

AMENDED IN SENATE SEPTEMBER 7, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 194**

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**Introduced by Committee on Budget (Laird (Chair), Arambula, Beall, Berg, Brownley, Dymally, Feuer, Hayashi, Hernandez, Jones, Mullin, Ruskin, Swanson, and Wolk)**

January 25, 2007

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*An act relating to to amend and supplement the Budget Act of 2007 (Chapters 171 and 172 of the Statutes of 2007) by amending Items 3790-001-0001, 3790-497, 4260-111-0001, 4260-111-0236, 6110-101-0349, 7100-001-0514, and 7100-001-0870 of Section 2.00 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 194, as amended, Committee on Budget. Budget Act of 2007.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2007.~~

*The Budget Act of 2007 made appropriations for the support of state government for the 2007–08 fiscal year.*

*This bill would amend and supplement the Budget Act of 2007 by revising items of appropriation for the State Department of Health Care Services, the Employment Development Department, the Department of Parks and Recreation, the State Department of Education, and the Board of Governors of the California Community Colleges.*

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

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. ~~It is the intent of the Legislature to enact statutory~~  
2 ~~changes relating to the Budget Act of 2007.~~

3 SECTION 1. *Item 3790-001-0001 of Section 2.00 of the Budget*  
4 *Act of 2007 is amended to read:*

5  
6 3790-001-0001—For support of Department of Parks and  
7 Recreation..... 130,359,000  
8 145,359,000

9 Schedule:

- 10 (1) For support of the Department of Parks  
11 and Recreation..... 368,495,000  
12 383,495,000
- 13 (2) Reimbursements..... -32,199,000
- 14 (3) Less funding provided by capital out-  
15 lay..... -4,000,000
- 16 (4) Amount payable from the Safe Neigh-  
17 borhood Parks, Clean Water, Clean Air,  
18 and Coastal Protection Bond Fund (Item  
19 3790-001-0005)..... -6,639,000
- 20 (5) Amount payable from the California  
21 Environmental License Plate Fund (Item  
22 3790-001-0140)..... -3,264,000
- 23 (6) Amount payable from the Public Re-  
24 sources Account, Cigarette and Tobac-  
25 co Products Surtax Fund (Item 3790-  
26 001-0235)..... -11,258,000
- 27 (7) Amount payable from the Off-Highway  
28 Vehicle Trust Fund (Item 3790-001-  
29 0263)..... -42,336,000
- 30 (8) Amount payable from the State Parks  
31 and Recreation Fund (Item 3790-001-  
32 0392)..... -121,173,000
- 33 (9) Amount payable from the Winter  
34 Recreation Fund (Item 3790-001-  
35 0449)..... -390,000
- 36 (10) Amount payable from the Harbors and  
37 Watercraft Revolving Fund (Item 3790-  
38 001-0516)..... -814,000

1	(11) Amount payable from the Federal Trust	
2	Fund (Item 3790-001-0890).....	-6,341,000
3	(12) Amount payable from the California	
4	Main Street Program Fund (Item 3790-	
5	001-3077).....	-175,000
6	(13) Amount payable from the California	
7	Clean Water, Clean Air, Safe Neighbor-	
8	hood Parks, and Coastal Protection	
9	Fund (Item 3790-001-6029).....	-4,433,000
10	(14) Amount payable from the Water Secu-	
11	rity, Clean Drinking Water, Coastal and	
12	Beach Protection Fund of 2002 (Item	
13	3790-001-6031).....	-491,000
14	(15) Amount payable from Safe Drinking	
15	Water, Water Quality and Supply,	
16	Flood Control, River and Coastal Pro-	
17	tection Fund of 2006 (Item 3790-001-	
18	6051).....	-4,623,000

19 Provisions:

- 20 1. Of the funds appropriated by this act from the General
- 21 Fund and special funds, other than the Off-Highway
- 22 Vehicle Trust Fund and bond funds, to the Department
- 23 of Parks and Recreation for local assistance grants to
- 24 local agencies, the department may allocate an amount
- 25 not to exceed 3.7 percent of each project’s allocation,
- 26 except to the extent otherwise restricted by law, to al-
- 27 low the department to administer its grants. Those
- 28 funds shall be available for encumbrance or expendi-
- 29 ture until June 30, 2013.
- 30 2. It is the intent of the Legislature that salaries, wages,
- 31 operating expenses, and positions associated with im-
- 32 plementing specific Department of Parks and Recre-
- 33 ation capital outlay projects continue to be funded
- 34 through capital outlay appropriations, and that these
- 35 funds should also be reflected in the department’s state
- 36 operations budget in the Governor’s Budget as a spe-
- 37 cial item of expense reflecting the funding provided
- 38 from the capital outlay appropriations.
- 39 3. Notwithstanding any other provision of law, the Direc-
- 40 tor of Finance may authorize a loan from the General

- 1 Fund, in an amount not to exceed 35 percent of reim-
- 2 bursements appropriated in this item to the Department
- 3 of Parks and Recreation, provided that:
- 4 (a) The loan is to meet cash needs resulting from the
- 5 delay in receipt of reimbursements for services
- 6 provided.
- 7 (b) The loan is for a short term and shall be repaid
- 8 by September 30, 2008.
- 9 (c) Interest charges may be waived pursuant to subdivi-
- 10 sion (e) of Section 16314 of the Government
- 11 Code.
- 12 (d) The Director of Finance may not approve the loan
- 13 unless the approval is made in writing and filed
- 14 with the Chairperson of the Joint Legislative
- 15 Budget Committee and the chairpersons of the
- 16 committees in each house of the Legislature that
- 17 consider appropriations not later than 30 days
- 18 prior to the effective date of the approval, or not
- 19 sooner than whatever lesser time that the chairper-
- 20 son of the joint committee or his or her designee
- 21 may determine.
- 22 4. The augmentation of \$1,711,000 in Schedule (7) is to
- 23 be used to fund restoration activities within state parks
- 24 in which off-highway vehicle activity is or has been
- 25 permitted, including areas where off-highway vehicle
- 26 recreation has been determined to not be appropriate.
- 27 5. Notwithstanding Section 4.11 or any other provision
- 28 of law, up to 61 positions initially authorized in accord-
- 29 ance with Schedule (15) shall not be abolished pur-
- 30 suant to Section 12439 of the Government Code prior
- 31 to June 30, 2015.
- 32 6. Schedule (1) includes \$4,104,000 for remediation and
- 33 treatment activities at Empire Mine State Historic Park.
- 34 Notwithstanding any other provision of law, these
- 35 funds shall be available for expenditure upon the ap-
- 36 proval of the Director of Finance, after the submission
- 37 by the Department of Parks and Recreation of detailed
- 38 information on the activities to be funded and their
- 39 cost.

1 7. The Department of Parks and Recreation shall have a  
2 celebration at the Allensworth State Park on the one  
3 hundredth anniversary of the founding of the town of  
4 Allensworth, and this celebration shall be done within  
5 the department's existing resources.

6 8. It is the intent of the Legislature that the Department  
7 of Parks and Recreation shall prioritize funds appropri-  
8 ated to the department from the Harbors and Water-  
9 craft Revolving Fund and the Motor Vehicle Fuel  
10 Account, Transportation Tax Fund, for boating-related  
11 activities that include, but are not limited to, major  
12 and minor capital outlay projects, boating trails, boat-  
13 ing trail grants, boating trails access facilities, beach  
14 erosion grants, and state park boating facilities opera-  
15 tions and maintenance costs.

16  
17 *SEC. 2. Item 3790-497 of Section 2.00 of the Budget Act of*  
18 *2007 is amended to read:*

19  
20 3790-497—Reversion, Department of Parks and Recreation. As  
21 of June 30, 2007, the balances provided in the following  
22 citations shall revert to the fund from which the appropria-  
23 tions were made:

24 0001—General Fund

25 (1) Item 3790-001-0001, Budget Act of 2006 (Chs. 47  
26 and 48, Stats. 2006)

27 (1) For support of the Department of  
28 Parks and Recreation..... +60,000,000  
29 175,000,000

30 0005—Safe Neighborhood Parks, Clean Water, Clean Air,  
31 and Coastal Protection Bond Fund

32 (1) Item 3790-101-0005, Budget Act of 2001 (Ch. 106,  
33 Stats. 2001)

34 (1) 80.25-Recreational Grants  
35 (a) Local agencies operating park  
36 units..... 835,000

37 (2) Item 3790-001-0005, Budget Act of  
38 2005 (Chs. 38 and 39, Stats. 2005)..... 107,000

39 6029—California Clean Water, Clean Air, Safe Neighbor-  
40 hood Parks, and Coastal Protection Fund

1 (1) Item 3790-001-6029, Budget Act of  
 2 2005 (Chs. 38 and 39, Stats. 2005), as  
 3 reappropriated by Item 3790-490, Bud-  
 4 get Act of 2006 (Chs. 47 and 48, Stats.  
 5 2006)..... 3,000,000  
 6

7 *SEC. 3. Item 4260-111-0001 of Section 2.00 of the Budget Act*  
 8 *of 2007 is amended to read:*  
 9

10 4260-111-0001—For local assistance, Department of Health  
 11 Care Services..... 162,616,000  
 12 Schedule:  
 13 (1) 20.10-Medical Care Services..... 5,119,000  
 14 (2) 20.25-Children’s Medical Services..... 266,860,000  
 15 (3) 20.35-Primary and Rural Health..... ~~43,289,000~~  
 16 *41,289,000*  
 17 (4) Reimbursements..... -14,825,000  
 18 (5) Amount payable from the Childhood  
 19 Lead Poisoning Prevention Fund (Item  
 20 4260-111-0080)..... -24,000  
 21 (6) Amount payable from the Unallocated  
 22 Account, Cigarette and Tobacco Prod-  
 23 ucts Surtax Fund (Item 4260-111-  
 24 0236)..... ~~-17,148,000~~  
 25 *-15,148,000*  
 26 (7) Amount payable from the Federal  
 27 Trust Fund (Item 4260-111-0890)..... -120,655,000  
 28 Provisions:  
 29 1. Program 20.25-Children’s Medical Services: Counties  
 30 may retain 50 percent of total enrollment and assess-  
 31 ment fees that are collected by the counties for the  
 32 California Children’s Services Program. Fifty percent  
 33 of the enrollment and assessment fee for each county  
 34 shall be offset from the state’s match for that county.  
 35 2. Notwithstanding any other provision of law, the De-  
 36 partment of Finance may authorize transfer of expen-  
 37 diture authority between this item and Items 4260-101-  
 38 0001, 4260-102-0001, and 4260-113-0001 in order to  
 39 effectively administer the programs funded in these  
 40 items. The Department of Finance shall notify the

Legislature within 10 days of authorizing such transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.

SEC. 4. Item 4260-111-0236 of Section 2.00 of the Budget Act of 2007 is amended to read:

4260-111-0236—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	17,148,000
	15,148,000

SEC. 5. Item 6110-101-0349 of Section 2.00 of the Budget Act of 2007 is amended to read:

6110-101-0349—For local assistance, Department of Education, Program 20.90-Instructional Support, for allocation to the Fiscal Crisis and Management Assistance Team for the purpose of administering the California School Information Services (CSIS) Program, payable from the Educational Telecommunication Fund.....	1,225,000
	3,235,000

Provisions:

1. Notwithstanding Section 10554 of the Education Code, the Controller shall transfer from the General Fund the actual amount certified by the Superintendent of Public Instruction as reductions made to apportionments in the 2006–07 fiscal year for repayments of prior year excess apportionments identified pursuant to audit or audit settlements identified as a result of audit investigations, or inquiries.
2. Of the funds appropriated in this item, \$828,000 is to be provided to non-CSIS participating school districts for support of maintenance of individual student identifiers.
3. Of the funds appropriated in this item, \$2,010,000 is to be provided to the Fiscal Crisis and Management Assistance Team on a one-time basis for the purpose

1 of administering the CSIS Program. These funds shall  
 2 be used to: (a) replace outdated server capacity, in-  
 3 cluding a three-year service agreement, (b) purchase  
 4 automated testing tools needed to address system sta-  
 5 bility and software testing, and (c) address technical  
 6 assistance workload.

7  
 8 *SEC. 6. Item 7100-001-0514 of Section 2.00 of the Budget Act*  
 9 *of 2007 is amended to read:*

10  
 11 7100-001-0514—For support of Employment Development  
 12 Department, for payment to Item 7100-001-0870, payable  
 13 from the Employment Training Fund..... 51,600,000  
 14 61,600,000

- 15 Provisions:
- 16 1. Upon order of the Director of Finance, funds disencum-  
 17 bered from Employment Training Fund training con-  
 18 tracts during the 2007–08 fiscal year that have not re-  
 19 verted as of July 1, 2007, may be appropriated in  
 20 augmentation of this item.
  - 21 2. Notwithstanding subparagraph (B) of paragraph (2)  
 22 of subdivision (a) of Section 10206 of the Unemploy-  
 23 ment Insurance Code, the Employment Training Pan-  
 24 nel’s administrative costs may exceed 15 percent of the  
 25 amount appropriated in this item.

26  
 27 *SEC. 7. Item 7100-001-0870 of Section 2.00 of the Budget Act*  
 28 *of 2007 is amended to read:*

29  
 30 7100-001-0870—For support of Employment Development  
 31 Department, payable from the Unemployment Administra-  
 32 tion Fund-Federal..... 523,595,000  
 33 Schedule:

- 34 (1) 10-Employment and Employment Re-  
 35 lated Services..... 168,065,000
- 36 (2) 21-Tax Collections and Benefit Pay-  
 37 ments..... 626,785,000
- 38 (3) 22-California Unemployment Insurance  
 39 Appeals Board..... 74,196,000
- 40 (4) 30.01-General Administration..... 56,859,000

1	(5) 30.02-Distributed General Administra-	
2	tion.....	-51,194,000
3	(6) 50-Employment Training Panel.....	46,345,000
4		56,345,000
5	(7) Reimbursements.....	-22,916,000
6	(8) Amount payable from the General	
7	Fund (Item 7100-001-0001).....	-25,176,000
8	(9) Amount payable from the Employment	
9	Development Department Benefit Au-	
10	dit Fund (Item 7100-001-0184).....	-14,621,000
11	(10) Amount payable from the Employment	
12	Development Contingent Fund (Item	
13	7100-001-0185).....	-67,435,000
14	(11) Amount payable from the Employment	
15	Training Fund (Item 7100-001-	
16	0514).....	-51,600,000
17		-61,600,000
18	(12) Amount payable from the Unemploy-	
19	ment Compensation Disability Fund	
20	(Item 7100-001-0588).....	-214,768,000
21	(13) Amount payable from the School Em-	
22	ployees Fund (Item 7100-001-0908)....	-945,000

- 23 Provisions:
- 24 1. Funds appropriated in this item are in lieu of the
  - 25 amounts that otherwise would have been appropriated
  - 26 pursuant to Section 1555 of the Unemployment Insur-
  - 27 ance Code.
  - 28 2. Provision 1 of Item 7100-001-0588 also applies to
  - 29 funds appropriated in this item for the Unemployment
  - 30 Insurance Program.
  - 31 3. No later than September 13, 2007, the Secretary of
  - 32 Labor and Workforce Development shall report to the
  - 33 Director of Finance and the Joint Legislative Budget
  - 34 Committee on the progress of the Underground
  - 35 Economy Enforcement Program and shall provide
  - 36 justification for its continuance.

37

38 *SEC. 8. (a) The sum of five million dollars (\$5,000,000) is*

39 *hereby appropriated from the General Fund to the Superintendent*

40 *of Public Instruction in augmentation of the amount appropriated*

1 in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the  
 2 Budget Act of 2007 (Chapter 171 of the Statutes of 2007). The  
 3 funds appropriated in this section are available for the provision  
 4 of wraparound care to children enrolled in state preschool  
 5 programs. The Superintendent of Public Instruction shall assign  
 6 priority for funds appropriated in this section for the provision of  
 7 wraparound care to children enrolled in prekindergarten and  
 8 family literacy programs authorized by Section 8238.4 of the  
 9 Education Code.

10 (b) For purposes of this act, “wraparound care” means child  
 11 care services provided to children enrolled in state preschool  
 12 programs for the portion of each day not otherwise covered by  
 13 services provided as part of those programs.

14 SEC. 9. (a) The sum of thirty-three million one hundred  
 15 thousand dollars (\$33,100,000) is hereby appropriated from the  
 16 General Fund to the Board of Governors of the California  
 17 Community Colleges, in augmentation of Schedule (2) (10.10.020  
 18 Basic Skills and Apprenticeship) of Item 6870-101-0001 of the  
 19 Budget Act of 2007 (Chapters 171 and 172 of the Statutes of 2007).

20 (b) These funds shall be available for the following purposes:

21 (1) The sum of one million six hundred thousand dollars  
 22 (\$1,600,000) for faculty and staff development to improve  
 23 curriculum, instruction, student services, and program practices  
 24 in the areas of basic skills and English as a Second Language  
 25 (ESL) programs. The Office of the Chancellor shall select a district,  
 26 utilizing a competitive process, to carry out these faculty and staff  
 27 development activities. All colleges receiving funds pursuant to  
 28 paragraph (2) shall be provided with the opportunity to participate  
 29 in the faculty and staff development programs specified in this  
 30 paragraph. The Chancellor shall report on the use of these funds  
 31 by the selected district to the Legislative Analyst and the  
 32 Department of Finance not later than September 1, 2008.

33 (2) The sum of thirty-one million five hundred thousand dollars  
 34 (\$31,500,000) for allocation by the Chancellor to community  
 35 college districts for improving outcomes of students who enter  
 36 college needing at least one course in ESL or basic skills, with  
 37 particular emphasis on students transitioning from high school.

38 (A) Funds allocated pursuant to this paragraph shall be  
 39 expended for program and curriculum planning and development,  
 40 student assessment, advisement and counseling services,

1 *supplemental instruction and tutoring, articulation, instructional*  
2 *materials and equipment, and any other purpose directly related*  
3 *to the enhancement of basic skills, ESL instruction, and related*  
4 *student programs. The allocated funds shall supplement, and not*  
5 *supplant, current expenditures by districts for matriculation and*  
6 *assessment services, basic skills, ESL instruction, and related*  
7 *student programs.*

8 *(B) To be eligible to receive funds pursuant to this paragraph,*  
9 *a district must submit to the Office of the Chancellor an application*  
10 *containing a certification that the college will, within the fiscal*  
11 *year, (i) complete an assessment of its programs and activities*  
12 *servicing basic skills and ESL students utilizing the assessment tool*  
13 *developed pursuant to paragraph (1) of Item 6870-493 of Section*  
14 *2.00 of the Budget Act of 2006 (Chapters 47 and 48 of the Statutes*  
15 *of 2006), and (ii) submit to the Office of the Chancellor an action*  
16 *and expenditure plan for funds received under this paragraph.*

17 *(C) The Office of the Chancellor shall work jointly with the*  
18 *Department of Finance and the Legislative Analyst to develop*  
19 *annual accountability measures for this program. It is the intent*  
20 *of the Legislature that annual performance accountability measures*  
21 *for this program utilize, to the extent possible, data available as*  
22 *part of the accountability system developed pursuant to Section*  
23 *84754.5 of the Education Code. By November 1, 2008, the*  
24 *Chancellor shall submit a report to the Governor and Legislature*  
25 *on the annual accountability measures developed pursuant to this*  
26 *process.*

27 *(D) The Chancellor shall distribute funds to districts on the*  
28 *basis of the following two factors, with equal weight given to each:*  
29 *(i) the number of full-time equivalent students generated in basic*  
30 *skills and ESL courses in the preceding fiscal year; and (ii) the*  
31 *number of full-time equivalent students generated in basic skills*  
32 *and ESL courses by students transitioning from high schools in*  
33 *the preceding fiscal year. For purposes of distributing these funds,*  
34 *the Chancellor may establish a minimum allocation of one hundred*  
35 *thousand dollars (\$100,000) per college.*

36 *SEC. 10. This act is an urgency statute necessary for the*  
37 *immediate preservation of the public peace, health, or safety within*  
38 *the meaning of Article IV of the Constitution and shall go into*  
39 *immediate effect. The facts constituting the necessity are:*

1     *In order to ensure that state programs are properly funded for*  
2     *the 2007–08 fiscal year, it is necessary that this act take effect*  
3     *immediately.*

O