level determined by the Department of Transportation as required to process claims utilizing federal advance construction through the plan of financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
7. Of the funds appropriated in Schedule (7), \$588,000 is for the maintenance of the new Route 125 toll road in San Diego County. This full amount shall not be available for expenditure until the Department of Transportation has entered into a contract with the contractor for the year in which funds are to be expended.
8. (a) Notwithstanding any other provision of law, funds appropriated in Item 2660-001-0042, 50.00-Administration from the State Highway Account may be reduced and replaced by an equivalent amount of Reimbursements funds determined by the Department of Transportation to be available and necessary to comply with Section 28.50 and the most effective management of state transportation resources. The Reimbursements Account may also be reduced and replaced by an equivalent amount of funds from the State Highway Account. Not more than 30 days after replacing the State Highway Account funds with Reimbursements funds and vice versa, the Director of Finance shall notify in writing

the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.

- (b) To the extent that funds in the State Highway Account and Reimbursements Account are reduced pursuant to this provision, the Department of Transportation may transfer, with the approval of the Business, Transportation and Housing Agency, and upon authorization by the Director of Finance, all or part of the savings to Item 2660-101-0042 for local assistance to Item 2660-301-0042 or 2660-302-0042 for capital outlay projects approved by the California Transportation Commission. The Director of Finance shall authorize the transfer not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.
9. Of the funds appropriated in Schedule (11), it is the intent of the Legislature that the Equipment Service Fund be abolished as of June 30, 2006. All encumbrances as of June 30, 2006, will become liabilities of the State Highway Account.
10. Not more than \$1,400,000 appropriated in this item is available for support of the Department of Transportation's Owner Controlled Insurance Program to administer insurance coverage for contractors on projects with combined total costs not to exceed \$750,000,000.
11. Of the funds appropriated in this item, \$76,000,000 is for major maintenance contracts for the preservation of highway pavement and shall not be used to supplant any other funding that would have been used for major pavement maintenance.
12. Of the funds appropriated in Schedule (5), \$48,600,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unen-

cumbered as of April 1, 2007, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.

- 13. Of the funds appropriated in Schedule (2), \$19,600,000 is for capital outlay support costs that would be added due to the passage of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 on the November 7, 2006, ballot. This amount shall not be available for expenditure until after November 7, 2006, and shall only be available if the voters approve the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.
- 14. Notwithstanding Section 63048.65 of the Government Code, if no bonds are issued pursuant to that section by June 15, 2007, the Director of Finance shall transfer \$10,000,000 of the funds in the Special Deposit Fund described in that section to the Traffic Congestion Relief Fund. The director shall then transfer the amount of \$10,000,000 from the Traffic Congestion Relief Fund to the Public Transportation Account for partial repayment of loans authorized by Section 14556.8 of the Government Code.

SEC. 10. Item 3600-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3600-001-0001—For support of Department of Fish and Game.....	101,813,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	181,265,000
(2) 25-Hunting, Fishing and Public Use.....	58,396,000
(3) 30-Management of Department Lands and Facilities.....	67,020,000
(4) 40-Conservation Education and Enforcement.....	53,841,000
(5) 50-Spill Prevention and Response.....	30,557,000
(6) 70.01-Administration.....	35,511,000

(7) 70.02-Distributed Administration.....	-35,511,000
(8) Reimbursements.....	-64,689,000
(9) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001-0005).....	-984,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140).....	-15,565,000
(11) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200).....	-94,648,000
(12) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207).....	-2,586,000
(13) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211).....	-225,000
(14) Amount payable from the Exotic Species Control Fund (Item 3600-001-0212).....	-1,233,000
(15) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235).....	-2,665,000
(16) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320).....	-22,279,000
(17) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322).....	-338,000
(18) Amount payable from the Central Valley Project Improvement Subaccount (Item 3600-001-0404).....	-55,000
(20) Amount payable from the Federal Trust Fund (Item 3600-001-0890).....	-56,218,000
(21) Amount payable from the Special Deposit Fund (Item 3600-001-0942).....	-608,000

(21.5) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103).....	-17,039,000
(22) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3600-001-6027).....	-750,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031).....	-6,769,000
(24) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018).....	-2,615,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (8) and (20). The funds appropriated in this item shall not be increased until the Department of Fish and Game has a valid contract, signed by the client agency, that provides sufficient funds to finance the increased authorization. This increased authorization may not be used to expand services or create new obligations.  
     Reimbursements received under Schedules (8) and (20) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.
2. Of the amount appropriated in Schedule (3), \$95,000 from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund and \$622,000 in reimbursements shall be available for fire prevention projects until June 30, 2007.
8. Of the funds appropriated in this item, at least \$3,470,000 shall be available for implementation of the Marine Life Protection Act.
9. Of the funds appropriated in this item, \$2,000,000 shall be available for expenditure until June 30,

2009, for implementation of the Marine Life Protection Act and the Marine Life Management Act.

14. Contingent upon the receipt of \$150,000 by the Department of Fish and Game from the San Francisco Public Utilities Commission, that same sum is hereby appropriated to the Department of Fish and Game for use during the 2006–07 fiscal year for associated wages, benefits, operating expenses, equipment, and department overhead associated with a full-time person-year, or equivalent, of an environmental scientist, dedicated to the planning, review, and permitting of projects related to the San Francisco Public Utilities Commission Water System Improvement Program.
15. Of the funds appropriated in this item, at least \$8,000,000 is available for expenditure for the Fisheries Restoration Grant Program consistent with Section 6271.1 of the Public Resources Code and \$6,000,000 is available for expenditure on restoration projects on the Klamath River system until June 30, 2009. The department may transfer funds between the Fisheries Restoration Grant Program and the Klamath River if additional funds are needed to maximize federal funds. This transfer shall occur no sooner than 30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. Projects on the Klamath River system may also apply for grants under the Fisheries Restoration Grant Program. Of the \$6,000,000 allocated for the Klamath River system, \$500,000 is available to the State Coastal Conservancy for a study on fish passage impediments on the Klamath River and its tributaries, including the removal of dams.
16. Of the funds appropriated in this item, \$10,000,000 is available for expenditure for public trust nongame fish and wildlife activities, including \$900,000 for invasive weed control on state-owned lands until June 30, 2009. Of this amount, up to \$1,500,000 may be

made available to carry out Section 1507 of the Fish and Game Code relating to mosquito production control and the West Nile Virus. Projects undertaken to implement Section 1507 of the Fish and Game Code are not subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code or Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code. The Department of Fish and Game may contract with a Mosquito and Vector District, a Resource Conservation district, or a nonprofit organization to accomplish these projects.

17. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this Budget Act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
18. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
19. Of the funds appropriated in this item, at least \$5,000,000 is available for implementation of bottom trawling regulation, aquaculture regulations, the Ma-

rine Life Protection Act, and the Marine Life Management Act.

SEC. 11. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3790-001-0001—For support of Department of Parks and Recreation..... 377,959,000

Schedule:

- (1) For support of the Department of Parks and Recreation..... 605,378,000
- (2) Reimbursements..... -31,060,000
- (3) Less funding provided by capital outlay..... -4,000,000
- (4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005)..... -7,128,000
- (5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)..... -2,808,000
- (6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)..... -10,078,000
- (7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)..... -40,158,000
- (8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)..... -121,173,000
- (9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)..... -357,000
- (10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)..... -712,000
- (11) Amount payable from the Federal Trust Fund (Item 3790-001-0890)..... -3,772,000

(12) Amount payable from the California Main Street Program Fund (Item 3790-001-3077).....	-175,000
(13) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029).....	-5,527,000
(14) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031).....	-471,000

Provisions:

1. Of the funds appropriated by this act from the General Fund and special funds, other than the Off-Highway Vehicle Trust Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 3.7 percent of each project's appropriation, except to the extent otherwise restricted by law, to allow the department to administer its grants. Such funds shall be available for encumbrance or expenditure until June 30, 2012.
2. It is the intent of the Legislature that salaries, wages, operating expenses, and positions associated with implementing specific Department of Parks and Recreation capital outlay projects continue to be funded through capital outlay appropriations, and that these funds should also be reflected in the department's state operations budget in the Governor's Budget as a special item of expense reflecting the funding provided from the capital outlay appropriations.
3. \$250,000,000 of the funds appropriated in this item shall be available for encumbrance until June 30, 2012.
4. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item for capital outlay projects not sooner than 30 days after written notification is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint

Legislative Budget Committee. The written notification shall provide a description of each capital outlay project, the need for the project, and the cost and phase for which approval is requested. The total of these expenditures may not exceed \$250,000,000.

- 5. Of the funds appropriated in this item, not less than \$15,000,000 shall be available for operations and maintenance needs at new and existing facilities, including seasonal aquatic safety staffing at state beaches.
- 6. Of the funds appropriated in this item, \$563,000 shall be transferred to the Secretary of State for building maintenance of the California State Archives Building.

SEC. 12. Item 3820-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3820-001-0001—For support of San Francisco Bay Conservation and Development Commission.....	4,230,000
Schedule:	
(1) 10-Bay Conservation and Development.....	5,103,000
(2) Reimbursements.....	-678,000
(3) Amount payable from the Bay Fill Clean-up and Abatement Fund (Item 3820-001-0914).....	-195,000

SEC. 13. Item 3860-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3860-001-0001—For support of Department of Water Resources.....	63,354,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	129,658,000
(2) 20-Implementation of the State Water Resources Development System.....	5,184,000
(3) 30-Public Safety and Prevention of Damage.....	79,246,000

(4) 40-Services.....	8,729,000
(5) 45-California Energy Resources Scheduling (CERS).....	21,076,000
(6) 50.01-Management and Administra- tion.....	63,700,000
(7) 50.02-Distributed Management and Administration.....	-63,700,000
(8) Reimbursements.....	-24,899,000
(9) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-269,000
(10) Amount payable from the Central Val- ley Project Improvement Subaccount (Item 3860-001-0404).....	-1,575,000
(11) Amount payable from the Feasibility Projects Subaccount (Item 3860-001- 0445).....	-114,000
(12) Amount payable from the Water Con- servation and Groundwater Recharge Subaccount (Item 3860-001-0446).....	-125,000
(13) Amount payable from the Energy Re- sources Programs Account (Item 3860-001-0465).....	-1,941,000
(14) Amount payable from the Local Pro- jects Subaccount (Item 3860-001- 0543).....	-101,000
(15) Amount payable from the Sacramento Valley Water Management and Habi- tat Protection Subaccount (Item 3860- 001-0544).....	-60,000
(16) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744).....	-195,000
(17) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-12,546,000
(18) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-9,128,000
(19) Amount payable from the Electric Power Fund (Item 3860-001- 3100).....	-21,076,000

(20) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001).....	-988,000
(21) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005).....	-460,000
(22) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007).....	-609,000
(23) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-703,000
(24) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-789,000
(25) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025).....	-1,316,000
(26) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-22,479,000
(27) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).....	-1,446,000
(28) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-79,720,000

Provisions:

1. The amounts appropriated in Items 3860-001-0001 to 3860-001-6031, inclusive, shall be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies.
2. Funds appropriated in Schedule 3(a) shall be available for encumbrance by the Department of Water

Resources until June 30, 2009, and available for liquidation until June 30, 2011.

- 3. Of the funds appropriated in this item, \$250,000 for Sacramento Bypass Levee repair shall be available for encumbrance until June 30, 2009, and available for liquidation until June 30, 2011.
- 4. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this Budget Act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
- 5. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

SEC. 14. Item 3900-001-0044 of Section 2.00 of the Budget Act of 2006 is amended to read:

3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund.....	160,579,000
Schedule:	
(1) 15-Mobile Source.....	272,255,000

(2) 25-Stationary Source.....	51,210,000
(3) 30.01-Program Direction and Support.....	11,074,000
(4) 30.02-Distributed Program Direction and Support.....	-11,074,000
(5) Reimbursements.....	-4,690,000
(6) Amount payable from the General Fund (Item 3900-001-0001).....	-2,280,000
(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-128,133,000
(8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421).....	-12,530,000
(9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-862,000
(10) Amount payable from the Federal Trust Fund (Item 3900-001-0890).....	-12,892,000
(11) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070).....	-1,499,000

Provisions:

2. Of the funds appropriated in this item, \$25,000,000 shall be available for grants to public agencies to purchase low-polluting construction equipment if the Transportation and Air Quality Bond is passed by the voters at the November 4, 2006, general election; otherwise, these funds are allocated for replacement of pre-1977 model-year schoolbuses.
5. Of the funds appropriated pursuant to this item, \$6,500,000 shall be expended pursuant to Section 7 of Chapter 91 of the Statutes of 2005. Notwithstanding subdivision (a) of Section 1.80 of this act, these funds are available for expenditure until June 30, 2009.
6. \$25,000,000 shall be expended in the budget year pursuant to an expenditure plan jointly developed by the State Air Resources Board and the Energy Con-

servation Resources and Development Commission for all of the following purposes:

- (a) Market-based incentives such as buydowns, rebates, credits, or other incentives for purchasers of high efficiency, high mileage, clean alternative fuel light, medium, and heavy duty vehicles, both individual and public fleet, in California.
  - (b) Production incentives such as loans, loan guarantees, and credits for clean alternative fuel production in California.
  - (c) Market-based incentives such as loans and loan guarantees for the construction of publicly accessible, clean alternative fuel refueling stations, including refueling stations that sell ethanol blends consisting of at least 85 percent ethanol (“E-85”), sufficient in number to match the existing and anticipated supply of E-85 vehicles in California.
  - (d) Grants for research and development of clean and zero emission fuels and vehicle technology to assist in making those technologies affordable in the marketplace.
  - (e) Incentives to replace the current state vehicle fleet with clean, high mileage alternative fuel vehicles.
7. None of the funds appropriated pursuant to Provision 6 shall be used for incentives, grants, or any other form of state support for the development of fuels derived from petroleum, petroleum coke, or coal.
  8. In approving the funding and positions pursuant to this item, it is the intent of the Legislature to ensure that the specific measures to reduce air pollution and greenhouse gas emissions be undertaken and completed by the State Air Resources Board in the fiscal year. Accordingly, the board shall submit quarterly reports on the expenditure of these funds, and the status of the development and adoption of the measures.
  9. On and after the effective date of this item, the State Air Resources Board may expend funds appropriated for preliminary analysis and planning work to imple-

ment the emissions inventory, and to begin development of a mandatory emissions reporting system.

SEC. 15. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-0001—For support of State Water Resources Control Board.....	35,866,000
Schedule:	
(1) 10-Water Quality.....	435,962,000
(2) 20-Water Rights.....	13,288,000
(3) 30.01-Administration.....	17,222,000
(4) 30.02-Distributed Administration.....	-17,222,000
(5) Reimbursements.....	-9,999,000
(6) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-522,000
(7) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193).....	-63,979,000
(8) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-79,000
(9) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235).....	-2,202,000
(10) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387).....	-5,649,000
(11) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417).....	-538,000
(12) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419).....	-153,000
(13) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422).....	-515,000

(14) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424).....	-39,000
(15) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436).....	-63,000
(16) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-0439).....	-272,237,000
(17) Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482).....	-198,000
(18) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740).....	-321,000
(19) Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	-35,036,000
(20) Amount payable from the Water Rights Fund (Item 3940-001-3058).....	-11,741,000
(21) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013).....	-1,069,000
(22) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016).....	-1,062,000
(23) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-47,000
(24) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-001-6019).....	-1,238,000
(25) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020).....	-81,000
(26) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021).....	-23,000

- (27) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022)..... -1,076,000
- (28) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031)..... -4,620,000
- (29) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026)..... -897,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds for cash purposes from special funds that otherwise provide support for the board. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.
2. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the California Bay-Delta Authority reorganization plan, enacted as part of this budget act, not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
3. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to the 2006–07 fiscal year by the California Bay-Delta Authority for the ongoing support of the CALFED Bay-Delta Program not sooner than 30 days after written notification of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Commit-

tee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

SEC. 16. Item 3940-001-0193 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-0193—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Waste Discharge Permit Fund..... 63,979,000

SEC. 17. Item 3940-001-3058 of Section 2.00 of the Budget Act of 2006 is amended to read:

3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund..... 11,741,000

SEC. 18. Item 3960-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014..... 28,189,000

Provisions:

1. The Director of Toxic Substances Control may expend from this item: (a) \$9,093,000 for the following activities at the Stringfellow Federal Superfund site: (1) operation and maintenance of pretreatment plants to treat contaminated groundwater extracted from the site, (2) site maintenance and groundwater monitoring, and (3) implementation of work to stabilize the site, and (b) \$6,562,000 for the operation of the Illegal Drug Laboratory Removal Program.
2. Notwithstanding any other provision of law, the funds appropriated for removal and remedial action at the Stringfellow Federal Superfund site shall be available for encumbrance for three fiscal years subsequent to the fiscal year in which the funds are appropriated, and disbursements in liquidation of en-

cumbrances shall be pursuant to Section 16304.1 of the Government Code.

3. Of the amount appropriated in this item, \$750,000 shall be used for the purposes of emergency response activity pursuant to Section 25354 of the Health and Safety Code, in lieu of the appropriation made pursuant to that section.
4. The amount appropriated in this item includes \$5,475,000 for emergency response activities at the BKK Landfill. This appropriation is subject to the condition that, to the extent that funds are expended for purposes for which any private or public entity is or may be held financially liable, the Department of Toxic Substances Control shall take all reasonable actions to recover the amount of that expenditure from one or more of those entities, and that the amounts so recovered be paid to the General Fund in reimbursement of the amount of that expenditure. Additionally, those recovered funds shall be spent before funds from the General Fund, consistent with the language in any settlement agreements between the department and the potentially responsible parties.
5. As of June 30, 2007, or earlier, any unspent funds in Provision 4 shall revert to the General Fund if the Director of Toxic Substances Control and the Director of Finance agree that sufficient funds have been provided by the other potentially responsible parties.
6. The Director of Toxic Substances Control shall send a letter notifying the chairpersons of the fiscal committees of each house of the Legislature that act on the department's budget and the Legislative Analyst's Office within 30 days of receiving any moneys from potentially responsible parties for the BKK Landfill.

SEC. 19. Item 3960-001-0014 of Section 2.00 of the Budget Act of 2006 is amended to read:

3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account.....	49,725,000
Schedule:	
(1) 12-Site Mitigation and Brownfields Reuse.....	80,303,000
(2) 13-Hazardous Waste Management.....	64,181,000
(3) 19.01-Administration.....	30,464,000
(4) 19.02-Distributed Administration.....	-30,464,000
(5) 20-Science, Pollution Prevention and Technology.....	10,148,000
(6) 21-State as Certified Unified Program.....	1,156,000
(7) Reimbursements.....	-10,136,000
(8) Amount payable from General Fund (Item 3960-001-0001).....	-28,189,000
(9) Amount payable from Unified Program Account (Item 3960-001-0028).....	-986,000
(10) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065).....	-2,034,000
(11) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100).....	-359,000
(12) Amount payable from Toxic Substances Control Account (Item 3960-001-0557).....	-34,037,000
(13) Amount payable from Federal Trust Fund (Item 3960-001-0890).....	-26,258,000
(14) Amount payable from Environmental Quality Assessment Fund (Item 3960-001-3035).....	-681,000
(15) Amount payable from Electronic Waste Recovery and Recycling Account (Item 3960-001-3065).....	-2,227,000
(16) Amount payable from State Certified Unified Program Agency Account (Item 3960-001-3084).....	-1,156,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the Department of Toxic Substances Control may borrow sufficient funds from 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 the Department of Toxic Substances Control, and approval of the Department of Finance, the Controller shall increase the appropriation in this item in an amount necessary to pay the Board of Equalization any additional costs the board may incur to make refunds required by Chapter 737 of the Statutes of 1998, provided sufficient funds are available for such purposes and the board provides workload information that justifies the increase.

SEC. 20. Item 3960-001-0557 of Section 2.00 of the Budget Act of 2006 is amended to read:

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..... 34,037,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. The amount appropriated in this item includes state oversight costs at military installations. The expenditure of these funds shall not relieve the federal government of the responsibility to pay for all state oversight costs. The department shall take all steps necessary to recover these costs from the federal government, including, but not limited to, filing civil actions authorized by state and federal law.

SEC. 21. Item 4120-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4120-001-0001—For support of Emergency Medical Services

Authority.....	19,291,000
Schedule:	
(1) 10-Emergency Medical Services Au- thority.....	28,783,000
(2) Reimbursements.....	-6,000,000
(3) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001- 0194).....	-377,000
(4) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	-1,431,000
(5) Amount payable from the Federal Trust Fund (Item 4120-001-0890).....	-1,684,000

Provisions:

1. In order to ensure the protection of the public health, it is the Legislature’s intent that all products and services to establish mobile field hospitals be procured or ordered by September 1, 2006. Notwithstanding any other provision of law, if the Director of the Emergency Medical Services Authority and the Director of General Services determine that utilizing the state’s standard procurement practices related to the \$18,297,000 appropriated in this item for mobile field hospitals will result in the state’s inability to meet the September 1, 2006, date, each procurement that is determined to be delayed shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

SEC. 22. Item 4260-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4260-001-0001—For support of Department of Health Ser-

vices.....	213,925,500
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Schedule:

(1) 10-Public and Environmental Health.....	326,444,000
(2) 20-Health Care Services.....	663,844,000
(3) 30.01-Administration.....	54,372,000
(4) 30.02-Distributed Administration.....	-51,890,000
(5) Reimbursements.....	-39,300,000
(6) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007).....	-1,464,000
(7) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009).....	-8,098,000
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029).....	-813,000
(9) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044).....	-1,249,000
(10) Amount payable from the Sale of Tobacco to Minors Control Account (Item 4260-001-0066).....	-2,300,000
(11) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4260-001-0070).....	-2,750,000
(12) Amount payable from the Medical Waste Management Fund (Item 4260-001-0074).....	-1,943,000
(13) Amount payable from the Radiation Control Fund (Item 4260-001-0075).....	-19,820,000
(14) Amount payable from the Tissue Bank License Fund (Item 4260-001-0076).....	-282,000
(15) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080).....	-9,135,000
(16) Amount payable from the Export Document Program Fund (Item 4260-001-0082).....	-387,000

(17) Amount payable from the Clinical Laboratory Improvement Fund (Item 4260-001-0098).....	-5,134,000
(18) Amount payable from the Health Statistics Special Fund (Item 4260-001-0099).....	-26,837,000
(19) Amount payable from the Wine Safety Fund (Item 4260-001-0116).....	-56,000
(20) Amount payable from the Water Device Certification Special Account (Item 4260-001-0129).....	-208,000
(21) Amount payable from the Food Safety Fund (Item 4260-001-0177).....	-5,793,000
(22) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-0179).....	-2,975,000
(23) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-0203).....	-92,871,000
(24) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231).....	-8,281,000
(25) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0234).....	-5,372,000
(26) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236).....	-4,578,000
(27) Amount payable from the Drinking Water Operator Certification Special Account (Item 4260-001-0247).....	-1,317,000
(28) Amount payable from the Nursing Home Administrator's State License Examining Fund (Item 4260-001-0260).....	-491,000

(29) Amount payable from the Infant Botulism Treatment and Prevention Fund (Item 4260-001-0272).....	-3,053,000
(30) Amount payable from the Safe Drinking Water Account (Item 4260-001-0306).....	-10,162,000
(31) Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-0335).....	-269,000
(32) Amount payable from the Mosquito-borne Disease Surveillance Account (Item 4260-001-0478).....	-45,000
(33) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-001-0622).....	-637,000
(34) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-001-0642).....	-852,000
(35) Amount payable from the California Alzheimer’s Disease and Related Disorders Research Fund (Item 4260-001-0823).....	-888,000
(36) Amount payable from the Federal Trust Fund (Item 4260-001-0890).....	-447,328,500
(37) Amount payable from the Drug and Device Safety Fund (Item 4260-001-3018).....	-3,178,000
(38) Amount payable from the Medical Marijuana Program Fund (Item 4260-001-3074).....	-855,000
(39) Amount payable from the Cannery Inspection Fund (Item 4260-001-3081).....	-1,590,000
(40) Amount payable from the Mental Health Services Fund (Item 4260-001-3085).....	-493,000
(41) Amount payable from the Licensing and Certification Fund (Item 4260-001-3098).....	-64,886,000

- (42) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-001-6031)..... -2,972,000
- (43) Amount payable from California Prostate Cancer Research Fund (Item 4260-001-8025)..... -182,000

Provisions:

1. Except as otherwise prohibited by law, the department shall promulgate emergency regulations to adjust the public health fees set by regulation to an amount such that, if the new fees were effective throughout the 2006–07 fiscal year, the estimated revenues would be sufficient to offset at least 95 percent of the approved program level intended to be supported by those fees. The General Fund fees of the State Department of Health Services (DHS) that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code shall be increased by 7.76 percent. The special fund fees of DHS that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code may be increased by 7.76 percent only if the fund condition statement for a fund projects a reserve less than 10 percent of estimated expenditures and the revenues projected for the 2006–07 fiscal year are less than the appropriation contained in this act.
2. Notwithstanding subdivision (b) of Section 100450 of the Health and Safety Code, departmental fees that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100450 of the Health and Safety Code shall be increased by 22.50 percent, effective July 1, 2006.
3. The State Department of Health Services shall limit expenditures in this item to implement the Uniform Anatomical Gift Act (Chapter 819 of the Statutes of 2000) to the amount of actual fees collected from tissue banks.

4. \$13,601,000 of the funds appropriated in this item are intended to pay the General Fund portion of annual rents for the Capitol East End Office Complex.
5. The State Department of Health Services shall report annually in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the most recently completed error rate study and random claim sampling process, the number of positions filled by division, and, for each of the components of the initiative, the amount of savings and cost avoidance achieved and estimated, the number of providers sanctioned, and the number of claims and beneficiary records reviewed.
6. Of the funds appropriated for new information technology projects, no funds may be expended on a project prior to approval of a feasibility study report concerning that project by the Department of Finance. The State Department of Health Services shall notify the fiscal committees of both houses of the Legislature that a feasibility study report has been approved for a project within 30 days of the report's approval by the Department of Finance, and shall include with the notification a copy of the approved feasibility study report that reflects the Department of Finance's changes.
7. It is the intent of the Legislature that all clinical positions within the Licensing and Certification Division, including medical, nursing, and pharmacy positions, that conduct core functions associated with surveys, field investigations, quality assurance, pharmaceutical monitoring, and related activities be exempt from any unallocated reductions undertaken by the department. The purpose of this language is to assist in ensuring the health and safety of Californians who receive services in various types of facilities that are licensed or certified by the department.

- 8. The State Department of Health Services shall report to the Joint Legislative Budget Committee on or before February 15, 2007, on the feasibility of each of the following: (a) obtaining federal matching funds for the Trauma Care Fund as administered by the Emergency Medical Services Authority and (b) expanding the existing Medi-Cal State Plan Amendment for Los Angeles and Alameda counties on a statewide basis.
- 9. The State Department of Health Services shall provide the fiscal and appropriate policy committees of the Legislature with a plan for hiring positions in the Licensing and Certification Division as adopted in the Budget Act of 2006. This plan shall be provided no later than October 1, 2006, and, at a minimum, shall contain all of the following: (a) a schedule for hiring new personnel that specifies their field offices, (b) methods for recruitment of employees for field offices, (c) a description of training for new personnel, (d) methods for retaining new personnel as well as existing employees in the field offices; and (e) any other information the department chooses to provide to depict its commitment to maintaining a well-trained, viable workforce in the field offices.
- 10. Of the funds appropriated in this item, up to \$1,000,000 shall be used by the State Department of Health Services to contract, or enter into an interagency agreement, to mitigate the effects of Valley Fever, including research and development activities for a vaccine.

SEC. 23. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4260-111-0001—For local assistance, Department of Health Services.....	569,157,000
Schedule:	
(1) 10.10.010-Vital Records Improvement Project.....	963,000

(2) 10.20.010-Environmental Management.....	271,429,000
(3) 10.20.040-Drinking Water.....	95,388,000
(4) 10.30.030-Childhood Lead Poisoning Prevention.....	11,000,000
(5) 10.30.040-Chronic Diseases.....	187,890,000
(6) 10.30.050-Communicable Disease Control.....	74,711,000
(7) 10.30.060-AIDS.....	311,552,000
(8) 20.30-County Health Services.....	57,956,000
(9) 20.40-Primary Care and Family Health.....	1,536,864,000
(10) Reimbursements.....	-101,619,000
(11) Amount payable from the Breast Cancer Control Account (Item 4260-111-0009).....	-8,736,000
(12) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	-11,024,000
(13) Amount payable from the Health Statistics Special Fund (Item 4260-111-0099).....	-963,000
(14) Amount payable from the California Health Data and Planning Fund (Item 4260-111-0143).....	-200,000
(15) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0231).....	-52,954,000
(16) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232).....	-44,377,000
(17) Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	-5,564,000

- (18) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236)..... -51,853,000
- (19) Amount payable from the Child Health and Safety Fund (Item 4260-111-0279)..... -975,000
- (20) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-111-0622)..... -4,374,000
- (21) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-111-0642)..... -235,000
- (22) Amount payable from the Federal Trust Fund (Item 4260-111-0890)..... -1,307,370,000
- (23) Amount payable from the WIC Manufacturer Rebate Fund (Item 4260-111-3023)..... -297,401,000
- (24) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-111-6031)..... -90,951,000

Provisions:

1. Program 10.30.060-AIDS: The Office of AIDS in the State Department of Health Services, in allocating and processing contracts and grants, shall comply with the same requirements that are established for contracts and grants for other public health programs. Notwithstanding any other provision of law, the contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of General Services prior to their execution.
2. Program 20.40-Primary Care and Family Health: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the CCS Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.

3. Notwithstanding any other provision of law, and due to the need to rapidly acquire, stockpile, store, and distribute antiviral medication to respond to outbreaks of highly communicable diseases such as pandemic influenza, contracts for such purposes funded through this item shall not be subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.
4. (a) Of the amount appropriated in this item, the Department of Health Services shall, at the discretion of the director, allocate \$9,000,000 to local mosquito and vector control agencies or other governmental entities, or contract with other entities to supplement resources for local mosquito control efforts to mitigate the threat of West Nile Virus transmission. In allocating these funds, the director shall first address high priority areas and “hot spots,” based on epidemiological studies and related information to mitigate the spread of the disease. These funds shall not be used to supplant existing local vector control agency funds.  
(b) In response to the public health implications of the West Nile Virus, and in order to expedite the implementation of mosquito control efforts funded by no more than \$9,000,000 appropriated in this item, the department may make and receive grants and enter into contracts and interagency agreements. The department shall be exempt from competitive bidding requirements and shall be exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.
5. In order to ensure the protection of the public health, it is the Legislature’s intent that all products and services to address the state’s readiness related to responding to outbreaks of highly communicable diseases such as pandemic influenza be procured or ordered by September 1, 2006. Notwithstanding any other provision of law, if the Director of Health Services and the Director of General Services determine

that utilizing the state’s standard procurement practices related to the \$160,781,000 appropriated in this item and the \$34,000,000 appropriated in Item 4260-111-0890 for this purpose will result in the state’s inability to meet the September 1, 2006, date, each procurement that is determined to be delayed shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

SEC. 24. Item 4280-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4280-001-0001—For support of Managed Risk Medical Insurance Board.....	2,218,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	957,000
(2) 20-Access for Infants and Mothers Program.....	891,000
(3) 40-Healthy Families Program.....	7,905,000
(4) 50-Children’s Health Initiative Matching Fund Program.....	458,000
(6) Reimbursements.....	-199,000
(7) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4280-001-0236).....	-35,000
(8) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	-877,000
(9) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313).....	-942,000
(10) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	-5,331,000
(11) Amount payable from Mental Health Services Fund (Item 4280-001-3085).....	-151,000
(12) Amount payable from Federal Trust Fund (Item 4280-003-0890).....	-298,000

(13) Amount payable from Children’s Health Initiative Matching Fund (Item 4280-003-3055)..... -160,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4280-103-0890 or 4280-103-3055 in order to effectively administer the County Health Initiative Matching Fund Program.
2. To provide for the effective use of federal State Children’s Health Insurance Program funds in the County Health Initiative Matching Fund Program and notwithstanding Section 28.00, this item may be reduced or increased by the Department of Finance not sooner than 30 days after notification in writing of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine. This provision shall not apply to any General Fund increases or reductions.
3. Augmentations to reimbursements in this item are exempt from Section 28.50. The Managed Risk Medical Insurance Board shall provide written notification within 30 days to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds \$200,000. Federal funds may be increased to allow for the matching of the augmentations of reimbursements and the Department of Finance may authorize the establishment of positions if costs are fully offset by the augmentations to reimbursements.

SEC. 25. Item 4280-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program administrative contracts..... 24,813,000

Schedule:

- (1) 40-Healthy Families Program..... 71,350,000
- (2) Reimbursements..... -7,488,000
- (3) Amount payable from the Federal Trust Fund (Item 4280-102-0890)..... -39,049,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-101-0001 in order to effectively administer the Healthy Families Program.

SEC. 26. Item 4280-103-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

SEC. 27. Item 5225-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

5225-001-0001—For support of the Department of Corrections and Rehabilitation..... 6,324,026,000

Schedule:

- (1) 10-Corrections and Rehabilitation Administration..... 247,061,000
- (2) 15-Corrections Standards Authority..... 7,021,000
- (3) 20-Juvenile Operations..... 194,105,000
- (4) 21-Juvenile Education, Vocations and Offender Programs..... 134,190,000
- (5) 22-Juvenile Paroles..... 36,758,000
- (6) 23-Juvenile Health care..... 78,487,000
- (7) 25-Adult Corrections and Rehabilitation Operations..... 4,735,721,000
- (8) 30-Parole Operations-Adult..... 669,058,000
- (9) 35-Board of Parole Hearings..... 97,931,000
- (10) 40-Community Partnerships..... 7,726,000
- (11) 45-Education, Vocations and Offender Programs-Adult..... 273,496,000
- (13) Reimbursements..... -84,696,000

- (14) Amount payable from the Corrections Training Fund (Item 5225-001-0170)..... -2,671,000
- (15) Amount payable from the Federal Trust Fund (Item 5225-001-0890)..... -6,516,000
- (16) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917)..... -63,645,000

Provisions:

- 3. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
- 4. When contracting with counties for vacant jail beds for any inmate under the jurisdiction of the Secretary of the Department of Corrections and Rehabilitation, the department shall not reimburse counties more than the average amount it costs the state to provide the same services in comparable state institutions. This restriction shall not apply to any existing contract, but shall apply to the extension or renewal of that contract. In addition, the total operational cost of incarcerating state inmates in leased county jail beds (which includes state costs, but is exclusive of one-time and capital outlay costs) shall not exceed the department’s average cost for operating comparable institutions.
- 5. Notwithstanding any other provision of law, but subject to providing 30 days’ prior notification to the Joint Legislative Budget Committee, funds appropriated in Schedule (7) or (8), or both, may be transferred to Item 5225-101-0001, Schedule (7), upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jail.
- 8. Not later than 60 days following enactment of this act, and subsequently on February 10 and upon release of the May Revision, the Secretary of the Department of Corrections and Rehabilitation shall submit to the Director of Finance the Post Assignment Schedule for each adult institution, reconciled to bud-

geted authority and consistent with approved programs, along with allotments consistent with the reconciled Post Assignment Schedule for each adult institution.

11. Not later than February 17, 2007, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office an operating budget for each of the correctional facilities under the control of the department. Specifically, the report shall include: (a) yearend expenditures by program for each institution in the 2005–06 fiscal year, (b) allotments and projected expenditures by program for each institution in the 2006–07 fiscal year, (c) the number of authorized and vacant positions, estimated overtime budget, estimated benefits budget, and operating expense and equipment budget for each institution, and (d) a list of all capital outlay projects occurring or projected to occur during the 2006–07 fiscal year.
14. Of the funds appropriated in Schedule (1), \$1,000,000 shall be available for expenditure on a comprehensive study of the Department of Corrections and Rehabilitation's existing information technology resources and workload no sooner than 30 days after approval by the Chairperson of the Joint Legislative Budget Committee of a plan to conduct such a study.
15. Of the funds appropriated in this item, \$55,969,000 is provided for the purpose of funding a 3.1-percent price increase for the Department of Corrections and Rehabilitation. Of that amount, the department shall provide a 3.1-percent increase on the variable costs and personal services amounts for public community correctional facilities.
16. The Department of Corrections and Rehabilitation shall report to the Joint Legislative Budget Committee on September 1, 2006, and March 1, 2007, regarding its efforts to reduce the hiring time for entry level

peace officer classifications from point of application to point of eligibility, as well as meet the increasing demands for the institutions statewide. The department shall provide information on its progress in reducing the overall selection process from 12 to 18 months to 6 months, and on its progress in providing approximately 3,600 correctional officers in the 2006–07 fiscal year through the Basic Correctional Officer Academy.

17. No later than September 1, 2006, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairperson of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office an implementation and evaluation plan for funding provided as part of Recidivism Reduction Strategies. For each program component of Recidivism Reduction Strategies, the department shall detail its projected timeline for program implementation, including, but not limited to, purchasing equipment and supplies, hiring staff, securing contracts, beginning participation by inmates and parolees, and reaching full operating capacity. For each program component of Recidivism Reduction Strategies, the plan shall also identify the specific measures by which the department plans to evaluate these programs, the baseline measurements for these programs, as well as identify projected implementation targets and targeted projected outcomes for September 2006, March 2007, and annually for five years that the department expects to achieve for each of these measures.
18. Of the funds appropriated in this item, \$900,000 shall be used to contract with correctional program experts to complete comprehensive evaluations of all adult prison and parole programs designed to reduce recidivism, including education, rehabilitation and treatment, and parole programs, for both male and female inmates and parolees. This evaluation shall include an inventory of existing programs, including pro-

gram capacity, as well as an assessment of whether each of these programs is likely to have a significant impact on recidivism for those participants. This evaluation shall also include an estimate of the number of inmates or parolees not currently participating in these programs who would be likely to benefit from participation. The Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the committees in both houses of the Legislature that consider the state budget and to the Legislative Analyst's Office a report detailing the findings of the evaluation by June 30, 2007.

22. Of the funds appropriated in this item, \$281,626,000 is available for expenditure only for the purposes identified below. Any unexpended funds shall revert to the General Fund.
  - (a) Basic Correctional Officer Academy Expansion: \$54,503,000
  - (b) Farrell v. Hickman, Healthcare Remedial Plan: \$7,530,000
  - (c) Farrell v. Hickman, Ward Safety and Welfare Remedial Plan: \$42,934,000
  - (d) Electronic In-Home Detention Restoration: \$1,202,000
  - (e) Medical Guarding and Transportation: \$30,958,000
  - (f) Records Staffing and Automation: \$7,759,000
  - (g) Electromechanical Security Door Operating and Locking System: \$3,000,000
  - (h) Equipment Replacement: \$400,000
  - (i) Private Community Correctional Facility Security Enhancements: \$453,000
  - (j) Recidivism Reduction Strategies: \$52,761,000
  - (k) Global Positioning System Monitoring Expansion: \$5,134,000
  - (l) Critical Special Repair Projects and Assessments: \$11,000,000
  - (m) Gang Management: \$200,000

- (n) Restoration of Parole Hearings Appeals Unit: \$640,000
  - (o) Rutherford v. Schwarzenegger, Life Prisoner Parole Hearing Staffing: \$6,646,000
  - (p) Protective Vests: \$4,079,000
  - (q) Enterprise Information Services Corrective Action Plan: \$2,249,000
  - (r) Madrid v. Woodford, Compliance: \$5,168,000
  - (s) Garrison Johnson v. California, Racial Integration: \$4,829,000
  - (t) Victims and Witness Assistance at Parole Revocation Hearings: \$1,430,000
  - (u) Farrell v. Hickman, Mental Health Remedial Plan Resources: \$14,778,000
  - (v) Farrell v. Hickman, Consent Decree: \$1,327,000
  - (w) Space Needs Related to Farrell v. Hickman: \$12,469,000
  - (x) Substance Abuse Treatment Funding: \$835,000
  - (y) Coleman v. Schwarzenegger, Court Order Compliance: \$2,325,000
  - (z) Comprehensive Health Care Recruitment Staff: \$3,928,000
  - (aa) Coleman v. Schwarzenegger, Psychiatrists Pay Enhancement: \$3,089,000
23. Within the 2006–07 fiscal year, the Division of Juvenile Justice shall implement Behavior Treatment Programs in at least seven living units, enhanced Core Treatment Programs in at least 12 living units, and at least one reentry living unit. In order to demonstrate measurable outcomes, the Division of Juvenile Justice shall focus the implementation of Core Treatment Programs at one individual facility in the first fiscal year. No later than September 15, 2006, and March 15, 2007, the Division of Juvenile Justice shall report to the Joint Legislative Budget Committee on specific performance measures by which the Department of Corrections and Rehabilitation plans to evaluate these programs, the baseline measurements for these programs, as well as projected implementation targets and projected outcomes for March

2007, and September 2007, related to the implementation of the Farrell remedial plans. Performance measures should include both process and outcome measures consistent with a critical path for project implementation.

- 24. Funds appropriated to accommodate projected adult institutional and parolee population levels in excess of those that actually materialize, if any, shall revert to the General Fund.
- 25. Of the amount appropriated in Schedule (9), up to \$4,200,000 shall be available to pay for costs of providing legal representation on behalf of the state at parole revocation hearings. However, these funds shall only be available for representation in cases where a witness is subpoenaed to testify on behalf of the state. Use of these funds for legal representation shall not result in creation of a deficiency in this item.

SEC. 28. Item 5225-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation.....	324,208,000
Schedule:	
(1) 15-Corrections Standards Authority.....	246,841,000
(2) 20-Juvenile Operations.....	78,000
(3) 22-Juvenile Paroles.....	11,403,000
(4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates.....	278,000
(5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives.....	2,593,000
(6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges.....	17,160,000
(7) 30-Parole Operations—Adult.....	45,855,000

## Provisions:

1. The amount appropriated in Schedules (4), (5), (6), and (7) is provided for the following purposes:
  - (a) To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 1190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
  - (b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
  - (c) To pay county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the

coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

- (d) To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of \$71.57 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections and Rehabilitation request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections and Rehabilitation or the fiscal year in which the warrant is issued.
2. Notwithstanding any other provision of law, upon 30-day prior notification to the Chairperson of the Joint Legislative Budget Committee, funds appropriated in Schedule (7) of this item may be transferred to Schedule (7) or (8), or both, of Item 5225-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jails or for the auditing or monitoring of local assistance costs.

4. The amounts appropriated in Schedules (2) and (3) are provided for the following purposes:
  - (a) To pay the transportation costs of persons committed to the Department of Corrections and Rehabilitation to or between its facilities, including the return of parole violators, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.
  - (b) To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of the Department of Corrections and Rehabilitation parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.
5. Of the amount appropriated in Schedule (3), \$10,000,000 is for the Juvenile Justice Community Reentry Challenge Grant Program. Of the amount appropriated for this program, up to a total of 5 percent shall be transferred upon the approval of the Director of Finance to either Schedule (2) or (5), or both, of Item 5225-001-0001 for expenditure to administer this program, including technical assistance to counties and the development of an evaluation component.
6. Notwithstanding any other provision of law, of the funds appropriated in Schedule (1), \$22,295,500 shall be allocated for Mentally Ill Offender Crime Reduction grants for adult offenders, consistent with the purpose and intent of Senate Bill 1485 (Chapter

501 of the Statutes of 1998). The grants shall be awarded on a competitive basis using criteria developed by the Corrections Standards Authority. The authority shall develop regulations necessary for the operation of the program.

- 7. Notwithstanding any other provision of law, of the funds appropriated in Schedule (1), \$22,295,500 shall be allocated for Mentally Ill Offender Crime Reduction grants for juvenile offenders, consistent with the purpose and intent of Senate Bill 1485 (Chapter 501 of the Statutes of 1998). The grants shall be awarded on a competitive basis using criteria developed by the Corrections Standards Authority. The authority shall develop regulations necessary for the operation of the program.
- 8. Notwithstanding any other provision of law, the funds appropriated in this item for the Mentally Ill Offender Crime Reduction grant program shall be available for expenditure until December 31, 2008.
- 9. Counties that were awarded funding under a prior Mentally Ill Offender Crime Reduction grant program that were not able to complete the program, as initially approved, due to reduced funding levels shall receive priority consideration of their grant application.

SEC. 29. Item 6110-108-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-108-0001—For local assistance, Department of Education (Proposition 98), for grades 7 to 12 school counselors..... 200,000,000

Provisions:

- 1. Of the funds appropriated in this item, \$200,000,000 shall be available to grades 7 to 12, inclusive, to increase the number of counselors in schools.
- 2. The appropriation in this item is contingent upon the enactment of legislation during the 2005–06 Regular Session that supplements, not supplants, the number of school counselors that serve students in grades 7

to 12, inclusive, and that gives priority to serving students who have failed or are at risk of failing the California High School Exit Examination, or who risk not graduating due to insufficient credits.

SEC. 30. Item 6110-113-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program..... 88,945,000

Schedule:

- (1) 20.70.030.005-Assessment Review and Reporting..... 2,313,000
- (2) 20.70.030.006-STAR Program..... 65,433,000
- (3) 20.70.030.007-English Language Development Assessment..... 10,056,000
- (4) 20.70.030.008-High School Exit Examination..... 11,143,000
- (5) 20.70.030.015-California High School Proficiency Examination..... 1,020,000
- (6) Reimbursements..... -1,020,000

Provisions:

- 1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code.
- 2. The funds appropriated in Schedule (2) are provided for approved contract and district apportionment costs for the development and administration of the California Standards Test, the national Norm-Referenced Test, the Standards-Based Test in Spanish, the California Alternate Performance Assessment, the Designated Primary Language Test, and the California Modified Assessment, as part of the STAR Program.
- 3. The funds appropriated in Schedule (3) shall be available for approved contract costs and apportion-

ment costs for administration of an English Language Development Test meeting the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of the Education Code. A total of \$9,813,000 is provided as incentive funding of \$5 per pupil for district apportionments for the English Language Development Test. As a condition of receiving these funds, school districts must agree to provide information determined to be necessary to comply with the data collection and reporting requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110) regarding English language learners by the State Department of Education.

4. The funds appropriated in Schedule (4) include funds for approved contract costs and apportionment costs for the administration of the HSEE pursuant to Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code. The State Board of Education shall annually establish the amount of funding to be apportioned to school districts for the High School Exit Examination. The amount of funding to be apportioned per test shall not be valid without the approval of the Department of Finance.
- 4.5. Of the funds appropriated in Schedule (4), \$5,100,000 is for additional administrations of the High School Exit Examination. By April 5, 2007, the State Department of Education shall report to the Legislature on the number of pupils taking the exam during these additional administrations.
5. It is the intent of the Legislature that the State Department of Education develop a plan to streamline existing programs to eliminate duplicative tests and minimize the instructional time lost to test administration. The State Department of Education shall ensure that all statewide tests meet industry standards for validity and reliability.
6. Funds provided to local educational agencies from Schedules (2), (3), and (4) shall first be used to offset any state-mandated reimbursable costs within the meaning of Section 17556 of the Government Code,

that otherwise may be claimed through the state mandates reimbursement process for the Standardized Testing and Reporting Program, the California English Language Development Test, and the High School Exit Examination. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandated reimbursement claims by the amount of funding provided to them from these schedules.

- 8. The funds appropriated in Schedule (2) include one-time funds of \$80,000 to develop a writing test for the new California Modified Assessment for the STAR Program.

SEC. 31. Item 6110-128-0001 of Section 2.00 of the Budget Act of 2006 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..... 973,388,000

Schedule:

- (1) 10.30.070.001-Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of the Education Code..... 973,388,000

Provisions:

- 2. Of the funds appropriated in this item, \$36,480,000 is to provide a cost-of-living adjustment at a rate of 5.92 percent.
- 3. Pursuant to paragraph (2) of subdivision (b) of Section 47634.1 of the Education Code, charter schools shall receive an in lieu Economic Impact Aid per-pupil funding rate equal to the statewide average Economic Impact Aid per-pupil rate. Funds shall be transferred, as needed, from this item to Item 6110-211-0001 to ensure that charter schools are provided the appropriate in lieu Economic Impact Aid per-pupil rate.
- 4. On or before January 1, 2007, the State Department of Education shall report to the Legislature and the

administration on data specific to English learners and economically disadvantaged students, including data from the results of the California Standards Tests, the California English Language Development Test, and the California High School Exit Examination.

SEC. 32. Item 6110-137-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-137-0001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.260—Instructional Support, Mathematics and Reading Professional Development Program.....	56,728,000
Provisions:	

1. The funds appropriated in this item shall be for allocation to local educational agencies that participate in the Mathematics and Reading Professional Development Program established pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 of the Education Code.
2. Within 30 days of the enactment of this act, the Superintendent of Public Instruction shall calculate the percentage of teachers eligible for funding based on the funds appropriated in this item. Prior to notifying local educational agencies of this percentage, the Superintendent of Public Instruction shall submit the calculation to the Department of Finance for verification.
3. Of the funds appropriated in this item, \$25,000,000 is to provide professional development to address the needs of teachers of English learners pursuant to legislation to be enacted during the 2005–06 Regular Session.

SEC. 33. Item 6110-141-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

SEC. 34. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 3,065,640,000

Schedule:

- (1) 10.60.050.003-Special education instruction..... 2,997,996,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs..... 82,039,000
- (3) Reimbursements for Early Education Program, Part C..... -14,395,000

Provisions:

- 1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2006–07 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
- 2. Of the funds appropriated in Schedule (1), \$12,047,000, plus any COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
- 3. Of the funds appropriated in Schedule (1), \$9,196,000, plus any COLA, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the lev-

- el provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1), \$4,797,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$80,786,000, plus any COLA, shall be available for regionalized program specialist services, \$2,285,000, plus any COLA, for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
  5. Of the funds appropriated in Schedule (1), \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children’s institutes.
  6. Of the funds appropriated in Schedule (1), a total of \$185,347,000, plus any COLA, is available to fund the costs of children placed in licensed children’s institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.
  7. Funds available for infant units shall be allocated with the following average number of pupils per unit:
    - (a) For special classes and centers—16.
    - (b) For resource specialist programs—24.
    - (c) For designated instructional services—16.
  8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2006–07 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commenc-

ing with Section 56425) of Part 30 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.

9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficated entitlements pursuant to Section 56432 of the Education Code and Provision 10 shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.
10. The State Department of Education, through coordination with the SELPAs, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.
11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2006–07 special education program costs and shall not be used to fund any prior year adjustments, claims or costs.
12. Of the amount provided in Schedule (1), \$169,000, plus any COLA, shall be available to fully fund the

- declining enrollment of necessary small SELPAs pursuant to Chapter 551 of the Statutes of 2001.
13. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1) of this item, up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code.
  14. Of the funds appropriated in Schedule (1), \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.
  15. Of the funds appropriated in Schedule (1), \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
  16. Of the funds appropriated in Schedule (1), up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004.
  17. Of the funds appropriated in Schedule (1), up to \$200,000 shall be used for research and training in cross-cultural assessments.
  18. Of the amount specified in Schedule (1), \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.
  19. Of the amount provided in Schedule (1), \$179,715,000 is provided for a COLA at a rate of 5.92 percent.

20. Of the amount provided in Schedule (2), \$4,585,000 is provided for a COLA at a rate of 5.92 percent.
21. Of the amount specified in Schedule (1), \$12,800,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854 of the Statutes of 1997.
22. Of the amount appropriated in this item, \$1,480,000 is available for the state's share of costs in the settlement of *Emma C. v. Delaine Eastin, et al.* (N.D. Cal. No. C96-4179TEH). The State Department of Education shall report by January 1, 2007, to the fiscal committees of both houses of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to the Ravenswood Elementary School District pursuant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code in any further request for funds to satisfy this settlement.
23. Of the funds appropriated in this item, \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the Individuals with Disabilities Education Act of 2004 (IDEA), and Section 2122 of the Elementary and Secondary Education Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements.

Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.

- 24. Of the amount appropriated in Schedule (1), \$50,610,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854 of the Statutes of 1997, consistent with subdivision (b) of Section 56836.158 of the Education Code.
- 25. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).

SEC. 35. Item 6110-182-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-182-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.030-K-12 High Speed Network..... 0  
 Provisions:

- 2. Expenditure authority of up to \$15,600,000 is provided for the K-12 High Speed Network.
- 3. Of the amount authorized for expenditure in Provision 2, \$3,000,000 of unexpended cash reserves and \$4,000,000 of unexpended funds set aside for equipment replacement from the following appropriations are available to continue management and operation of the network during the 2006-07 fiscal year: Item 6440-001-0001, Schedule (a), Provision 44 of Chapter 52, Statutes of 2000; Item 6440-001-0001, Schedule (1), Provision 24 of Chapter 106, Statutes of 2001; Item 6440-001-0001, Schedule (1), Provision

24 of Chapter 379, Statutes of 2002; Item 6440-001-0001, Schedule (1), Provision 22 of Chapter 157, Statutes of 2003; and Item 6110-182-0001, Chapter 208, Statutes of 2004.

- 4. Of the amount authorized for expenditure in Provision 2, \$4,600,000 shall be funded by E-rate and California Teleconnect Fund moneys. The lead educational agency or the Corporation for Education Network Initiatives in California (CENIC), or both, shall submit quarterly reports to the Department of Finance and the Legislature on funds received from E-rate and the California Teleconnect Fund.
- 4.5. Of the amount authorized for expenditure in Provision 2, \$4,000,000 shall be available from one-time Proposition 98 funds pursuant to legislation enacted during the 2005–06 Regular Session of the Legislature.
- 5. For the 2006–07 fiscal year, all major subcontracts of the K–12 High Speed Network program shall be excluded from both the eligible program costs on which indirect costs are charged and from the calculation of the indirect cost rate based on that year’s data. For purposes of this provision, a major subcontract is defined as a subcontract for services in an amount in excess of \$25,000.

SEC. 36. Item 6110-190-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-190-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Community Day Schools..... 44,995,000  
 Provisions:

- 1. The funds appropriated in this item are for transfer to Section A of the State School Fund to reimburse costs incurred pursuant to Chapter 974 of the Statutes of 1995 as amended by Chapter 847 of the Statutes of 1998.
- 2. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.

- 3. Of the funds appropriated in this item, \$2,780,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 5.92 percent to community day schools in lieu of the amount that would otherwise be provided pursuant to subdivision (b) of Section 42238.1 of the Education Code.
- 4. An additional \$4,751,000 in expenditures for this item has been deferred until the 2007–08 fiscal year.

SEC. 37. Item 6110-195-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-195-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.140-Staff Development: Teacher improvement, Teacher Incentives National Board Certification..... 7,535,000  
Provisions:

- 1. The funds appropriated in this item shall be for the purpose of providing incentive grants to teachers with certification by the National Board for Professional Teaching Standards that are teaching in low-performing schools pursuant to Article 13 (commencing with Section 44395) of Chapter 2 of Part 25 of the Education Code.

SEC. 38. Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 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..... 1,388,623,000  
Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education..... 397,349,000
- (1.5) 30.10.020-Child Care Services..... 1,845,828,000

- (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..... 692,054,000
- (c) 30.10.020.004-Special Program, Child Development, Migrant Day Care..... 36,024,000
- (d) 30.10.020.007-Special Program, Child Development,Alternative Payment Program..... 227,887,000
- (e) 30.10.020.011-Special Program, Child Development,Alternative Payment Program—Stage 2..... 425,209,000
- (f) 30.10.020.012-Special Program, Child Development,Alternative Payment Program—Stage 3 Set-aside..... 334,140,000
- (g) 30.10.020.008-Special Program, Child Development, Resource and Referral..... 17,557,000
- (i) 30.10.020.015-Special Program, Child Development, Extended Day Care..... 31,517,000
- (j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped..... 1,728,000

- (k) 30.10.020.106-Special Program, Child Development, California Child Care Initiative..... 250,000
- (l) 30.10.020.901-Special Program, Child Development, Quality Improvement..... 65,568,000
- (m) 30.10.020.911-Special Program, Child Development, Centralized Eligibility List..... 7,900,000
- (n) 30.10.020.920-Special Program, Child Development, Local Planning Councils..... 5,994,000
- (3) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments..... 80,250,000
- (4) 30.10.020.909-Special Program, Child Development, Growth Adjustments..... 28,484,000
- (5) Amount payable from the Federal Trust Fund (Item 6110-196-0890)..... -963,288,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the 2006–07 fiscal year pursuant to the following schedule:
  - (a) \$4,000,000 or whatever lesser or greater amount is necessary for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code.
  - (b) \$72,452,000 shall be available for CalWORKs Stage 2 child care.
  - (c) The Controller shall establish an account entitled Section 8278 Expenditures in 2005 in Item 6110-196-0001, Program 30.10.060. Any unex-

- pended General Fund balances as of June 30, 2006, or subsequent abatements, from those amounts listed in Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(n), that are available pursuant to Section 8278 of the Education Code, shall be transferred to the account for the purpose of making expenditures pursuant to that section and as specified in this provision.
2. (a) Notwithstanding any other provision of law, alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors or regions shall be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of either department.
  - (b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region.
  3. Of the amount appropriated in Schedule (1), \$50,000,000 is available to expand state preschool programs pursuant to legislation enacted during the 2005–06 Regular Session.
  5. Funds in Schedule (1.5)(l) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:

- (a) \$1,990,000 is for the schoolage care and resource and referral earmark.
- (b) \$11,221,000 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers.
- (c) \$5,233,000 in one-time federal funding is available for use in the 2006–07 fiscal year. Of that amount, \$200,000 shall be used for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code), \$1,500,000 shall be used for health and safety training for both licensed and license-exempt child care providers, and \$1,000,000 shall be used for the development of preschool learning standards. The remaining funds shall be used for child care and development quality expenditures identified by the State Department of Education and approved by the Department of Finance.
- (d) From the remaining funds, the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers; \$2,700,000 for contracting with the State Department of Social Services (DSS) for increased inspections of child care facilities; \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code); \$500,000 for health and safety training for licensed and exempt child care providers; \$320,000 for the Child Development Training Consortium; \$300,000 for the Health Hotline; and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, and/or construction of child care facilities.
- (e) As required by federal law, the State Department of Education (SDE) shall develop an expenditure plan that sets forth the final priorities and

the reasons therefor if the final priorities are different from those approved in response to the reporting requirement contained in Provision 7(g) of Item 6110-196-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004). This plan shall be submitted to the Department of Finance by February 15 of each year, and funds shall not be encumbered prior to approval of the plan by the Department of Finance. The SDE shall coordinate with the DSS, the California Children and Families State Commission, and other applicable entities to identify annual statewide expenditures for quality enhancements which qualify for meeting federal requirements, and shall reference these expenditures in its biennial federal quality plans or any subsequent amendments.

- (f) The department shall establish an expenditure plan for the 2007–08 fiscal year that sets forth the proposed state and local activities to improve child care, including the reasons therefor, to be undertaken in the 2007–08 fiscal year. The plan shall be submitted to the Department of Finance and to the fiscal committees of both houses of the Legislature at least 30 days prior to the commencement of public hearings and no later than March 1, 2007.
  - (g) \$15,000,000 from the General Fund shall be for child care worker recruitment and retention programs authorized by Chapter 547 of the Statutes of 2000.
6. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).
- (b) The SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2

and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.

- (c) Any request from the Temporary Assistance to Needy Families (TANF) reserve shall be based on the information and analyses pursuant to the preceding paragraphs and shall be made jointly and coordinated with the DSS to eliminate duplication. In order to facilitate coordination, detailed backup by month and on a county-by-county basis, if different from quarterly data provided pursuant to the previous paragraph, shall be provided to the DSS to facilitate its analyses and comparison of overall CalWORKs caseloads and related child care needs.
- (d) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 Setaside along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by the department, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become

available for preparation of the May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the Governor's Budget.

- (f) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for TANF-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
  - (g) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.
7. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid and have exhausted their two-year eligibility for transitional services in either Stage 1 or 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services; and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.
8. Nonfederal funds appropriated by this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.

9. Notwithstanding any other provision of law, administrative and support services allowances for the programs funded through Schedules (1.5)(d), (1.5)(e), and (1.5)(f) shall be limited to no more than 20 percent of the total contract amount.
10. Notwithstanding Section 26.00, the funds appropriated in Schedule (3), for child development cost-of-living adjustments, are for allocation among Schedules (1), (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(i), (1.5)(j), and (1.5)(n). Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance. After allocation of the COLA, the maximum standard reimbursement rate shall not exceed \$32.89 per day for General Child Care programs and \$20.30 per day for State Preschool Programs. Furthermore, the Migrant Child Care and Cal-SAFE Child Care programs shall adhere to the maximum standard reimbursement rates as prescribed for the General Child Care programs. All other rates and adjustment factors shall be revised to conform.
11. Notwithstanding Section 26.00, the funds appropriated in Schedule (4), for child development growth adjustments, are for allocation among Schedules (1.5)(a), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j).

Funds allocated to Schedules (1.5)(a), (1.5)(c), (1.5)(i), and (1.5)(j) shall be used by the State Department of Education to increase the standard reimbursement rate to the level specified in Provision 10. Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance.
13. Notwithstanding any other provision of law, the federal funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a centralized eligibility list in each county pursuant to Section 8227 of the Education Code. By November 1 of each year, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited

to, the cost of implementation and operation of the eligibility lists in each county, and number of children and families on the list for each county.

- 14. Notwithstanding Section 8278.3 of the Education Code or any other provision of law, up to \$5,000,000 of the Child Care Facilities Revolving Fund balance may be allocated for use on a one-time basis to allow facilities to perform necessary renovations and repairs to meet health and safety standards, to comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Secs. 12101 et seq.), and to perform emergency repairs, that were the result of an unforeseen event and are necessary to maintain continued normal operation of the child care and development program. These funds shall be made available to school districts and contracting agencies that provide subsidized center-based services pursuant to the Child Care and Development Services Act, Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code.
- 15. It is the intent of the Legislature to convene a workgroup consisting of representatives from the Department of Finance, the Legislature, and the State Department of Education. The workgroup shall consider the process for setting subsidized voucher rates for child care providers that do not serve nonsubsidized families.

SEC. 39. Item 6110-204-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-204-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for allocation to school districts to increase the number of pupils that pass the California High School Exit Examination..... 69,599,000

Provisions:

- 1. The funds appropriated in this item are available to assist eligible pupils, pursuant to Section 37254 of

the Education Code, who are required to pass the California High School Exit Examination in order to receive a diploma in 2007 and 2008.

- 4. The Superintendent of Public Instruction shall apportion \$500 per eligible pupil, to the extent that funds are available.
- 5. The funds in this item shall be allocated by the State Department of Education as specified in this item no later than October 1 of each fiscal year.
- 6. Any unused funds shall be prorated to all eligible class of 2008 students who failed one or both parts of the California High School Exit Examination.

SEC. 40. Item 6110-260-0001 is added to Section 2.00 of the Budget Act of 2006, to read:

6110-260-0001—For local assistance, Department of Education (Proposition 98), 20.11-Instructional Support: Physical Education Teacher Incentive Grants.....	40,000,000
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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 \$35,000 per schoolsite in order to hire teachers to provide instruction in physical education courses. Grant recipients shall be randomly selected and be equitably distributed based on type of school, size, and geographic location.

- 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 Section 51222 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.

SEC. 41. Item 6110-262-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

SEC. 42. Item 6110-265-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-265-0001—For local assistance, Department of Education (Proposition 98), Program 20.15—Arts and Music Block Grant .....	105,000,000
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Provisions:

1. The funds appropriated in this item shall be for the purpose of providing block grants to school districts, charter schools, and county offices of education to support standards-aligned art and music instruction in kindergarten and grades 1 to 12, inclusive. It is the intent of the Legislature that these funds supplement, and not supplant, existing resources for arts and music.
2. The State Department of Education shall allocate the funding to districts, charter schools, and county offices of education at an equal per pupil amount on the basis of a minimum of \$2,500 for schoolsites with 10 or fewer students and a minimum of \$4,000 per schoolsite with more than 20 students.
3. The funds appropriated in this item may be used for hiring of additional staff, purchase of new materials, books, supplies, and equipment, and implementing or increasing staff development opportunities, as necessary to support standards-aligned arts and music instruction.

SEC. 43. Item 6110-268-0001 is added to Section 2.00 of the Budget Act of 2006, to read:

6110-268-0001—For local assistance, Department of Education (Proposition 98), Child Oral Health Assessments Program..... 4,400,000

Provisions:

1. Of the amount appropriated in this item, \$4,400,000 is to be allocated to local educational agencies and is contingent upon legislation enacted during the 2005–06 Regular Session regarding child oral health assessments.

SEC. 44. Item 6110-295-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6110-295-0001—For local assistance, Department of Education (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the cost of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller..... 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 4456, 4455, 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-Peace Officers Procedural Bill of Rights (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).....	1,000
(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).....	0
(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 State

Controller shall prorate payments proportionately between these items.

- 2. Notwithstanding any other provision of law, the funds allocated for PERS Death Benefits (Ch. 799, Stats. 1980) and PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974) are for transfer to the Public Employees' Retirement System for reimbursement of costs incurred pursuant to Chapter 1398 of the Statutes of 1974 or Chapter 799 of the Statutes of 1980.
- 3. Pursuant to Section 17581.5 of the Government Code, mandates included in the language of this provision are specifically identified by the Legislature for suspension during the 2006–07 fiscal year:
  - (25) School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22).
  - (32) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).
  - (33) 98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03).
  - (39) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).
- 4. It is noted that additional funding is provided in Item 6110-485 in the event that funding provided in this item is insufficient to fully fund mandates claimed pursuant to this item.

SEC. 45. Item 6360-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers.....		39,881,000
Schedule:		
(1) 10.20.001-Alternative Certification Program.....	31,723,000	
(2) 10.20.002-California School Paraprofessional Teacher Training Program.....	7,850,000	

(3) 10.10.001-Teacher Misassignment	
Monitoring.....	308,000

Provisions:

1. The funds appropriated in Schedule (1) are for school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of the Education Code. Of these funds, \$6,800,000 is available to increase intern grants for school districts and county offices that agree to enhance internship programs and address the distribution of beginning teachers pursuant to the enactment of legislation during the 2005–06 Regular Session.
2. The funds appropriated in Schedule (2) are for school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program established pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of the Education Code. Of these funds, \$1,267,000 is available to increase the per-participant rate and to address participant waiting lists pursuant to the enactment of legislation during the 2005–06 Regular Session.
3. The funds appropriated in Schedule (3) shall be used to reimburse county offices of education for costs associated with monitoring public schools and school districts for teacher misassignments. Funds shall be allocated on a basis determined by the commission. Districts and county offices receiving funds for credential monitoring will provide reasonable and necessary information to the commission as a condition of receiving these funds.

SEC. 46. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6440-001-0001—For support of University of California.....	2,835,604,000
Schedule:	
(1) Support.....	2,752,108,000

(2) Charles R. Drew Medical Program.....	8,738,000
(3) Acquired Immune Deficiency Syndrome (AIDS) Research.....	9,214,000
(4) Student Financial Aid.....	52,199,000
(5) Loan Repayments.....	5,105,000
(6) San Diego Supercomputer Center.....	3,240,000
(7) Subject Matter Projects.....	5,000,000

Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (d) of Section 28.00 of this act.
3. The funds appropriated in Schedule (2) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, \$500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.
4. Of the funds appropriated in Schedule (1), \$2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
5. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the

University of California, according to the nationally accepted needs analysis methodology.

6. Of the funds appropriated in Schedule (1), \$2,762,129 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.
7. Of the funds appropriated in Schedule (5), \$2,700,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
8. Of the funds appropriated in Schedule (5), \$2,405,000 is for repayment of \$25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.
9. Of the funds appropriated in Schedule (1), \$1,609,000 is for the California State Summer School for Math and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.
10. Of the funds appropriated in Schedule (1), \$770,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of the Welfare and Institutions Code.
11. Notwithstanding Section 3.00, for the term of the financing, the University of California may use funds appropriated in Schedule (1) for debt service and costs associated with the purchase, renovation, and financing of a facility for the UC-Mexico research and academic programs in Mexico City. The amount to be financed shall not exceed \$7,000,000. The university shall report to the Legislature by March 15, 2007, on the (a) amount of funds spent to support the

UC-Mexico facility, including the specific use of these funds, (b) amount of funds spent to support UC-Mexico research and academic programs, and (c) different types of research conducted and programs operated at the UC-Mexico facility.

12. Of the funds provided in Schedule (1), \$1,125,000 is appropriated for science and math resource centers to implement the Science and Math Teacher Initiative. The university shall report to the Legislature and the Governor by April 1, 2007, on its progress toward increasing the quality and supply of science and math teachers.
13. Of the funds appropriated in Schedule (1), \$50,980,000 is to fund 5,149 additional state-supported full-time equivalent (FTE) students at the University of California, based on a marginal General Fund cost of \$9,901 per additional student. This funding rate is based on a new methodology for determining the marginal cost of each additional state-supported student. This methodology calculates a total marginal cost (including operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent budgets be based on this new methodology. The Legislature expects the University of California to enroll a total of 193,455 state-supported FTE students during the 2006–07 academic year. This enrollment target does not include non-resident students and students enrolled in non-state-supported summer programs. The University of California shall report to the Legislature by March 15, 2007, on whether it has met the 2006–07 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If the University of California does not meet its total state-

supported enrollment goal by at least 257 (FTE) students, the Director of Finance shall revert to the General Fund by April 1, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

14. Of the funds appropriated in Schedule (1), \$480,000 shall be used to support 32 full-time equivalent students in the Program in Medical Education for the Latino Community (PRIME-LC). The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2007, on (a) its progress in implementing the PRIME-LC program and (b) the use of the total funds provided for this program from both state and nonstate resources.
15. Of the funds provided in Schedule (1), \$860,000 is appropriated to fund the full cost of a minimum of 65 full-time-equivalent students in entry-level clinical nursing programs and entry-level master's degree programs in nursing, and \$103,000 is to support an additional 20 master's degree level nursing students. This funding is intended as a supplement to marginal cost support provided within the University of California's enrollment growth funding, in recognition of the higher costs associated with master's degree level nursing programs. The university shall report to the Legislature and the Governor by May 1, 2007, on its progress toward meeting this enrollment goal.
16. Of the funds appropriated in Schedule (1), \$19,300,000 is appropriated for student academic preparation and education programs (SAPEP) and is to be matched with \$12,000,000 from existing university resources, for a total of \$31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2006. It is the intent of the Legislature that the university report on the use of

- state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the University of California in April 2005. It is the intent of the Legislature that the report be submitted to the fiscal committees of each house of the Legislature no later than April 1, 2007.
17. Of the funds appropriated in Schedule (1), \$475,000 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.
  18. Of the funds appropriated in Schedule (1), \$385,000 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
  19. Of the funds appropriated in Schedule (1), \$18,000,000 is for substance abuse research at the Neurology Department of the University of California, San Francisco.
  20. Of the funds appropriated in Schedule (1), \$770,000 shall be used for lupus research at the University of California, San Francisco.
  21. Of the funds appropriated in Schedule (1), \$1,539,000 shall be used to expand spinal cord injury research.
  22. Of the funds appropriated in Schedule (1), \$3,848,000 is to fund the Medical Investigation of Neurodevelopmental Disorders (MIND) Institute, including \$3,500,000 for a research grants program.
  23. Of the funds appropriated in Schedule (1), \$6,000,000 shall be used to support research on labor and employment and labor education throughout the University of California system. Of these funds, 60 percent shall be for labor research, and 40 percent shall be for labor education.
  24. Of the funds appropriated in Schedule (1), \$1,000,000 is to fund research at the Institute for Experimental Research on Obesity and Diabetes.

25. It is the intent of the Legislature that the University of California report by January 15, 2007, on salary increases provided to employees for the 2006–07 academic year by employment classification, such as represented staff, nonrepresented staff, academics, and senior management, and that this report include the degree to which salary increases were consistent with the plan presented in the university’s Board of Regents budget request in November 2005.
26. It is the intent of the Legislature that before changes are made to existing pension programs, the University of California report to the Legislature on how changes would affect employees by classification, such as represented staff, nonrepresented staff, academics, and senior management.
27. It is the intent of the Legislature that the University of California fundamentally reform its compensation policies and practices to more appropriately reflect its status as a public institution accountable to the State of California. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university’s progress in reforming its compensation policies and practices consistent with the recommendations of the April 2006 report of the Task Force on UC Compensation, Accountability, and Transparency, the Price Waterhouse-Coopers report, and the Bureau of State Audits’ May 2, 2006, report. It is the intent of the Legislature that the fiscal subcommittees of both houses of the Legislature hold annual meetings to review this report. It is the intent of the Legislature that the report specifically include all of the following:
  - (a) Consistent with the task force’s recommendation on reporting, annual reports provided to the Board of Regents on total compensation for specified university senior officials, including the president, provost, senior vice presidents,

vice presidents and vice provosts, associate and assistant vice presidents, university auditor, university controller, principal officers of the Board of Regents, chancellors, vice chancellors, national laboratory directors and deputy directors, medical center CEOs, professional school deans, and the top five most highly compensated positions at the Office of the President and at each campus, medical center, and Department of Energy Laboratory. Total compensation information on employees not covered by this language is to be made available to the Legislature upon request. In its annual report of total compensation for senior officials, the university should use a standard reporting template, such as the template recommended in the April 2006 report of the task force, that lists all elements of total compensation, including base salary, benefits, and perquisites, and all other forms of compensation provided by the University of California that accrue to the individual.

- (b) Plans and actions taken by the University of California to reform compensation policies and practices to ensure all of the following occurs:
  - (i) Clear and appropriate policies are in place to define compensation.
  - (ii) University compensation remains competitive.
  - (iii) It is clear with whom the authority lies for making compensation decisions.
  - (iv) Policies include specific guidance about when exceptions are appropriate, who may grant exceptions, and through which mechanisms exceptions may be granted, so that exceptions do not become the rule.
  - (v) Conflicts among existing policies are eliminated.
  - (vi) Mechanisms are in place to ensure compliance with newly reformed policies and to re-

liably impose consequences when policies are violated.

- (c) Plans and actions taken by the University of California to update its human resources information system to ensure that campuses and the Office of the President are entering and capturing data in an accurate and systematically compatible manner that permits disclosure of compensation information in a full and timely way.

SEC. 47. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

6610-001-0001—For support of the California State University..... 2,721,322,000

Schedule:

- (1) Support..... 2,922,108,000
- (3) Reimbursements..... -200,786,000

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 the Education Code.
3. Of the amount appropriated in this item, \$1,878,000 is for repayment of the \$17,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
4. Of the amount appropriated in this item, \$2,309,000 is for repayment of the \$24,000,000 financed for the

California State University through a third party for deferred maintenance projects in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.

5. Of the amount appropriated in this item, \$33,785,000 is provided for student financial aid grants. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.
6. Of the amount provided in Schedule (1), \$1,365,000 is appropriated to enhance the capacity of science and math teacher credential programs to implement the Science and Math Teacher Initiative. Of this amount, \$652,000 is one-time. The university shall report to the Legislature and the Governor by April 1, 2007, on its progress toward increasing the quality and supply of science and math teachers.
- 7.5. Of the amount appropriated in Schedule (1), \$61,340,000 is to fund 8,490 additional state-supported full-time-equivalent students (FTES) at the California State University (CSU), based on a marginal General Fund cost of \$7,225 per additional student. This funding rate is based on a new methodology for determining the marginal cost of each additional state-supported student. This methodology calculates a total marginal cost (including operation and maintenance costs and faculty costs based on the salaries of recently hired professors) and then subtracts from this cost the fee revenue the university anticipates from each additional student (after adjusting for financial aid), in order to determine the amount of General Fund support needed from the state. It is the intent of the Legislature that enrollment growth funding provided to the university in subsequent budgets be based on this new methodology. The Legislature expects CSU to enroll a total of 332,395 state-supported FTES during the 2006–07 academic year. This enrollment target does not include nonresident students and students enrolled in nonstate supported

summer programs. The CSU shall provide a preliminary report to the Legislature by March 15, 2007, and a final report by May 1, 2007, on whether it has met the 2006–07 enrollment goal. For purposes of this provision, enrollment totals shall only include state-supported students. If CSU does not meet its total state-supported enrollment goal by at least 425 FTES, the Director of Finance shall revert to the General Fund by May 15, 2007, the total amount of enrollment funding associated with the total share of the enrollment goal that was not met.

8. Of the amount appropriated in Schedule (1), \$560,000 is to support 280 full-time-equivalent students in entry-level master's degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of the Education Code. The funding is intended as a supplement to marginal cost support provided in the California State University's enrollment growth funding, in recognition of the higher costs associated with entry-level master's degree programs in nursing.
9. Of the amount provided in Schedule (1), \$1,720,000 is appropriated to fund the full cost of a minimum of 130 full-time equivalent (FTE) students in entry-level master's degree programs in nursing. The university shall report to the Legislature and the Governor by May 1, 2007, on its progress toward meeting this enrollment goal.
10. Of the amount provided in Schedule (1), \$52,000,000 is provided for student academic preparation and student support services programs. The university shall provide \$45,000,000 and the state shall provide \$7,000,000 to support the Early Academic Assessment Program, Campus-Based Outreach Programs, and the Educational Opportunity Program. It is the intent of the Legislature that the university report on the outcomes and effectiveness of the Early Academic Assessment Program to the fiscal committees of each house of the Legislature no later than March 15, 2007.

12. Of the amount provided in Schedule (1), \$371,000 is appropriated to support the addition of 35 full-time-equivalent students in baccalaureate degree programs in nursing in the 2006–07 academic year. The funding shall be used to support the full state cost of serving these students, at a rate of \$10,588 per student. On or before May 1, 2007, the California State University shall report to the Legislature the number of additional full-time-equivalent students enrolled in these programs in the 2006–07 academic year, compared to the number enrolled in the 2005–06 academic year. In the event that the California State University enrolls fewer than the 35 additional students for which funding is provided, the funding associated with the enrollment shortfall shall revert to the General Fund. The Director of Finance shall make that reversion on or before May 15, 2007.
13. Of the amount provided in Schedule (1), \$2,000,000 is appropriated on a one-time basis for startup costs associated with the expansion of nursing programs. Specifically, the Legislature intends that these funds be used to prepare for the enrollment in the 2007–08 academic year of 340 additional undergraduate full-time-equivalent nursing students above enrollment levels in the 2006–07 academic year. The Legislature intends that these additional nursing students be funded out of the California State University’s enrollment funding for the 2007–08 academic year, with additional funding to be provided to recognize the higher costs imposed by nursing students.

SEC. 48. Item 8885-295-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

8885-295-0001—For local assistance for reimbursement, in accordance with the provisions of Section 6 of Article XI-II B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller for claims for costs incurred in the 2005–06 and 2006–07 fiscal years..... 232,480,000

Schedule:

- (0.5) For payment of the following mandate
  - claims for the 2005–06 fiscal year..... 90,280,000
  - (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)
  - (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992, and Ch. 666, Stats. 1995) (CSM-96-365-02)
  - (c) Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
  - (d) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
  - (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
  - (f) Permanent Absent Voters (Ch. 1422, Stats. 1982) (CSM-4358)
  - (g) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)
  - (h) Absentee Ballots-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
  - (i) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM-4357)
  - (j) Medi-Cal Beneficiary Death Notices (Chs. 102 and 1163, Stats. 1981) (CSM-4032)
  - (k) Pacific Beach Safety (Ch. 961, Stats. 1992) (CSM-4432)
  - (l) Perinatal Services (Ch. 1603, Stats. 1990) (CSM-4397)
  - (m) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM-4392)

- (n) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
- (o) Judicial Proceedings (Ch. 644, Stats. 1980) (CSM-4366)
- (p) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- (q) Developmentally Disabled Attorneys' Services (Ch. 694, Stats. 1975) (04-LM-03)
- (r) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-07)
- (s) Not Guilty by Reason of Insanity (Ch. 1114, Stats. 1979) (CSM-2753)
- (t) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991) (98-TC-09)
- (u) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM-4509)
- (v) Mentally Disordered Sex Offenders' Recommitments (Ch. 1036, Stats. 1978) (04-LM-09)
- (w) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM-96-281-01)
- (x) Police Officer's Cancer Presumption (Ch. 1171, Stats. 1989) (CSM-4416)
- (y) Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982) (CSM-4081)
- (z) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
- (aa) Animal Adoption (Ch. 752, Stats. 1998) (98-TC-11)
- (bb) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4355 and CSM-4317)
- (cc) Senior Citizens Property Tax Deferral (Ch. 1242, Stats. 1977) (CSM-4359)
- (dd) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)
- (ee) Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
- (ff) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)

- (gg) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (hh) Postmortem Examinations (Ch. 284, Stats. 2000) (01-TC-18)
- (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (0.6) For payment of the mandate claims for the 2005–06 fiscal year for the Peace Officers’ Procedural Bill of Rights (Ch. 675, Stats. 1990) (CSM-4499)..... 16,600,000
- (1) For payment of the following mandate claims for the 2006–07 fiscal year..... 109,000,000
  - (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-01)
  - (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992 and Ch. 666, Stats. 1995) (CSM-96-365-02)
  - (c) Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
  - (d) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
  - (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
  - (f) Permanent Absent Voters (Ch. 1422, Stats. 1982) (CSM-4358)
  - (g) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)
  - (h) Absentee Ballots-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
  - (i) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM-4357)
  - (j) Medi-Cal Beneficiary Death Notices (Chs. 102 and 1163, Stats. 1981) (CSM-4032)
  - (k) Pacific Beach Safety (Ch. 961, Stats. 1992) (CSM-4432)

- (l) Perinatal Services (Ch. 1603, Stats. 1990) (CSM-4397)
- (m) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM-4392)
- (n) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
- (o) Judicial Proceedings (Ch. 644, Stats. 1980) (CSM-4366)
- (p) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- (q) Developmentally Disabled Attorneys' Services (Ch. 694, Stats. 1975) (04-LM-03)
- (r) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-07)
- (s) Not Guilty by Reason of Insanity (Ch. 1114, Stats. 1979) (CSM-2753)
- (t) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991) (98-TC-09)
- (u) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM-4509)
- (v) Mentally Disordered Sex Offenders' Recommitments (Ch. 1036, Stats. 1978) (04-LM-09)
- (w) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM-96-281-01)
- (x) Police Officer's Cancer Presumption (Ch. 1171, Stats. 1989) (CSM-4416)
- (y) Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982) (CSM-4081)
- (z) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
- (aa) Animal Adoption (Ch. 752, Stats. 1998) (98-TC-11)
- (bb) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4355 and CSM-4317)
- (cc) Senior Citizens Property Tax Deferral (Ch. 1242, Stats. 1977) (CSM-4359)
- (dd) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)

- (ee) Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
- (ff) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)
- (gg) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (hh) Postmortem Examinations (Ch. 284, Stats. 2000) (01-TC-18)
- (ii) False Reports of Police Misconduct (Ch. 590, Stats. 1995) (00-TC-26)
- (2) For payment of the mandate claims for the 2006–07 fiscal year for the Peace Officers’ Procedural Bill of Rights (Ch. 675, Stats. 1990) (CSM-4499)..... 16,600,000
- (3) Pursuant to the provisions of Section 17581 of the Government Code, the mandates identified in the following schedule are specifically identified by the Legislature for suspension during the 2006–07 fiscal year..... 0
  - (a) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
  - (b) Sex Crime Confidentiality (Ch. 502, Stats. 1992, Ch. 36, Stats. 1994, 1st Ex. Sess.) (98-TC-21)
  - (c) Deaf Teletype Equipment (Ch. 1032, Stats. 1980) (04-LM-11)
  - (d) Sex Offenders: Disclosure by Law Enforcement Officers (Chs. 908 and 909, Stats. 1996) (97-TC-15)
  - (e) Missing Persons Report (Ch. 1456, Stats. 1988, and Ch. 59, Stats. 1993) (CSM-4255, CSM-4484, and CSM-4368)
  - (f) Handicapped Voter Access Information (Ch. 494, Stats. 1979) (CSM-4363)
  - (g) Substandard Housing (Ch. 238, Stats. 1974) (CSM-4303)
  - (h) Adult Felony Restitution (Ch. 1123, Stats. 1977) (04-LM-08)

- (i) Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992) (97-TC-13)
- (j) Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM-4431)
- (k) SIDS Training for Firefighters (Ch. 1111, Stats. 1989) (CSM-4412)
- (l) SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM-4424)
- (m) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM-4393)
- (n) Inmate AIDS Testing (Ch. 1597, Stats. 1988) (CSM-4369)
- (o) SIDS Notices (Ch. 453, Stats. 1974) (04-LM-01)
- (p) Guardianship/Conservatorship Filings (Ch. 1357, Stats. 1976) (04-LM-15)
- (q) Victims' Statements-Minors (Ch. 332, Stats. 1981) (04-LM-14)
- (r) Extended Commitment, Youth Authority (Ch. 267, Stats. 1998) (98-TC-13)
- (s) Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM-4427)
- (t) Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. 3401 to 3410, incl.) (CSM-4261- 4281)
- (u) Personal Alarm Devices (8 Cal. Code Regs. 3401(c)) (CSM-4087)
- (v) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (w) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
- (x) Redevelopment Agencies Tax Disbursement Reporting (Ch. 39, Stats. 1998) (99-TC-06)
- (y) Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM- 4204, CSM-4485)
- (z) Filipino Employee Surveys (Ch. 845, Stats. 1978) (CSM-2142)
- (aa) Domestic Violence Information (Ch. 1609, Stats. 1984) (CSM-4222)
- (bb) Pocket Masks (Ch. 1334, Stats. 1987) (CSM-4291)

## Provisions:

1. If the amount in Schedule (0.5) is insufficient to pay claims for costs incurred to carry out the cited state mandates in the 2005–06 fiscal year, the Controller shall notify the Director of Finance of the amount of the deficiency and, with the approval of the director, shall augment the amount in Schedule (0.5) from the unencumbered balance of Schedule (1) to pay those claims. If the Controller determines that excess funds will remain available from Schedule (0.5) after all claims for the 2005–06 fiscal year are paid, then the Controller, with the approval of the director, may augment the amount in Schedule (1) from the unencumbered balance of the amount provided in Schedule (0.5). The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in both houses of the Legislature prior to authorizing any augmentation pursuant to this provision.
2. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, and that payment shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.
3. The State Controller shall offset payments made from the appropriation in this item and in Item 8885-

299-0001 to recoup the amount of any unallowable mandate claim costs determined by desk or field audits of such claims. The estimated amount of General Fund savings from prior year adjustments due to these offsets is at least \$44,000,000.

SEC. 49. Item 8885-299-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

8885-299-0001—For local assistance for reimbursement, in accordance with the provisions of Section 6 of Article XI-II 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..... 169,900,000

Schedule:

- (1) For the first year of payment of mandate claims filed prior to July 1, 2004..... 83,000,000
- (2) For the second year of payment of mandate claims filed prior to July 1, 2004..... 86,900,000

Provisions:

- 1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, that shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter. Notwithstanding any other provision of law, interest shall be paid from funds

appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.

SEC. 50. Item 8955-001-0083 of Section 2.00 of the Budget Act of 2006 is amended to read:

8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund.....	50,000
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SEC. 51. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

9210-101-0001—For local assistance, Local Government Financing.....	238,000,000
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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, 2008. These funds shall be used to supplement and not supplant existing services.

SEC. 52. Item 9210-105-0001 is added to Section 2.00 of the Budget Act of 2006, to read:

9210-105-0001—For local assistance, Local Government Financing .....	35,000,000
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Provisions:

1. For reimbursement of actual costs incurred by cities and other entities for payment of booking or processing fees charged pursuant to subdivision (a) of Section 29550 of the Government Code during the 2005–06 fiscal year. Any funds not disbursed shall

- revert to the General Fund no later than June 30, 2007.
2. No later than December 1, 2006, 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 money allocated for the payment of booking and processing fees, as described in Section 29550 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. 53. Item 9619-399-0001 of Section 2.00 of the Budget Act of 2006 is repealed.

SEC. 54. Section 35.50 of the Budget Act of 2006 is amended to read:

Sec. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (f) of Section 12, of Article IV of the California Constitution, "General Fund revenues" means the total resources available to the General Fund for a fiscal year.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2006–07 fiscal year pursuant to this act, as passed by the Legislature, is \$103,412,200,000.

(c) For purposes of subdivision (b) of Section 20 of Article XVI of the California Constitution, General Fund revenues shall be defined as revenues and transfers, excluding any proceeds from Economic Recovery Bonds, as estimated in the enacted State Budget.

SEC. 55. Sections 1 to 54, inclusive, of this act shall become operative only if the Budget Act of 2006, Assembly Bill 1801, as proposed by Conference Report No. 1 on June 12, 2006, is enacted and becomes effective on or before January 1, 2007.

SEC. 56. 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 2006–07 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.































Approved \_\_\_\_\_, 2006

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*Governor*