

AMENDED IN ASSEMBLY JULY 19, 2007

AMENDED IN ASSEMBLY JULY 16, 2007

SENATE BILL

No. 78

Introduced by ~~Committee on Budget and Fiscal Review~~ *Senator
Ducheny*

January 17, 2007

An act relating to the Budget Act of 2007 to amend and supplement the Budget Act of 2007 by amending Items 0502-001-9730, 0510-001-0001, 0855-001-0367, 1111-003-0001, 1760-001-0001, 1760-001-0666, 2660-001-0042, 2665-001-0046, 2720-001-0044, 3790-001-0001, 3900-001-0044, 3900-001-0115, 3910-001-0387, 3940-001-0001, 3940-001-0193, 4200-101-0001, 4200-101-3019, 4200-105-0001, 4280-101-0001, 4280-111-0232, 4280-111-0233, 4280-112-0232, 4280-112-0233, 4440-011-0001, 4440-103-0001, 4440-115-0001, 5180-101-0001, 5180-101-0514, 5180-101-0890, 5180-111-0001, 5180-141-0001, 5180-141-0890, 5180-151-0001, 5180-403, 5225-101-0001, 6110-009-0001, 6110-111-0001, 6110-113-0001, 6110-188-0001, 6110-227-0001, 6110-485, 6110-495, 7100-001-0514, 7100-001-0870, 8860-001-0001, 8860-002-0001, and 9350-104-6065, of, by adding Items 0690-001-6061, 0690-001-6073, 0690-101-6061, 0690-101-6073, 2660-004-6072, 2660-104-6072, 2660-304-6072, 4280-111-0236, and 6110-111-0046 to, and by repealing Items 0690-001-6054, 0690-101-6054, 2660-004-6053, 2660-004-6056, 2660-004-6060, 2660-104-6053, 2660-104-6056, 2660-104-6060, 2660-304-6053, and 2660-304-6056 of, Section 2.00 of, and by amending Sections 4.05, 12.32, and 35.50 of, and by adding Sections 9.00, 11.15, 24.80, and 29.50 to, that act, relating to the State Budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 78, as amended, ~~Committee on Budget and Fiscal Review Ducheny~~. Budget Act of 2007.

SB 77, as proposed by Conference Report No. 1 on July 9, 2007, would make appropriations for the support of state government for the 2007–08 fiscal year.

~~This bill would express the intent of the Legislature to make statutory changes relating to the Budget Act of 2007 amend and supplement the Budget Act of 2007 by revising items of appropriation for the Office of the Chief Information Officer; the Secretary of State and Consumer Services; the Office of Emergency Services; the California Gambling Control Commission; the Department of Consumer Affairs; the Department of General Services; the Department of Transportation; the Department of the California Highway Patrol; the Department of Parks and Recreation; the State Air Resources Board; the California Integrated Waste Management Board; the State Water Resources Control Board; the State Department of Alcohol and Drug Programs; the Managed Risk Medical Insurance Board; the State Department of Mental Health; the State Department of Social Services; the Department of Corrections and Rehabilitation; the State Department of Education; the Employment Development Department; and the Department of Finance.~~

This bill would become operative only if SB 77, as proposed by Conference Report No. 1 on July 9, 2007, is enacted on or before January 1, 2008.

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

Vote: ~~majority~~^{2/3}. 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 make statutory~~
- 2 ~~changes relating to the Budget Act of 2007.~~
- 3 *SECTION 1. Item 0502-001-9730 of Section 2.00 of the Budget*
- 4 *Act of 2007 is amended to read:*

1 0502-001-9730—For support of the Office of the Chief Infor-
 2 mation Officer, payable from the Department of Technol-
 3 ogy Services Revolving Fund..... 3,500,000
 4 4,640,000

5 Schedule:

6 (1) Office of the Chief Information Offi-
 7 cer..... 3,500,000
 8 4,640,000

9 Provisions:

10 1. By March 1, 2008, the Office of the Chief Information
 11 Officer shall deliver a five-year project plan for
 12 achieving the administration’s stated direction of im-
 13 proving the state’s information technology (IT) effec-
 14 tiveness. The project plan shall include a timeline,
 15 milestones, and well-defined deliverables that include,
 16 but are not limited to: (a) a minimum skill set for state
 17 IT project managers, including the state budgeting and
 18 contracting processes, (b) a process by which IT pro-
 19 ject managers will be certified to the minimum skill
 20 level before they assume an IT project leadership as-
 21 signment, and (c) a process for identifying and apply-
 22 ing current technologies to enable data sharing across
 23 state systems as a means to reduce state business and
 24 IT process redundancy and inefficiencies.

25
26 *SEC. 2. Item 0510-001-0001 of Section 2.00 of the Budget Act*
27 *of 2007 is amended to read:*

28
29 0510-001-0001—For support of Secretary of State and Con-
 30 sumer Services..... 804,000
 31 1,649,000

32 Schedule:

33 (1) Support..... 1,426,000
 34 2,271,000
 35 (2) Reimbursements..... -622,000
 36

37 *SEC. 3. Item 0690-001-6054 of Section 2.00 of the Budget Act*
38 *of 2007 is repealed.*

1 0690-001-6054—For support of the Office of Emergency Ser-
 2 vices, for payment to Item 0690-001-0001, payable from
 3 the Port and Maritime Security Account..... 1,105,000
 4

5 *SEC. 4. Item 0690-001-6061 is added to Section 2.00 of the*
 6 *Budget Act of 2007, to read:*
 7

8 0690-001-6061—For support of the Office of Emergency Ser-
 9 vices, for payment to Item 0690-001-0001, payable from
 10 the Transit System Safety, Security, and Disaster Response
 11 Account..... 1,456,000
 12

13 *SEC. 5. Item 0690-001-6073 is added to Section 2.00 of the*
 14 *Budget Act of 2007, to read:*
 15

16 0690-001-6073—For support of the Office of Emergency Ser-
 17 vices, for payment to Item 0690-001-0001, payable from
 18 the Port and Maritime Security Account..... 1,105,000
 19

20 *SEC. 6. Item 0690-101-6054 of Section 2.00 of the Budget Act*
 21 *of 2007 is repealed.*
 22

23 ~~0690-101-6054—For local assistance, Office of Emergency~~
 24 ~~Services, payable from the Port and Maritime Security~~
 25 ~~Account..... 40,000,000~~
 26 ~~Schedule:~~
 27 ~~(1) 10-Support of Office of Homeland Secu-~~
 28 ~~rity..... 40,000,000~~
 29

30 *SEC. 7. Item 0690-101-6061 is added to Section 2.00 of the*
 31 *Budget Act of 2007, to read:*
 32

33 0690-101-6061—For support of the Office of Emergency Ser-
 34 vices, payable from the Transit System Safety, Security,
 35 and Disaster Response Account..... 100,000,000
 36 Schedule:
 37 (1) 10-Support of Office of Homeland Se-
 38 curity..... 100,000,000
 39

1 SEC. 8. Item 0690-101-6073 is added to Section 2.00 of the
2 Budget Act of 2007, to read:

3
4 0690-101-6073—For local assistance, Office of Emergency
5 Services, payable from the Port and Maritime Security
6 Account..... 40,000,000
7 Schedule:
8 (1) 10-Support of Office of Homeland Secu-
9 rity..... 40,000,000

10
11 SEC. 9. Item 0855-001-0367 of Section 2.00 of the Budget Act
12 of 2007 is amended to read:

13
14 0855-001-0367—For support of California Gambling Control
15 Commission, payable from the Indian Gaming Special
16 Distribution Fund..... 7,129,000
17 8,029,000
18 Schedule:
19 (1) 10-California Gambling Control Com-
20 mission..... 7,129,000
21 8,029,000

22
23 SEC. 10. Item 1111-003-0001 of Section 2.00 of the Budget
24 Act of 2007 is amended to read:

25
26 1111-003-0001—For support of Office of Privacy Protection,
27 Department of Consumer Affairs..... 826,000
28 395,000
29 Schedule:
30 (1) 40-Office of Privacy Protection..... 861,000
31 430,000
32 (2) Reimbursements..... -35,000

33
34 SEC. 11. Item 1760-001-0001 of Section 2.00 of the Budget
35 Act of 2007 is amended to read:

36
37 1760-001-0001—For support of Department of General Ser-
38 vices, for payment to Item 1760-001-0666..... 10,894,000
39 11,794,000

1 Provisions:
 2 1. The amount appropriated in this item is for State
 3 Capitol repairs.

4
 5 *SEC. 12. Item 1760-001-0666 of Section 2.00 of the Budget*
 6 *Act of 2007 is amended to read:*

7
 8 1760-001-0666—For support of Department of General Services,
 9 payable from the Service Revolving Fund..... 718,655,000

10 Schedule:

11	(1) Program support.....	978,545,000
12		979,445,000
13	(2) Distributed services.....	-11,145,000
14	(3) Reimbursements—Lease revenue.....	-129,000
15	(5) Amount payable from the General	
16	Fund (Item 1760-001-0001).....	-10,894,000
17		-11,794,000
18	(6) Amount payable from the General Fund	
19	(Item 1760-002-0001).....	-338,000
20	(7) Amount payable from the Property Ac-	
21	quisition Law Money Account (Item	
22	1760-001-0002).....	-4,674,000
23	(8) Amount payable from the Motor Vehicle	
24	Parking Facilities Moneys Account	
25	(Item 1760-001-0003).....	-2,238,000
26	(9) Amount payable from the State Emer-	
27	gency Telephone Number Account	
28	(Item 1760-001-0022).....	-2,308,000
29	(10) Amount payable from the State Motor	
30	Vehicle Insurance Account (Item 1760-	
31	001-0026).....	-5,534,000
32	(11) Amount payable from the Indian Gam-	
33	ing Special Distribution Fund (Item	
34	1760-001-0367).....	-50,000
35	(12) Amount payable from the Seismic Gas	
36	Valve Certification Fee Account (Item	
37	1760-001-0450).....	-75,000
38	(13) Amount payable from the Energy Re-	
39	sources Programs Account (Item 1760-	
40	001-0465).....	-1,549,000

1	(14) Amount payable from the Architecture	
2	Revolving Fund (Item 1760-001-	
3	0602).....	-41,283,000
4	(15) Amount payable from the State School	
5	Building Aid Fund (Item 1760-001-	
6	0739).....	-289,000
7	(16) Amount payable from the State School	
8	Deferred Maintenance Fund (Item	
9	1760-001-0961).....	-153,000
10	(17) Amount payable from the 2004 State	
11	School Facilities Fund (Item 1760-	
12	001-6044).....	-12,525,000
13	(18) Amount payable from the 2006 State	
14	School Facilities Fund (Item 1760-001-	
15	6057).....	-575,000
16	(19) Amount payable from the Motor Vehi-	
17	cle Parking Facilities Moneys Account	
18	(Item 1760-002-0003).....	-1,094,000
19	(20) Amount payable from the Service	
20	Revolving Fund (Item 1760-002-	
21	0666).....	-150,619,000
22	(21) Amount payable from the Service Re-	
23	volving Fund (Item 1760-003-	
24	0666).....	-14,418,000

- 25 Provisions:
- 26 1. Notwithstanding any other provision of law, revenues
 - 27 from the sale of legislative bills and publications re-
 - 28 ceived by the Legislative Bill Room shall be deposited
 - 29 in the Service Revolving Fund.
 - 30 2. Notwithstanding any other provision of law, if the
 - 31 Director of General Services determines in writing
 - 32 that there is insufficient cash in a special fund under
 - 33 his or her authority to make one or more payments
 - 34 currently due and payable, he or she may order the
 - 35 transfer of moneys to that special fund in the amount
 - 36 necessary to make payment or payments, as a loan
 - 37 from the Service Revolving Fund. That loan shall be
 - 38 subject to all of the following conditions:

- 1 (a) No loan shall be made that would interfere with
- 2 the carrying out of the object for which the Ser-
- 3 vice Revolving Fund was created.
- 4 (b) The loan shall be repaid as soon as there are suf-
- 5 ficient moneys in the recipient fund to repay the
- 6 amount loaned, but no later than 18 months after
- 7 the date of the loan. The amount loaned shall not
- 8 exceed the amount that the fund or program is
- 9 authorized at the time of the loan to expend during
- 10 the 2007–08 fiscal year from the recipient fund
- 11 except as otherwise provided in Provisions 4, 5,
- 12 and 6.
- 13 (c) The terms and conditions of the loan are approved,
- 14 prior to the transfer of funds, by the Department
- 15 of Finance pursuant to appropriate fiscal stan-
- 16 dards.
- 17 3. The Director of General Services may augment this
- 18 item or any of Items 1760-001-0002, 1760-001-0003,
- 19 1760-001-0026, and 1760-001-0602, by up to an ag-
- 20 gregate of 10 percent in cases where (a) the Legislature
- 21 has approved funds for a customer for the purchase of
- 22 services or equipment through the Department of
- 23 General Services (DGS) and the corresponding expen-
- 24 diture authority has not been provided in this item or
- 25 (b) a local government entity or the federal government
- 26 has requested services from the DGS. Any augmenta-
- 27 tion that is deemed to be necessary on a permanent
- 28 basis shall be submitted for review as part of the nor-
- 29 mal budget development process. If the Director of
- 30 General Services augments this item or Item 1760-
- 31 001-0002, 1760-001-0003, 1760-001-0026, or 1760-
- 32 001-0602, the DGS shall notify the Department of Fi-
- 33 nance within 30 days after that augmentation is made
- 34 as to the amount, justification, and the program aug-
- 35 mented. Any augmentation made in accordance with
- 36 this provision shall not result in an increase in any rate
- 37 charged to other departments for services or the pur-
- 38 chase of goods without the prior written consent of
- 39 the Department of Finance. The Director of General
- 40 Services shall not use this provision to augment this

- 1 item or Item 1760-001-0002, 1760-001-0003, 1760-
2 001-0026, or 1760-001-0602 for costs that the Depart-
3 ment of General Services had knowledge of in time
4 to include in the May Revision.
- 5 4. If this item or Item 1760-001-0002, 1760-001-0003,
6 1760-001-0026, or 1760-001-0602 is augmented pur-
7 suant to Provision 3 by the maximum allowed under
8 that provision, the Director of Finance may further
9 augment the item or items in cases where (a) the Leg-
10 islature has approved funds for a customer for the
11 purchase of services or equipment through the Depart-
12 ment of General Services (DGS) and the corresponding
13 expenditure authority has not been provided in these
14 items, or (b) a local government entity or the federal
15 government has requested services from the DGS. Any
16 augmentation that is deemed to be necessary on a
17 permanent basis shall be submitted for review as part
18 of the normal budget development process. The Direc-
19 tor of Finance shall not use this provision to augment
20 this item or Item 1760-001-0002, 1760-001-0003,
21 1760-001-0026, or 1760-001-0602 for costs that the
22 Departments of Finance or General Services had
23 knowledge of in time to include in the May Revision.
- 24 5. The Director of General Services may augment this
25 item and Items 1760-001-0026 and 1760-001-0003 to
26 increase authorized expenditures by the Office of State
27 Publishing, the Office of Risk and Insurance Manage-
28 ment, the Office of Fleet Administration, the Office
29 of Energy Management, and the Office of Public
30 Safety Radio Services. The augmentation shall be for
31 the specific purpose of enabling the Office of State
32 Publishing, the Office of Risk and Insurance Manage-
33 ment, the Office of Fleet Administration, the Energy
34 Services Program, and the Office of Public Safety
35 Radio Services to provide competitive services to their
36 customers (including local government entities or the
37 federal government) and may be made only if the of-
38 fice has sufficient operating reserves available to fund
39 the augmentation. If the Director of General Services
40 proposes to augment either of the items in this provi-

1 sion, the director shall notify the Department of Fi-
2 nance, the chairpersons of the fiscal committees of
3 each house of the Legislature, and the Chairperson of
4 the Joint Legislative Budget Committee 30 days prior
5 to making the augmentation, including the amount,
6 justification, and the office augmented. Any augmen-
7 tation that is deemed to be necessary on a permanent
8 basis shall be submitted for review as part of the nor-
9 mal budget development process.

10 6. Any augmentation made pursuant to Provisions 3 and
11 4 shall be reported in writing to the chairpersons of
12 the fiscal committees of each house of the Legislature
13 and the Chairperson of the Joint Legislative Budget
14 Committee within 30 days of the date the augmentation
15 is approved. This notification shall be provided in a
16 format consistent with normal budget change requests,
17 including identification of the amount of, and justifi-
18 cation for, the augmentation, and the program that has
19 been augmented. Copies of the notification shall be
20 provided to the Department of Finance.

21 7. Notwithstanding any other provision of law, the Direc-
22 tor of General Services or his or her designee, in lieu
23 of the Director of Finance, is authorized to approve
24 Budget Revision, Standard Form 26, subject to a copy
25 being provided to the Department of Finance.

26 8. Notwithstanding any other provision of law, due to
27 the inability to issue energy efficiency revenue bonds
28 pursuant to Chapter 2.7 (commencing with Section
29 15814.10) of Part 10b of Division 3 of Title 2 of the
30 Government Code, in order to repay the General Fund
31 for the cost of completing energy efficiency projects
32 on specified buildings, the Department of General
33 Services shall, within 10 fiscal years, recover an
34 amount sufficient to repay the costs associated with
35 completed energy efficiency projects plus 5 percent
36 interest, through utility rates charged to tenants. On
37 August 1 of each fiscal year beginning with the
38 2005–06 fiscal year, the Department of General Ser-
39 vices shall transfer that amount to the General Fund.
40 Once the General Fund has been fully repaid, the De-

- 1 department of General Services shall adjust utility rates
2 for all tenants to accurately reflect the current rates.
- 3 9. The Director of Finance is authorized to increase this
4 item for purposes of funding tenant improvement
5 projects to facilitate the backfill of vacant space within
6 stand-alone Department of General Services (DGS)
7 bond funded office buildings. This provision shall
8 only be used to augment expenditure authority for
9 DGS stand-alone individual rate office buildings where
10 a \$0.03 tenant improvement surcharge has been ap-
11 proved by the Department of Finance and is included
12 in the monthly rental rate. Department of Finance ap-
13 proval is contingent upon justification for the proposed
14 tenant improvement projects to be provided by the
15 DGS including an analysis of cost impacts and how
16 the tenant improvements will improve the state's uti-
17 lization of the facility. Any augmentation made in ac-
18 cordance with this provision shall not result in an in-
19 crease in any rate charged to other departments for
20 services without the prior written consent of the De-
21 partment of Finance. Any augmentation made pursuant
22 to this provision may be authorized not sooner than
23 30 days after notification in writing to the chairpersons
24 of the fiscal committees of each house of the Legisla-
25 ture and the Chairperson of the Joint Legislative
26 Budget Committee.
- 27 10. The Department of General Services shall provide an
28 implementation progress report to the Department of
29 Finance and the appropriate fiscal committees of the
30 Legislature on April 1, 2009, and on April 1, 2010, to
31 provide the status of the following areas: (a) progress
32 on meeting statewide fleet utilization targets, (b) dis-
33 posal of vehicles not meeting minimum utilization
34 standards, (c) trend of statewide fleet size, (d) trend
35 of statewide fleet average fuel efficiency, (e) time-
36 frames associated with producing standard and ad hoc
37 reports, and (f) savings and cost avoidances achieved
38 to date and potential for additional savings and cost
39 avoidances.
40

1 SEC. 13. Item 2660-001-0042 of Section 2.00 of the Budget
2 Act of 2007 is amended to read:

3
4 2660-001-0042—For support of Department of Transporta-
5 tion, payable from the State Highway Account, State
6 Transportation Fund..... 2,604,048,000

7 Schedule:

8 (1) 10-Aeronautics..... 3,436,000

9 (2) 20.10-Highway Transportation—Cap-
10 ital Outlay Support..... 1,610,517,000

11 (3) 20.30-Highway Transportation— Local
12 Assistance..... ~~41,393,000~~
13 39,829,000

14 (4) 20.40-Highway Transportation— Pro-
15 gram Development..... 75,198,000

16 (5) 20.65-Highway Transportation— Le-
17 gal..... 78,337,000

18 (6) 20.70-Highway Transportation— Op-
19 erations..... 187,143,000

20 (7) 20.80-Highway Transporta-
21 tion—Maintenance..... 1,130,082,000

22 (8) 30-Mass Transportation..... 124,813,000

23 (9) 40-Transportation Planning..... 104,337,000

24 (10) 50.00-Administration..... ~~376,498,000~~
25 375,982,000

26 (11) 60.10-Equipment Service Program
27 Costs..... 179,942,000

28 (11.5) 60.20-Distributed Equipment Ser-
29 vice Program Costs..... -179,942,000

30 (12) Reimbursements..... -328,261,000

31 (13) Amount payable from the Aeronautics
32 Account, State Transportation Fund
33 (Item 2660-001-0041)..... -3,374,000

34 (14) Amount payable from the Bicycle
35 Transportation Account, State Trans-
36 portation Fund (Item 2660-001-
37 0045)..... -10,000

1	(15) Amount payable from the Public	
2	Transportation Account, State	
3	Transportation Fund (Item 2660-001-	
4	0046).....	-142,503,000
5	(16) Amount payable from the Historic	
6	Property Maintenance Fund (Item 2660-	
7	001-0365).....	-1,557,000
8	(16.5) Amount payable from the Seismic	
9	Retrofit Bond Fund of 1996 (Section	
10	8879.3 of the Government Code).....	-593,000
11	(17) Amount payable from the Federal	
12	Trust Fund (Item 2660-001-0890)....	-529,838,000
13	(18) Amount payable from the Transporta-	
14	tion Financing Subaccount, State	
15	Highway Account, State Transporta-	
16	tion Fund (Item 2660-001-6801).....	-11,066,000
17	(19) Amount payable from the <i>State Route</i>	
18	<i>99 Account</i> , Highway Safety, Traffic	
19	Reduction, Air Quality, and Port Secu-	
20	rity Fund of 2006 (Item 2660-004-6053	
21	2660-004-6072).....	-8,281,000
22	(21) Amount payable from the Corridor	
23	Mobility Improvement Account,	
24	Highway Safety, Traffic Reduction,	
25	Air Quality, and Port Security Fund of	
26	2006 (Item 2660-004-6055).....	-14,085,000
27	(22) Amount payable from the Trade Corri-	
28	dors Improvement Fund (Item 2660-	
29	004-6056).....	-1,427,000
30	(23) Amount payable from the Transporta-	
31	tion Facilities Account, Highway	
32	Safety, Traffic Reduction, Air Quality,	
33	and Port Security Fund of 2006 (Item	
34	2660-004-6058).....	-63,188,000
35	(24) Amount payable from the Public	
36	Transportation Modernization, Improve-	
37	ment, and Service Enhancement Ac-	
38	count, Highway Safety, Traffic Reduc-	
39	tion, Air Quality, and Port Security	
40	Fund of 2006 (Item 2660-004-6059)....	-1,047,000

1	(25) Amount payable from the State-Local	
2	Partnership Program Account, Highway	
3	Safety, Traffic Reduction, Air Quality,	
4	and Port Security Fund of 2006 (Item	
5	2660-004-6060).....	-653,000
6	(26) Amount payable from the Local Bridge	
7	Seismic Retrofit Account, Highway	
8	Safety, Traffic Reduction, Air Quality,	
9	and Port Security Fund of 2006 (Item	
10	2660-004-6062).....	-86,000
11	(27) Amount payable from the Highway-	
12	Railroad Crossing Safety Account,	
13	Highway Safety, Traffic Reduction, Air	
14	Quality, and Port Security Fund of 2006	
15	(Item 2660-004-6063).....	-547,000
16	(28) Amount payable from the Highway	
17	Safety, Rehabilitation, and Preserva-	
18	tion Account, Highway Safety, Traffic	
19	Reduction, Air Quality, and Port Secu-	
20	rity Fund of 2006 (Item 2660-004-	
21	6064).....	-21,190,000

- 22 Provisions:
- 23 1. For purposes of the funds appropriated in Schedules
 - 24 (2) to (7), inclusive, Program 20—Highway Transporta-
 - 25 tion, upon approval of the Department of Finance, the
 - 26 Department of Transportation shall notify the chairper-
 - 27 sons of the fiscal committees of both houses of the
 - 28 Legislature and the Chairperson of the Joint Legislative
 - 29 Budget Committee at least 20 days prior to spending
 - 30 funds to expand activities above budgeted levels or to
 - 31 implement a new activity not identified in this act, in-
 - 32 cluding any of those expenditures to be funded through
 - 33 a transfer of moneys from other expenditure categories
 - 34 or programs, except in the case of emergency work
 - 35 increases caused by fire, snow, storm, or earth move-
 - 36 ment damage.
 - 37 2. From funds appropriated in this item, the Department
 - 38 of Transportation may enter into interagency agree-
 - 39 ments with the Department of the California Highway
 - 40 Patrol to compensate that department for the cost of

- 1 work performed by patrol officers at or near state
2 highway construction projects so as to reduce the risk
3 of occurrence of serious motor vehicle accidents.
- 4 3. Notwithstanding any other provision of law, funds
5 appropriated in this item from the State Highway Ac-
6 count may be reduced and replaced by an equivalent
7 amount of federal funds determined by the Department
8 of Transportation to be available and necessary to
9 comply with Section 8.50 and the most effective
10 management of state transportation resources. Not
11 more than 30 days after replacing the state funds with
12 federal funds, the Director of Finance shall notify in
13 writing the chairpersons of the committees in each
14 house of the Legislature that consider appropriations
15 and the Chairperson of the Joint Legislative Budget
16 Committee of this action.
- 17 4. Notwithstanding any other provision of law, funding
18 appropriated in this item may be transferred to Item
19 2660-005-0042 to pay for any necessary insurance,
20 debt service, and other financing-related expenditures
21 for Department of Transportation-owned office
22 buildings. Any transfer will require the prior approval
23 of the Department of Finance.
- 24 5. The funds appropriated in Schedule (2) for external
25 consultant and professional services related to project
26 delivery (also known as 232 contracts) that are unen-
27 cumbered or encumbered but unexpended related to
28 work that will not be performed during the fiscal year
29 shall revert to the fund from which they were appropri-
30 ated.
- 31 6. Notwithstanding any other provision of law, funds
32 appropriated in this item may be supplemented with
33 federal funding appropriation authority and with prior
34 fiscal year State Highway Account appropriation bal-
35 ances at a level determined by the Department of
36 Transportation as required to process claims utilizing
37 federal advance construction through the plan of finan-
38 cial adjustment process pursuant to Sections 11251
39 and 16365 of the Government Code.

- 1 7. Of the funds appropriated in Schedule (7), \$588,000
2 is for the maintenance of the new Route 125 toll road
3 in San Diego County. This full amount shall not be
4 available for expenditure until the Department of
5 Transportation has entered into a contract with the
6 contractor for the year in which funds are to be expend-
7 ed.
- 8 8. Notwithstanding any other provision of law, funds
9 appropriated in Item 2660-001-0042, 50.00-Adminis-
10 tration from the State Highway Account, may be re-
11 duced and replaced by an equivalent amount of Reim-
12 bursements funds determined by the Department of
13 Transportation to be available and necessary to comply
14 with Section 28.50 and the most effective management
15 of state transportation resources. The Reimbursements
16 Account may also be reduced and replaced by an
17 equivalent amount of funds from the State Highway
18 Account. Not more than 30 days after replacing the
19 State Highway Account funds with Reimbursements
20 funds and vice versa, the Director of Finance shall
21 notify in writing the chairpersons of the committees
22 in each house of the Legislature that consider appro-
23 priations and the Chairperson of the Joint Legislative
24 Budget Committee of this action.
- 25 9. Not more than \$1,400,000 appropriated in this item is
26 available for support of the Department of Transporta-
27 tion’s Owner Controlled Insurance Program to admin-
28 ister insurance coverage for contractors on projects
29 with combined total costs not to exceed \$750,000,000.
- 30 10. Of the funds appropriated in this item, \$214,000,000
31 is for major maintenance contracts for the preservation
32 of highway pavement, and shall not be used to supplant
33 any other funding that would have been used for major
34 pavement maintenance.
- 35 11. Of the funds appropriated in Schedule (5), \$48,600,000
36 is for the payment of tort lawsuit claims and awards.
37 Any funds for that purpose that are unencumbered as
38 of April 1, 2008, may be transferred to Item 2660-302-
39 0042. Any transfer shall require the prior approval of
40 the Department of Finance.

- 1 12. Of the funds appropriated in Schedule (7), \$7,167,000
2 shall be used to fund expansion of the Department of
3 Transportation's 800 MHz Radio System in District
4 10.
- 5 13. Of the funds appropriated in Schedule (2), \$1,742,000
6 shall be used to fund 2.0 positions and contracts for
7 the monitoring of underground storage tank sites.
- 8 14. Of the funds appropriated in Schedule (6), \$1,200,000
9 shall be used to fund a two-year pilot project to test
10 the viability of purchasing real-time traffic data collect-
11 ed from virtual traffic monitoring stations.
- 12 15. Of the funds appropriated in Schedules (6) and (7),
13 \$11,206,000 shall be used for the maintenance, engi-
14 neering, and repair of intelligent transportation systems
15 and the associated field elements.
- 16 16. Of the funds appropriated in Schedule (8), \$6,552,000
17 shall be available to pay for increased Amtrak operat-
18 ing costs once an agreement is signed by both the
19 Department of Transportation and the Office of State
20 Audits and Evaluations in the Department of Finance
21 for an audit of the Department of Transportation's inter-
22 city rail program. Phase I of this audit, to be com-
23 pleted no later than December 31, 2007, shall include,
24 but not be limited to, an accurate measure of the daily
25 average and peak ridership for each segment of Cal-
26 trans' intercity rail routes, actual existing rail equip-
27 ment availability and ridership capacity, train sched-
28 ules, and trainset configurations utilized to support
29 ridership demand. Phase II of this audit, to be complet-
30 ed by March 31, 2008, shall include, but not be limited
31 to, an accurate measure of Caltrans' methodology for
32 forecasting future ridership and rail equipment require-
33 ments.
- 34 18. Of the funds appropriated in this item, \$125,000 shall
35 be used for the reimbursement of the Office of State
36 Audits and Evaluations within the Department of Fi-
37 nance for audit and consulting services related to the
38 Department of Transportation's administration of the
39 workers' compensation system. Upon completion of
40 the audit report, the Office of State Audits and Evalu-

1 ations shall provide a copy to the appropriate fiscal
2 committees of the Legislature and the Legislative
3 Analyst.

4 19: Notwithstanding Section 183.1 of the Streets and
5 Highways Code, the transfer of revenue from the State
6 Highway Account in the State Transportation Fund to
7 the Public Transportation Account in the State Trans-
8 portation Fund, described in subdivision (b) of that
9 section, is suspended to June 30, 2008.

10
11 SEC. 14. Item 2660-004-6053 of Section 2.00 of the Budget
12 Act of 2007 is repealed.

13
14 ~~2660-004-6053—For support of Department of Transportation,
15 for payment to Item 2660-001-0042, payable from the
16 Highway Safety, Traffic Reduction, Air Quality, and Port
17 Security Fund of 2006..... 8,281,000~~

18
19 SEC. 15. Item 2660-004-6056 of Section 2.00 of the Budget
20 Act of 2007 is repealed.

21
22 ~~2660-004-6056—For support of Department of Transportation,
23 for payment to Item 2660-001-0042, payable from the
24 Trade Corridors Improvement Fund..... 1,427,000~~

25
26 SEC. 16. Item 2660-004-6060 of Section 2.00 of the Budget
27 Act of 2007 is repealed.

28
29 ~~2660-004-6060—For support of Department of Transportation,
30 for payment to Item 2660-001-0042, payable from the
31 State-Local Partnership Program Account, Highway Safety,
32 Traffic Reduction, Air Quality, and Port Security Fund of
33 2006..... 653,000~~

34
35 SEC. 17. Item 2660-004-6072 is added to Section 2.00 of the
36 Budget Act of 2007, to read:

1 2660-004-6072—For support of Department of Transportation,
 2 for payment to Item 2660-001-0042, payable from the State
 3 Route 99 Account, Highway Safety, Traffic Reduction, Air
 4 Quality, and Port Security Fund of 2006..... 8,281,000
 5

6 *SEC. 18. Item 2660-104-6053 of Section 2.00 of the Budget*
 7 *Act of 2007 is repealed.*
 8

9 ~~2660-104-6053—For local assistance, Department of Transporta-~~
 10 ~~tion, non-State Transportation Improvement Program~~
 11 ~~(STIP), payable from the Highway Safety, Traffic Reduc-~~
 12 ~~tion, Air Quality, and Port Security Fund of 2006..... 1,000~~
 13

14 ~~Schedule:~~
 15 ~~(1) 20.30-Highway Transportation—Local~~
 16 ~~Assistance..... 1,000~~

17 ~~Provisions:~~
 18 ~~1. These funds shall be available for allocation by the~~
 19 ~~California Transportation Commission until June 30,~~
 20 ~~2010, and available for encumbrance and liquidation~~
 21 ~~until June 30, 2013.~~
 22 ~~2. Notwithstanding any other provision of law, funds~~
 23 ~~appropriated in this item may be transferred to Item~~
 24 ~~2660-304-6053. These transfers shall require the prior~~
 25 ~~approval of the Department of Finance.~~

26 *SEC. 19. Item 2660-104-6056 of Section 2.00 of the Budget*
 27 *Act of 2007 is repealed.*
 28

29 ~~2660-104-6056—For local assistance, Department of Transporta-~~
 30 ~~tion, non-State Transportation Improvement Program~~
 31 ~~(STIP), payable from the Trade Corridors Improvement~~
 32 ~~Fund..... 132,000,000~~
 33

34 ~~Schedule:~~
 35 ~~(1) 20.30-Highway Transportation—Local~~
 36 ~~Assistance..... 132,000,000~~

37 ~~Provisions:~~
 38 ~~1. These funds shall be available for allocation by the~~
 39 ~~California Transportation Commission until June 30,~~
 40 ~~2010, and available for encumbrance and liquidation~~
 until June 30, 2013.

1 2. Notwithstanding any other provision of law, funds
 2 appropriated in this item may be transferred to Item
 3 2660-304-6056. These transfers shall require the prior
 4 approval of the Department of Finance.

5
 6 *SEC. 20. Item 2660-104-6060 of Section 2.00 of the Budget*
 7 *Act of 2007 is repealed.*

8
 9 ~~2660-104-6060—For local assistance, Department of Transporta-~~
 10 ~~tion, non-State Transportation Improvement Program~~
 11 ~~(STIP), payable from the State-Local Partnership Program~~
 12 ~~Account, Highway Safety, Traffic Reduction, Air Quality,~~
 13 ~~and Port Security Fund of 2006..... 200,000,000~~

14 Schedule:
 15 (1) ~~20.30-Highway Transportation—Local~~
 16 ~~Assistance..... 200,000,000~~

17 Provisions:
 18 ~~1. These funds shall be available for allocation by the~~
 19 ~~California Transportation Commission until June 30,~~
 20 ~~2010, and available for encumbrance and liquidation~~
 21 ~~until June 30, 2013.~~

22
 23 *SEC. 21. Item 2660-104-6072 is added to Section 2.00 of the*
 24 *Budget Act of 2007, to read:*

25
 26 2660-104-6072—*For local assistance, Department of Trans-*
 27 *portation, non-State Transportation Improvement Program*
 28 *(STIP), payable from the State Route 99 Account, Highway*
 29 *Safety, Traffic Reduction, Air Quality, and Port Security*
 30 *Fund of 2006..... 1,000*

31 Schedule:
 32 (1) *20.30-Highway Transportation—Local*
 33 *Assistance..... 1,000*

34 Provisions:
 35 1. *These funds shall be available for allocation by the*
 36 *California Transportation Commission until June 30,*
 37 *2010, and available for encumbrance and liquidation*
 38 *until June 30, 2013.*
 39 2. *Notwithstanding any other provision of law, funds*
 40 *appropriated in this item may be transferred to Item*

1 2660-304-6072. These transfers shall require the prior
2 approval of the Department of Finance.

3
4 SEC. 22. Item 2660-304-6053 of Section 2.00 of the Budget
5 Act of 2007 is repealed.

6
7 ~~2660-304-6053—For capital outlay, Department of Transporta-~~
8 ~~tion, non-State Transportation Improvement Program~~
9 ~~(STIP), payable from the Highway Safety, Traffic Redue-~~
10 ~~tion, Air Quality, and Port Security Fund of 2006..... 5,999,000~~

11 Schedule:

12 ~~(1) 20-Highway Transportation..... 5,999,000~~

13 Provisions:

14 1. ~~These funds shall be available for allocation by the~~
15 ~~California Transportation Commission until June 30,~~
16 ~~2010, and available for encumbrance and liquidation~~
17 ~~through June 30, 2013.~~

18 2. ~~Notwithstanding any other provision of law, funds~~
19 ~~appropriated in this item may be transferred to Item~~
20 ~~2660-104-6053. These transfers shall require the prior~~
21 ~~approval of the Department of Finance.~~

22 5. ~~Notwithstanding any other provision of law, funds~~
23 ~~appropriated in this item may be increased by up to~~
24 ~~\$24,750,000 upon approval of the Department of Fi-~~
25 ~~nance.~~

26
27 SEC. 23. Item 2660-304-6056 of Section 2.00 of the Budget
28 Act of 2007 is repealed.

29
30 ~~2660-304-6056—For capital outlay, Department of Transporta-~~
31 ~~tion, non-State Transportation Improvement Program~~
32 ~~(STIP), payable from the Trade Corridors Improvement~~
33 ~~Fund..... 68,000,000~~

34 Schedule:

35 ~~(1) 20-Highway Transportation..... 68,000,000~~

36 Provisions:

37 1. ~~These funds shall be available for allocation by the~~
38 ~~California Transportation Commission until June 30,~~
39 ~~2010, and available for encumbrance and liquidation~~
40 ~~until June 30, 2013.~~

1 2. Notwithstanding any other provision of law, funds
 2 appropriated in this item may be transferred to Item
 3 2660-104-6056. These transfers shall require the prior
 4 approval of the Department of Finance.

5
 6 SEC. 24. Item 2660-304-6072 is added to Section 2.00 of the
 7 Budget Act of 2007, to read:

8
 9 2660-304-6072—For capital outlay, Department of Transporta-
 10 tion, non-State Transportation Improvement Program
 11 (STIP), payable from the State Route 99 Account, Highway
 12 Safety, Traffic Reduction, Air Quality, and Port Security
 13 Fund of 2006..... 5,999,000

14 Schedule:
 15 (1) 20-Highway Transportation..... 5,999,000
 16 Provisions:

- 17 1. These funds shall be available for allocation by the
 18 California Transportation Commission until June 30,
 19 2010, and available for encumbrance and liquidation
 20 through June 30, 2013.
 21 2. Notwithstanding any other provision of law, funds
 22 appropriated in this item may be transferred to Item
 23 2660-104-6072. These transfers shall require the prior
 24 approval of the Department of Finance.
 25 5. Notwithstanding any other provision of law, funds
 26 appropriated in this item may be increased by up to
 27 \$24,750,000 upon approval of the Department of Fi-
 28 nance.

29
 30 SEC. 25. Item 2665-001-0046 of Section 2.00 of the Budget
 31 Act of 2007 is amended to read:

32
 33 2665-001-0046—For support of High-Speed Rail Authority,
 34 Program 10-High-Speed Rail Authority, payable from the
 35 Public Transportation Account, State Transportation
 36 Fund..... 41,159,000
 37 1,159,000

38 Schedule:
 39 (1) 10-High-Speed Rail Authority..... 44,659,000
 40 4,659,000

1 (2) Reimbursements..... -3,500,000

2

3 SEC. 26. Item 2720-001-0044 of Section 2.00 of the Budget
4 Act of 2007 is amended to read:

5

6 2720-001-0044—For support of Department of the California
7 Highway Patrol, payable from the Motor Vehicle Ac-
8 count, State Transportation Fund..... 1,617,459,000
9 1,624,459,000

10 Schedule:

11 (1) 10-Traffic Management..... 1,578,686,000
12 1,585,686,000

13 (2) 20-Regulation and Inspection..... 181,737,000

14 (3) 30-Vehicle Ownership Security..... 42,047,000

15 (4) 40.01-Administration..... 302,056,000

16 (5) 40.02-Distributed Administration..... -302,056,000

17 (6) Reimbursements..... -106,048,000

18 (7) Amount payable from the State High-
19 way Account (Item 2720-001-0042).... -57,477,000

20 (8) Amount payable from the Motor Carrier
21 Safety Improvement Fund (Item 2720-
22 001-0293)..... -2,341,000

23 (9) Amount payable from the California
24 Motorcyclist Safety Fund (Item 2720-
25 001-0840)..... -1,450,000

26 (10) Amount payable from the Federal
27 Trust Fund (Item 2720-001-0890).... -15,434,000

28 (11) Amount payable from the Hazardous
29 Substance Account, Special Deposit
30 Fund (Item 2720-001-0942)..... -207,000

31 (12) Amount payable from the Asset Forfei-
32 ture Account, Special Deposit Fund
33 (Item 2720-011-0942)..... -2,054,000

34 Provisions:

35 1. On March 1, 2008, and each March 1 thereafter until
36 the project is fully implemented, the department shall
37 report the status of the California Highway Patrol En-
38 hanced Radio System to the appropriate fiscal and
39 policy committees of the Legislature and the Joint
40 Legislative Budget Committee. At a minimum, each

- 1 report shall include all of the following: (a) a revised
2 estimate of total project costs and activities, by fiscal
3 year, including separate reporting on the categories of
4 mobiles, portables, remote site equipment, Department
5 of General Services costs, and other; (b) a description
6 of any changes in the project scope including the type
7 and number of hardware units needed, and changes to
8 the frequencies used; and (c) a description of any ad-
9 verse effects to interoperability caused by changes in
10 usage of new technology by local agencies or other
11 state agencies.
- 12 2. Of the funds appropriated in this item, \$10,000,000
13 shall be to conduct tactical alerts in response to de-
14 clared emergencies and immediate threats to public
15 safety. For purposes of this provision, a tactical alert
16 occurs when officers are placed on 12-hour shifts to
17 enhance emergency preparedness and provide an im-
18 mediate increase in the levels of security provided to
19 Californians. If the amount used for tactical alerts is
20 less than \$10,000,000, the balance shall revert to the
21 Motor Vehicle Account.
- 22 (a) Of the funds appropriated in this provision,
23 \$5,000,000 shall be immediately available and
24 used only for overtime expenses associated with
25 conducting tactical alerts.
- 26 (b) Of the funds appropriated in this provision,
27 \$5,000,000 shall become available and used only
28 for the purposes described in subdivision (a) after
29 submittal of a report to the Joint Legislative
30 Budget Committee on the expenditure of funds
31 make available under subdivision (a). The report
32 shall provide a detailed description of the expen-
33 ditures made and the planned expenditures from
34 the funds made available to the department pur-
35 suant to this provision.
- 36 (c) No later than December 31 of each year, the de-
37 partment shall submit a report to the Joint Legisla-
38 tive Budget Committee, and the appropriate fiscal
39 and policy committees of each house, on the ac-

1 activities and expenditures for the previous fiscal
2 year for tactical alerts.

3 3. *Of the funds appropriated in this item, \$7,000,000*
4 *shall be directed to increase the Department of the*
5 *California Highway Patrol’s support for police and*
6 *sheriffs in anti-gang activities.*

7
8 SEC. 27. *Item 3790-001-0001 of Section 2.00 of the Budget*
9 *Act of 2007 is amended to read:*

10		
11	3790-001-0001—For support of Department of Parks and	
12	Recreation.....	145,359,000
13	Schedule:	
14	(1) For support of the Department of Parks	
15	and Recreation.....	383,495,000
16	(2) Reimbursements.....	-32,199,000
17	(3) Less funding provided by capital out-	
18	lay.....	-4,000,000
19	(4) Amount payable from the Safe Neigh-	
20	borhood Parks, Clean Water, Clean Air,	
21	and Coastal Protection Bond Fund (Item	
22	3790-001-0005).....	-6,639,000
23	(5) Amount payable from the California	
24	Environmental License Plate Fund (Item	
25	3790-001-0140).....	-3,264,000
26	(6) Amount payable from the Public Re-	
27	sources Account, Cigarette and Tobac-	
28	co Products Surtax Fund (Item 3790-	
29	001-0235).....	-11,258,000
30	(7) Amount payable from the Off-Highway	
31	Vehicle Trust Fund (Item 3790-001-	
32	0263).....	-42,336,000
33	(8) Amount payable from the State Parks	
34	and Recreation Fund (Item 3790-001-	
35	0392).....	-121,173,000
36	(9) Amount payable from the Winter	
37	Recreation Fund (Item 3790-001-	
38	0449).....	-390,000

1	(10) Amount payable from the Harbors and	
2	Watercraft Revolving Fund (Item 3790-	
3	001-0516).....	-814,000
4	(11) Amount payable from the Federal Trust	
5	Fund (Item 3790-001-0890).....	-6,341,000
6	(12) Amount payable from the California	
7	Main Street Program Fund (Item 3790-	
8	001-3077).....	-175,000
9	(13) Amount payable from the California	
10	Clean Water, Clean Air, Safe Neighbor-	
11	hood Parks, and Coastal Protection	
12	Fund (Item 3790-001-6029).....	-4,433,000
13	(14) Amount payable from the Water Secu-	
14	rity, Clean Drinking Water, Coastal and	
15	Beach Protection Fund of 2002 (Item	
16	3790-001-6031).....	-491,000
17	(15) Amount payable from Safe Drinking	
18	Water, Water Quality and Supply,	
19	Flood Control, River and Coastal Pro-	
20	tection Fund of 2006 (Item 3790-001-	
21	6051).....	-4,623,000

22 Provisions:

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

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

- 1 by the Department of Parks and Recreation of detailed
- 2 information on the activities to be funded and their
- 3 cost.
- 4 7. The Department of Parks and Recreation shall have a
- 5 celebration at the Allensworth State Park on the one
- 6 hundredth anniversary of the founding of the town of
- 7 Allensworth, and this celebration shall be done within
- 8 the department’s existing resources.
- 9 8. *It is the intent of the Legislature that the Department*
- 10 *of Parks and Recreation shall prioritize funds appro-*
- 11 *priated to the department from the Harbors and Wa-*
- 12 *tercraft Revolving Fund and the Motor Vehicle Fuel*
- 13 *Account, Transportation Tax Fund, for boating-related*
- 14 *activities that include, but are not limited to, major*
- 15 *and minor capital outlay projects, boating trails,*
- 16 *boating trail grants, boating trails access facilities,*
- 17 *beach erosion grants, and state park boating facilities*
- 18 *operations and maintenance costs.*

19

20 *SEC. 28. Item 3900-001-0044 of Section 2.00 of the Budget*

21 *Act of 2007 is amended to read:*

22

23	3900-001-0044—For support of State Air Resources Board,	
24	payable from the Motor Vehicle Account, State Transporta-	
25	tion Fund.....	88,500,000
26		94,533,000
27	Schedule:	
28	(1) 15-Mobile Source.....	688,291,000
29		696,312,000
30	(2) 25-Stationary Source.....	53,845,000
31	(3) 30.01-Program Direction and Support....	14,620,000
32	(4) 30.02-Distributed Program Direction	
33	and Support.....	-14,620,000
34	(5) Reimbursements.....	-5,075,000
35	(6) Amount payable from the General Fund	
36	(Item 3900-001-0001).....	-2,435,000
37	(7) Amount payable from the Air Pollu-	
38	tion Control Fund (Item 3900-001-	
39	0115).....	-172,553,000
40		-174,541,000

1	(8) Amount payable from the Vehicle In-	
2	inspection and Repair Fund (Item 3900-	
3	001-0421).....	-13,252,000
4	(9) Amount payable from the Air Toxics	
5	Inventory and Assessment Account	
6	(Item 3900-001-0434).....	-869,000
7	(9.5) Amount payable from the Energy Re-	
8	sources Programs Account (Item 3900-	
9	001-0465).....	-966,000
10	(10) Amount payable from the Federal	
11	Trust Fund (Item 3900-001-0890).....	-13,963,000
12	(11) Amount payable from the Non-Toxic	
13	Dry Cleaning Incentive Trust Fund	
14	(Item 3900-001-3070).....	-1,523,000
15	(12) Amount payable from the Highway	
16	Safety, Traffic Reduction, Air Quali-	
17	ty, and Port Security Fund of 2006	
18	(Item 3900-001-6053).....	-193,000,000
19	(13) Amount payable from the California	
20	Ports Infrastructure, Security, and	
21	Air Quality Improvement Account,	
22	Highway Safety, Traffic Reduction,	
23	Air Quality, and Port Security Fund	
24	of 2006 (Item 3900-001-6054).....	-250,000,000

Provisions:

1. *Of the funds appropriated in this item, \$5,000,000 shall be expended to support hydrogen fueling stations and shall be available, notwithstanding subdivision (a) of Section 1.80, for expenditure until June 30, 2010.*

SEC. 29. Item 3900-001-0115 of Section 2.00 of the Budget Act of 2007 is amended to read:

34	3900-001-0115—For support of State Air Resources Board,	
35	for payment to Item 3900-001-0044, payable from the Air	
36	Pollution Control Fund.....	172,553,000
37		174,541,000

Provisions:

- ~~1. When expending funds appropriated in this item in order to consider market based compliance mecha-~~

- 1 nisms, the State Air Resources Board shall only con-
- 2 sider those mechanisms that are defined by the Califor-
- 3 nia Global Warming Solutions Act of 2006 (Division
- 4 25.5 (commencing with Section 38500) of the Health
- 5 and Safety Code).
- 6 2. Of this amount, \$1,000,000 is to cover litigation ex-
- 7 penses associated with Chapter 200 of the Statutes of
- 8 2002.
- 9 3: The implementation of early action measures shall
- 10 include, but not be limited to, reductions of pollutants
- 11 such as methane and black carbon.
- 12 4: The 31.0 positions authorized under this item for
- 13 source-specific emission reductions shall be used
- 14 solely for direct emission reductions related work as
- 15 defined under Section 38505 of the Health and Safety
- 16 Code.
- 17 5: Only 2.0 positions provided to the State Air Resources
- 18 Board in this item shall evaluate and assess market-
- 19 based compliance mechanisms that are specified in
- 20 Section 38505 of the Health and Safety Code.
- 21 6. Of the positions authorized under this item, 2.0 posi-
- 22 tions shall be used to staff those committees estab-
- 23 lished pursuant to Section ~~38590~~ 38591 of the Health
- 24 and Safety Code. The committees established by Sec-
- 25 tion ~~38590~~ 38591 of the Health and Safety Code shall
- 26 be subject to state public notice and open meeting
- 27 laws.

29 *SEC. 30. Item 3910-001-0387 of Section 2.00 of the Budget*
 30 *Act of 2007 is amended to read:*

31		
32	3910-001-0387—For support of California Integrated Waste	
33	Management Board, payable from the Integrated Waste	
34	Management Account, Integrated Waste Management	
35	Fund.....	43,787,000
36		43,669,000
37	Schedule:	
38	(1) 11-Waste Reduction and Manage-	
39	ment.....	88,406,000
40		88,288,000

1	(2) 30.01-Administration.....	9,702,000
2	(3) 30.02-Distributed Administration.....	-9,702,000
3	(4) Reimbursements.....	-335,000
4	(5) Amount payable from the California	
5	Used Oil Recycling Fund (Item 3910-	
6	001-0100).....	-4,934,000
7	(6) Amount payable from the California	
8	Used Oil Recycling Fund (paragraph (4)	
9	of subdivision (a) of Section 48653 of	
10	the Public Resources Code).....	-716,000
11	(7) Amount payable from the California	
12	Used Oil Recycling Fund (paragraph (1)	
13	of subdivision (a) of Section 48653 of	
14	the Public Resources Code).....	-3,300,000
15	(8) Amount payable from the California	
16	Tire Recycling Management Fund	
17	(Item 3910-001-0226).....	-21,977,000
18	(9) Amount payable from the Recycling	
19	Market Development Revolving Loan	
20	Account, Integrated Waste Management	
21	Fund (Item 3910-001-0281).....	-970,000
22	(10) Amount payable from the Solid Waste	
23	Disposal Site Cleanup Trust Fund (Item	
24	3910-001-0386).....	-572,000
25	(11) Amount payable from the Integrated	
26	Waste Management Account, Integrated	
27	Waste Management Fund (Item 3910-	
28	006-0387).....	-640,000
29	(12) Amount payable from the Farm and	
30	Ranch Solid Waste Cleanup and	
31	Abatement Account (Item 3910-001-	
32	0558).....	-1,107,000
33	(13) Amount payable from the Rigid Contain-	
34	er Account (Item 3910-001-3024).....	-162,000
35	(14) Amount payable from the Electronic	
36	Waste Recovery and Recycling Account	
37	(Item 3910-001-3065).....	-9,906,000
38	Provisions:	
39	1. Notwithstanding subdivision (h) of Section 42023.1	
40	of the Public Resources Code, the California Integrated	

1 Waste Management Board may offset the costs of ad-
 2 ministering the revolving loan program for Recycling
 3 Market Development Zones with funds appropriated
 4 in this item.
 5 2. The amount appropriated in this item includes revenues
 6 derived from the assessment of fines and penalties
 7 imposed as specified in Section 13332.18 of the Gov-
 8 ernment Code.
 9

10 *SEC. 31. Item 3940-001-0001 of Section 2.00 of the Budget*
 11 *Act of 2007 is amended to read:*
 12

13	3940-001-0001—For support of State Water Resources Control	
14	Board.....	38,044,000
15		39,344,000
16	Schedule:	
17	(1) 10-Water Quality.....	463,986,400
18	(2) 20-Water Rights.....	11,213,600
19	(3) 30.01-Administration.....	19,656,000
20	(4) 30.02-Distributed Administration.....	-19,656,000
21	(5) Reimbursements.....	-14,244,000
22	(6) Amount payable from the Unified Pro-	
23	gram Account (Item 3940-001-0028)....	-601,000
24	(7) Amount payable from the Waste Dis-	
25	charge Permit Fund (Item 3940-001-	
26	0193).....	-69,913,000
27		-68,613,000
28	(8) Amount payable from the Marine Inva-	
29	sive Species Control Fund (Item 3940-	
30	001-0212).....	-98,000
31	(8.5) Amount payable from the Environmen-	
32	tal Trust Fund (Item 3940-001-	
33	0225).....	-7,500,000
34	(9) Amount payable from the Public Re-	
35	sources Account, Cigarette and Tobacco	
36	Products Surtax Fund (Item 3940-001-	
37	0235).....	-2,391,000

1	(10) Amount payable from the Integrated	
2	Waste Management Account, Integrated	
3	Waste Management Fund (Item 3940-	
4	001-0387).....	-6,015,000
5	(11) Amount payable from the State Revolv-	
6	ing Fund Loan Subaccount (Item 3940-	
7	001-0417).....	-538,000
8	(12) Amount payable from the Water Recy-	
9	cling Subaccount (Item 3940-001-	
10	0419).....	-337,000
11	(13) Amount payable from the Drainage	
12	Management Subaccount (Item 3940-	
13	001-0422).....	-515,000
14	(14) Amount payable from the Seawater In-	
15	trusion Control Subaccount (Item 3940-	
16	001-0424).....	-97,000
17	(15) Amount payable from the Underground	
18	Storage Tank Tester Account (Item	
19	3940-001-0436).....	-64,000
20	(16) Amount payable from the Under-	
21	ground Storage Tank Cleanup Fund	
22	(Item 3940-001-0439).....	-278,823,000
23	(17) Amount payable from the Surface Im-	
24	poundment Assessment Account (Item	
25	3940-001-0482).....	-212,000
26	(18) Amount payable from the 1984 State	
27	Clean Water Bond Fund (Item 3940-	
28	001-0740).....	-322,000
29	(19) Amount payable from the Federal	
30	Trust Fund (Item 3940-001-0890).....	-34,716,000
31	(20) Amount payable from the Water Rights	
32	Fund (Item 3940-001-3058).....	-6,929,000
33	(21) Amount payable from the Watershed	
34	Protection Subaccount (Item 3940-001-	
35	6013).....	-1,069,000
36	(22) Amount payable from the Santa Ana	
37	River Watershed Subaccount (Item	
38	3940-001-6016).....	-1,062,000

1	(23) Amount payable from the Lake Elsinore	
2	and San Jacinto Watershed Subaccount	
3	(Item 3940-001-6017).....	-47,000
4	(24) Amount payable from the Nonpoint	
5	Source Pollution Control Subaccount	
6	(Item 3940-001-6019).....	-986,000
7	(25) Amount payable from the State Revolv-	
8	ing Fund Loan Subaccount (Item 3940-	
9	001-6020).....	-81,000
10	(26) Amount payable from the Wastewater	
11	Construction Grant Subaccount (Item	
12	3940-001-6021).....	-23,000
13	(27) Amount payable from the Coastal	
14	Nonpoint Source Control Subaccount	
15	(Item 3940-001-6022).....	-815,000
16	(28) Amount payable from the Water Secu-	
17	rity, Clean Drinking Water, Coastal and	
18	Beach Protection Fund of 2002 (Item	
19	3940-001-6031).....	-5,078,000
20	(29) Amount payable from the Safe Drinking	
21	Water, Water Quality and Supply,	
22	Flood Control, River and Coastal Pro-	
23	tection Fund of 2006 (Item 3940-001-	
24	6051).....	-4,073,000
25	(30) Amount payable from the Petroleum	
26	Underground Storage Tank Financing	
27	Account (Item 3940-001-8026).....	-607,000

28 Provisions:

- 29 1. Notwithstanding any other provision of law, upon ap-
30 proval and order of the Director of Finance, the State
31 Water Resources Control Board may borrow sufficient
32 funds for cash purposes from special funds that other-
33 wise provide support for the board. Any such loans
34 are to be repaid with interest at the rate earned in the
35 Pooled Money Investment Account.
- 36 2. No funds appropriated in this item or any other items
37 appropriating funds to the State Water Resources
38 Control Board can be used for new information tech-
39 nology modules related to the California Integrated
40 Water Quality System (CIWQS) until the board's

1 Agency Information Management Strategy is updated
 2 to reflect the board’s current information technology
 3 strategy and submitted to the Joint Legislative Budget
 4 Committee no sooner than 30 days prior to any
 5 spending on information technology modules.
 6

7 *SEC. 32. Item 3940-001-0193 of Section 2.00 of the Budget*
 8 *Act of 2007 is amended to read:*
 9

10 3940-001-0193—For support of State Water Resources Control
 11 Board, for payment to Item 3940-001-0001, payable from
 12 the Waste Discharge Permit Fund..... 69,913,000
 13 68,613,000
 14

15 *SEC. 33. Item 4200-101-0001 of Section 2.00 of the Budget*
 16 *Act of 2007 is amended to read:*
 17

18 4200-101-0001—For local assistance, Department of Alcohol
 19 and Drug Programs..... 84,197,000
 20 64,197,000

21 Schedule:

22 (1) 15-Alcohol and Other Drug Services
 23 Program..... 455,039,000
 24 415,039,000
 25 (2) Reimbursements..... -13,595,000
 26 (3) Amount payable from the Federal
 27 Trust Fund (Item 4200-101-0890)..... -240,589,000
 28 (4) Amount payable from the Resident-Run
 29 Housing Revolving Fund (Item 4200-
 30 101-0977)..... -144,000
 31 (5) Amount payable from the Substance
 32 Abuse Treatment Fund (Item 4200-
 33 101-3019)..... -116,514,000
 34 -96,514,000

35 Provisions:

36 1. Upon approval by the Department of Finance, the
 37 Controller shall transfer such funds as are necessary
 38 between this item and Items 4200-001-0001, 4200-
 39 102-0001, 4200-103-0001, and 4200-104-0001. In
 40 determining which transfers are necessary pursuant to

1 this provision, the department shall assess those pro-
 2 grams and operations that have the most critical need.
 3 In making this assessment, the department shall con-
 4 sider such factors as caseload requirements, availabil-
 5 ity of personnel to provide essential services, other
 6 funding sources, and relevant information provided
 7 by affected state agencies.

8 2. Upon approval by the Department of Finance, one or
 9 more short-term loans not to exceed a cumulative total
 10 of \$59,745,000 may be made available from the Gen-
 11 eral Fund when there is a delay in the allocation of
 12 federal Substance Abuse Prevention and Treatment
 13 (SAPT) Block Grant funds to California. Each loan
 14 shall be repaid, with interest calculated pursuant to
 15 subdivision (a) of Section 16314 of the Government
 16 Code, upon receipt of the federal SAPT Block Grant.

17
 18 *SEC. 34. Item 4200-101-3019 of Section 2.00 of the Budget*
 19 *Act of 2007 is amended to read:*

20
 21 4200-101-3019—For local assistance, Department of Alcohol
 22 and Drug Programs, for payment to Item 4200-101-0001,
 23 payable from the Substance Abuse Treatment Fund..... ~~116,514,000~~
 24 *96,514,000*

25 Provisions:

26 1. Funds appropriated in this item are in lieu of the
 27 amounts that otherwise would have been appropriated
 28 for local assistance pursuant to Section 11999.6 of the
 29 Health and Safety Code.

30
 31 *SEC. 35. Item 4200-105-0001 of Section 2.00 of the Budget*
 32 *Act of 2007 is amended to read:*

33
 34 4200-105-0001—For transfer, as an expenditure, by the Con-
 35 troller to the Substance Abuse Treatment Trust Fund..... ~~120,000,000~~
 36 *100,000,000*

37
 38 *SEC. 36. Item 4280-101-0001 of Section 2.00 of the Budget*
 39 *Act of 2007 is amended to read:*

1 4280-101-0001—For local assistance, Managed Risk Medical
 2 Insurance Board, for the Healthy Families Program..... 382,146,000
 3 373,832,000

4 Schedule:

- 5 (1) 20-Access for Infants and Mothers Pro-
 6 gram..... 81,642,000
 7 73,328,000
 8 (2) 40-Healthy Families Program..... 1,032,841,000
 9 (3) Amount payable from the Federal
 10 Trust Fund (Item 4280-101-0890)..... -732,337,000

11 Provisions:

- 12 1. Upon order of the Department of Finance, the State
 13 Controller shall transfer such funds as are necessary
 14 between this item and Item 4280-102-0001 in order
 15 to effectively administer the Healthy Families Pro-
 16 gram.

17
 18 *SEC. 37. Item 4280-111-0232 of Section 2.00 of the Budget*
 19 *Act of 2007 is amended to read:*

20
 21 4280-111-0232—For transfer by the Controller from the Hos-
 22 pital Services Account, Cigarette and Tobacco Products
 23 Surtax Fund to the Perinatal Insurance Fund, for the Ac-
 24 cess for Infants and Mothers Program..... ~~(30,672,000)~~
 25 ~~(34,879,000)~~

26 Provisions:

- 27 1. In order to effectively administer the Access for Infants
 28 and Mothers Program the Department of Finance may
 29 decrease or increase this item in order to conform the
 30 appropriation to revised subvention estimates.

31
 32 *SEC. 38. Item 4280-111-0233 of Section 2.00 of the Budget*
 33 *Act of 2007 is amended to read:*

34
 35 4280-111-0233—For transfer by the Controller from the
 36 Physician Services Account, Cigarette and Tobacco
 37 Products Surtax Fund to the Perinatal Insurance Fund, for
 38 the Access for Infants and Mothers Program..... ~~(13,630,000)~~
 39 ~~(14,474,000)~~

1 Provisions:

2 1. In order to effectively administer the Access for Infants
3 and Mothers Program the Department of Finance may
4 decrease or increase this item in order to conform the
5 appropriation to revised subvention estimates.
6

7 *SEC. 39. Item 4280-111-0236 is added to Section 2.00 of the*
8 *Budget Act of 2007, to read:*
9

10 4280-111-0236—For transfer by the Controller from the Unal-
11 located Account, Cigarette and Tobacco Products Surtax
12 Fund to the Perinatal Insurance Fund, for the Access for
13 Infants and Mothers Program..... (3,263,000)

14 Provisions:

15 1. In order to effectively administer the Access for Infants
16 and Mothers Program, the Department of Finance
17 may decrease or increase this item in order to conform
18 the appropriation to revised subvention estimates.
19

20 *SEC. 40. Item 4280-112-0232 of Section 2.00 of the Budget*
21 *Act of 2007 is amended to read:*
22

23 4280-112-0232—For transfer by the Controller from the Hos-
24 pital Services Account, Cigarette and Tobacco Products
25 Surtax Fund to the Major Risk Medical Insurance Fund,
26 for the Major Risk Medical Insurance Program..... (6,393,000)
27 (1,072,000)
28

29 *SEC. 41. Item 4280-112-0233 of Section 2.00 of the Budget*
30 *Act of 2007 is amended to read:*
31

32 4280-112-0233—For transfer by the Controller from the
33 Physician Services Account, Cigarette and Tobacco
34 Products Surtax Fund to the Major Risk Medical Insurance
35 Fund, for the Major Risk Medical Insurance Program..... (3,607,000)
36 (614,000)
37

38 *SEC. 42. Item 4440-011-0001 of Section 2.00 of the Budget*
39 *Act of 2007 is amended to read:*

1	4440-011-0001—For support of the State Hospitals, Depart-	
2	ment of Mental Health.....	1,039,502,000
3	Schedule:	
4	(1) 20.10-Long-Term Care Ser-	
5	vices—Lanterman-Petris-Short Act.....	133,903,000
6	(2) 20.20-Long-Term Care Services—Pe-	
7	nal Code and Judicially Committed.....	869,469,000
8	(3) 20.30-Long-Term Care Services—De-	
9	partment of Corrections and Rehabili-	
10	tation.....	110,649,000
11	(4) 20.40-Long-Term Care Services—Other	
12	State Hospital Services.....	3,406,000
13	(5) Reimbursements.....	-77,830,000
14	(6) Amount payable from the California	
15	State Lottery Education Fund (Section	
16	8880.5 of the Government Code).....	-95,000
17	Provisions:	
18	1. Upon order of the Department of Finance, and follow-	
19	ing 30-day notification to the Joint Legislative Budget	
20	Committee, the Controller shall transfer between this	
21	item and Item 4440-016-0001 those funds that are	
22	necessary for direct community services, as well as	
23	administrative and ancillary services related to the	
24	provision of direct services.	
25	2. Upon approval of the State Department of Mental	
26	Health, a portion of the funds appropriated in Schedule	
27	(2) shall be available to reimburse counties for the cost	
28	of treatment and legal services to patients in the five	
29	State Department of Mental Health State Hospitals,	
30	pursuant to Section 4117 of the Welfare and Institu-	
31	tions Code. Expenditures made under this item shall	
32	be charged to either the fiscal year in which the claim	
33	is received or the fiscal year in which the Controller	
34	issues the warrant. Claims filed by local jurisdictions	
35	for legal services may be scheduled by the Controller	
36	for payment.	
37	3. The reimbursements identified in Schedule (5) shall	
38	include amounts received by the State Department of	
39	Mental Health as a result of billing for Lanterman-	
40	Petris-Short (LPS) Act state hospital bed day expendi-	

- 1 tures attributable to conservatees who are gravely
2 disabled as defined in subparagraph (B) of paragraph
3 (1) of subdivision (h) of Section 5008 of the Welfare
4 and Institutions Code (Murphy Conservatee).
- 5 4. Of the total amount attributable in the 2007–08 fiscal
6 year to patient-generated collections for Lanterman-
7 Petris-Short (LPS) Act patients, the Controller shall
8 transfer \$8,000,000 as revenue to the General Fund,
9 and the remainder shall be used to offset county costs
10 for LPS state hospital beds.
- 11 5. Notwithstanding any other provision of law, funds
12 appropriated to accommodate projected hospital pop-
13 ulation levels in excess of those that actually material-
14 ize, if any, shall revert to the General Fund. However,
15 the Department of Finance may approve an increase
16 in expenditures that are not related to caseload for the
17 state hospitals through the redirection of funding that
18 is reasonably believed not to be needed for accommo-
19 dating projected hospital population levels if the ap-
20 proval is made in writing and filed with the Chairper-
21 son of the Joint Legislative Budget Committee and
22 the chairpersons of the committees of each house of
23 the Legislature that consider appropriations not later
24 than 30 days prior to the effective date of the approval,
25 or prior to whatever lesser time the Chairperson of the
26 Joint Legislative Budget Committee, or his or her de-
27 signee, may in each instance determine. All notifica-
28 tions shall include (a) the reason for the proposed
29 redirection of caseload funding to expenditures that
30 are not related to caseload, (b) the approved amount,
31 and (c) the basis of the Director of Finance’s determi-
32 nation that the funding is not needed for accommodat-
33 ing projected hospital population levels.
- 34 6. Notwithstanding Section 26.00, the Department of
35 Finance may authorize the transfer of expenditure au-
36 thority between Schedules (1), (2), (3), and (4) in order
37 to accurately reflect caseload in these programs.
- 38 7. Notwithstanding any other provision of law, the De-
39 partment of Finance may augment this item to provide
40 salary increases for classifications related to the

1 Coleman litigation in the event that more vacant posi-
2 tions are filled than were originally proposed in the
3 2007–08 staffing plan, *or salary increases in excess*
4 *of those originally proposed for filled and vacant po-*
5 *sitions are ordered by a federal court*, or for contract
6 costs for registry funding, if necessary. This item may
7 not be augmented earlier than 30 days, or a lesser
8 amount of time as determined by the Chairperson of
9 the Joint Legislative Budget Committee or his or her
10 designee, after written notification of the necessity for
11 augmentation to the chairperson of the committee in
12 each house of the Legislature that considers appropri-
13 ations and the Chairperson of the Joint Legislative
14 Budget Committee.

15 8. Of the amount appropriated in this item, \$4,280,000
16 is available only to provide appropriate treatment to
17 individuals found incompetent to stand trial and who
18 have not been committed to a state hospital. These
19 funds may be encumbered no earlier than 30 days, or
20 a lesser amount of time as determined by the Chairper-
21 son of the Joint Legislative Budget Committee or his
22 or her designee, after the Department of Finance pro-
23 vides a written expenditure plan for these funds to the
24 chairpersons of the fiscal committees in each house
25 of the Legislature, and to the Chairperson of the Joint
26 Legislative Budget Committee.

27 9. The State Department of Mental Health shall provide
28 the fiscal and policy committees of the Legislature,
29 including the Chairperson of the Joint Legislative
30 Budget Committee, and the Department of Finance
31 with a quarterly update on the progress of the hiring
32 plan to ensure appropriate active treatment for patients,
33 state licensure requirements, and in meeting the Con-
34 sent Judgment with the federal United States Depart-
35 ment of Justice regarding the federal Civil Rights of
36 Institutionalized Persons Act (CRIPA). This quarterly
37 update shall be provided within 10 working days of
38 the close of the quarter to ensure the exchange of
39 timely and relevant information.
40

1 SEC. 43. Item 4440-103-0001 of Section 2.00 of the Budget
2 Act of 2007 is amended to read:

3
4 4440-103-0001—For local assistance, Department of Mental
5 Health, for Mental Health Managed Care..... 246,207,000
6 234,207,000

7 Schedule:

8 (1) 10.25-Community Services—Other
9 Treatment..... 246,207,000
10 234,207,000

11 Provisions:

- 12 1. The allocation of funds appropriated in this item shall
- 13 be determined based on a methodology developed by
- 14 the State Department of Mental Health in consultation
- 15 with a statewide organization representing counties.
- 16 This methodology shall be based on a review of actual
- 17 and projected expenditures for mental health services
- 18 for Medi-Cal beneficiaries, by county.
- 19 2. Of the amount appropriated in this item, \$8,000,000
- 20 shall be transferred to the Mental Health Managed
- 21 Care Deposit Fund (Fund 0865).
- 22 3. Upon order of the Department of Finance and agree-
- 23 ment between the State Department of Mental Health
- 24 and the State Department of Health Care Services, the
- 25 Controller shall transfer between this item and Item
- 26 4260-101-0001 any General Fund amount determined
- 27 necessary to fully reflect the transfer of responsibility
- 28 for administration of mental health services pursuant
- 29 to the implementation of mental health managed care.

30
31 SEC. 44. Item 4440-115-0001 of Section 2.00 of the Budget
32 Act of 2007 is amended to read:

33
34 4440-115-0001—For local assistance, Department of Mental
35 Health, for the Early and Periodic Screening, Diagnosis,
36 and Treatment Program..... 86,679,000

37 Schedule:

38 (1) 10.30-Community Services-EPSTDT.... 170,203,000
39 (2) Reimbursements..... -83,524,000

40 Provisions:

- 1 1. Funding appropriated in this item is available solely
- 2 to reimburse counties for costs from prior years that
- 3 have been validated by the State Department of Mental
- 4 Health. It is the intent of the Legislature that the total
- 5 cost of \$260,200,000 owed to counties will be reim-
- 6 bursed over a three-year period commencing with the
- 7 Budget Act of 2007.
- 8 2. *The amount appropriated in this item is for costs and*
- 9 *claims incurred in the 2003–04, 2004–05, and*
- 10 *2005–06 fiscal years. These expenditures shall be re-*
- 11 *flected as expenditures in those fiscal years. The De-*
- 12 *partment of Finance and the Controller’s office shall*
- 13 *recognize this fiscal alignment accordingly for the*
- 14 *purposes of the state budget process and legal basis*
- 15 *of accounting.*

17 *SEC. 45. Item 5180-101-0001 of Section 2.00 of the Budget*
 18 *Act of 2007 is amended to read:*

19

20	5180-101-0001—For local assistance, Department of Social	
21	Services.....	2,312,607,000
22		2,210,356,000
23	Schedule:	
24	(1) 16.30-CalWORKs.....	5,103,215,000
25	(2) 16.65-Other Assistance Payments....	1,324,322,000
26	(3) Reimbursements.....	-3,478,000
27	(4) Amount payable from the Emergency	
28	Food Assistance Program Fund (Item	
29	5180-101-0122).....	-473,000
30	(5) Amount payable from the Employment	
31	Training Fund (Item 5180-101-	
32	0514).....	-35,000,000
33		-45,000,000
34	(6) Amount payable from the Federal	
35	Trust Fund (Item 5180-101-	
36	0890).....	-4,064,932,000
37		-4,157,183,000
38	(7) Amount payable from the Child Sup-	
39	port Collections Recovery Fund (Item	
40	5180-101-8004).....	-11,047,000

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- Provisions:
1. (a) No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the State Department of Social Services that adds to the costs of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state's fiscal situation.
 - (b) Notwithstanding Sections 28.00 and 28.50, the availability of funds contained in this item for rules, regulations, or all-county letters that add to program costs funded from the General Fund in excess of \$500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (1) specifically required as a result of the enactment of a federal or state law or (2) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.
 2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and In-

- 1 stitutions Code, a loan not to exceed \$500,000,000
2 shall be made available from the General Fund, from
3 funds not otherwise appropriated, to cover the federal
4 share of costs of a program(s) when the federal funds
5 have not been received by this state prior to the usual
6 time for transmitting that federal share to the counties
7 of this state. This loan from the General Fund shall be
8 repaid when the federal share of costs for the program
9 or programs becomes available.
- 10 3. The Department of Finance may authorize the transfer
11 of amounts from this item to Item 5180-001-0001 in
12 order to fund the costs of the administrative hearing
13 process associated with changes in aid payments in
14 the CalWORKs program.
- 15 4. (a) The Department of Finance is authorized to ap-
16 prove expenditures in those amounts made neces-
17 sary by changes in either caseload or payments,
18 or any rule or regulation adopted and any all-
19 county letter issued as a result of the enactment
20 of a federal or state law, the adoption of a federal
21 regulation, or the following of a court decision,
22 during the 2007–08 fiscal year that are within or
23 in excess of amounts appropriated in this act for
24 that year.
- 25 (b) If the Department of Finance determines that the
26 estimate of expenditures will exceed the expendi-
27 tures authorized for this item, the department shall
28 so report to the Legislature. At the time the report
29 is made, the amount of the appropriation made in
30 this item shall be increased by the amount of the
31 excess unless and until otherwise provided by
32 law.
- 33 5. Nonfederal funds appropriated in this item which have
34 been budgeted to meet the state’s Temporary Assis-
35 tance for Needy Families maintenance-of-effort require-
36 ment established pursuant to the federal Personal Re-
37 sponsibility and Work Opportunity Reconciliation Act
38 of 1996 (P.L. 104-193) may not be expended in any
39 way that would cause their disqualification as a feder-
40 ally allowable maintenance-of-effort expenditure.

- 1 6. In the event of declared disaster and upon county re-
2 request, the State Department of Social Services may
3 act in the place of any county and assume direct respon-
4 sibility for the administration of eligibility and grant
5 determination. Upon recommendation of the Director
6 of Social Services, the Department of Finance may
7 authorize the transfer of funds from Items 5180-101-
8 0001 and 5180-101-0890, to Items 5180-001-0001
9 and 5180-001-0890, for this purpose.
- 10 7. Pursuant to the Electronic Benefit Transfer (EBT) Act
11 (Chapter 3 (commencing with Section 10065) of Part
12 1 of Division 9 of the Welfare and Institutions Code)
13 and in accordance with the EBT System regulations
14 (Manual of Policies and Procedures Section 16-
15 401.15), in the event a county fails to reimburse the
16 EBT contractor for settlement of EBT transactions
17 made against the county’s cash assistance programs,
18 the state is required to pay the contractor. The State
19 Department of Social Services may use funds from
20 this item to reimburse the EBT contractor for settle-
21 ment on behalf of the county. The county shall be re-
22 quired to reimburse the department for county’s settle-
23 ment via direct payment or administrative offset.
- 24 8. The Department of Finance is authorized to approve
25 expenditures for the California Food Assistance Pro-
26 gram in those amounts made necessary by changes in
27 the Food Stamp Program Standard Utility Allowance,
28 including those that result from midyear Standard
29 Utility Allowance adjustments requested by the state.
30 If the Department of Finance determines that the esti-
31 mate of expenditures will exceed the expenditures
32 authorized for this item, the department shall so report
33 to the Legislature. At the time the report is made, the
34 amount of the appropriation made by this item shall
35 be increased by the amount of the excess unless and
36 until otherwise provided by law.
- 37 9. Upon request of the Department of Finance, the Con-
38 troller shall transfer funds between this item and Item
39 5180-153-0001 as needed to reflect the estimated ex-
40 penditure amounts for each county that opts into the

1 Title IV-E Child Welfare Waiver Demonstration Pro-
 2 ject pursuant to Section 18260 of the Welfare and In-
 3 stitutions Code. The Department of Finance shall re-
 4 port to the Legislature the amount to be transferred
 5 pursuant to this provision. The transfer shall be autho-
 6 rized at the time the report is made.

7 10. Up to \$4,445,000 appropriated in Program 16.65-
 8 Other Assistance Payments to reimburse California
 9 Emergency Foodlink and local food banks for disaster
 10 food assistance costs may be used for eligible disaster
 11 response costs incurred in either the 2006–07 or
 12 2007–08 fiscal year, subject to approval by the Depart-
 13 ment of Finance.

14 11. *Of the amount appropriated in this item,*
 15 *\$1,217,116,000 is available for CalWORKs assistance*
 16 *payments. The Department of Finance shall approve*
 17 *unanticipated expenditures made necessary by changes*
 18 *in caseload or grant costs in excess of the amount*
 19 *specified in this provision. The Director of Finance*
 20 *shall approve transfers from the General Fund in*
 21 *augmentation of this item, if it is necessary to fund*
 22 *unanticipated changes in caseload or grant costs that*
 23 *are above the amount specified. If such an augmenta-*
 24 *tion is necessary, the department shall report to the*
 25 *Joint Legislative Budget Committee within 30 days of*
 26 *making the augmentation.*

27
 28 *SEC. 46. Item 5180-101-0514 of Section 2.00 of the Budget*
 29 *Act of 2007 is amended to read:*

30
 31 5180-101-0514—For local assistance, Department of Social
 32 Services, for payment to Item 5180-101-0001, payable
 33 from the Employment Training Fund..... 35,000,000
 34 45,000,000

35 Provisions:

36 1. Pursuant to Section 1611.5 of the Unemployment In-
 37 surance Code, funds appropriated in this item are
 38 available for CalWORKs welfare-to-work activities.
 39

1 SEC. 47. Item 5180-101-0890 of Section 2.00 of the Budget
2 Act of 2007 is amended to read:

3		
4	5180-101-0890—For local assistance, Department of Social	
5	Services, for payment to Item 5180-101-0001, payable	
6	from the Federal Trust Fund.....	4,064,932,000
7		4,157,183,000

8 Provisions:

- 9 1. Provisions 1, 4, 6, 7, and 9 of Item 5180-101-0001
- 10 also apply to this item.
- 11 2. The Director of Finance may authorize the transfer of
- 12 amounts from this item to Item 5180-001-0890 in order
- 13 to fund the costs of the administrative hearing process
- 14 associated with changes in aid payments in the Cal-
- 15 WORKs program.
- 16 3. For the purpose of broadening access to federal Child
- 17 and Adult Care Food Program benefits for low-income
- 18 children in proprietary child care centers, the State
- 19 Department of Social Services may transfer up to
- 20 \$10,000,000 of the funds appropriated in this item for
- 21 Program 16.30—CalWORKs, from the Temporary
- 22 Assistance for Needy Families (TANF) block grant to
- 23 the Social Services Block Grant (Title XX) pursuant
- 24 to authorization in the federal Personal Responsibility
- 25 and Work Opportunity Reconciliation Act of 1996
- 26 (P.L. 104-193). The Title XX funds shall be pooled
- 27 with TANF funds appropriated in this item for Cal-
- 28 WORKs Child Care. This transfer shall occur only if
- 29 the Director of Finance approves the pooling of Title
- 30 XX funds with Child Care and Development Fund or
- 31 TANF funds, or both.
- 32 4. Upon request of the State Department of Social Ser-
- 33 vices, the Director of Finance may increase or decrease
- 34 the expenditure authority in this item to offset any in-
- 35 creases or decreases in collections deposited in the
- 36 Child Support Collections Recovery Fund and appro-
- 37 priated in Item 5180-101-8004. The Department of
- 38 Finance shall provide notification of the adjustment
- 39 to the Joint Legislative Budget Committee within 10

working days from the date of Department of Finance approval of the adjustment.

SEC. 48. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2007 is amended to read:

5180-111-0001—For local assistance, Department of Social	
Services.....	5,344,302,000
	5,221,302,000

Schedule:

(1) 16.70-SSI/SSP.....	3,773,094,000
	3,650,094,000
(2) 25.15-IHSS.....	4,594,594,000
(3) 25.20-Recipient Supplementary Pay-	
ment.....	34,291,000
(4) Reimbursements.....	-3,057,677,000

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$225,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The department may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the

- 1 county if the county fails to reimburse its share of cost
- 2 of the IHSS program to the state.
- 3 3. The State Department of Social Services shall provide
- 4 technical assistance to counties to ensure that they
- 5 maximize the receipt of federal funds for the In-Home
- 6 Supportive Services (IHSS) program, without compro-
- 7 mising the quality of the services provided to IHSS
- 8 recipients.
- 9 4. The Director of Finance may authorize the transfer of
- 10 amounts from this item to Item 5180-001-0001 in order
- 11 to fund increased costs due to workload associated
- 12 with the retroactive reimbursement of Medi-Cal ser-
- 13 vices for the In-Home Supportive Services program
- 14 to comply with the Conlan v. Shewry court decision.
- 15 The Department of Finance shall report to the Legisla-
- 16 ture the amount to be transferred pursuant to this pro-
- 17 vision and the number of positions to be established
- 18 by the State Department of Social Services. The
- 19 transfer shall be authorized at the time the report is
- 20 made. The State Department of Social Services shall
- 21 review the workload associated with the Conlan v.
- 22 Shewry decision during the 2007–08 fiscal year and
- 23 may administratively establish positions as the work-
- 24 load requires.
- 25 5. The Director of Finance may authorize the transfer of
- 26 amounts from this item to Item 5180-001-0001 in order
- 27 to fund the cost of the administrative hearing process
- 28 associated with changes in aid or service payments in
- 29 the In-Home Supportive Services program. The De-
- 30 partment of Finance shall report to the Legislature the
- 31 amount to be transferred pursuant to this provision.
- 32 The transfer shall be authorized at the time the report
- 33 is made.
- 34 6. The Director of Finance may authorize the transfer of
- 35 amounts from this item to Item 5180-001-0001 in order
- 36 to fund additional planning and implementation
- 37 workload associated with the Case Management Infor-
- 38 mation and Payrolling System II (CMIPS II). The
- 39 Department of Finance shall report to the Legislature
- 40 the amount to be transferred pursuant to this provision

1 and the number of positions to be established by the
 2 State Department of Social Services. The transfer shall
 3 be authorized at the time the report is made. The State
 4 Department of Social Services shall review workload
 5 associated with CMIPS II and may administratively
 6 establish positions to address this workload once con-
 7 tract negotiations are complete.

8
 9 *SEC. 49. Item 5180-141-0001 of Section 2.00 of the Budget*
 10 *Act of 2007 is amended to read:*

11
 12 5180-141-0001—For local assistance, Department of Social
 13 Services..... ~~441,428,000~~
 14 ~~437,764,000~~

15 Schedule:

- 16 (1) 16.75-County Administration and
 17 Automation Projects..... ~~1,103,067,000~~
 18 ~~1,085,916,000~~
 19 (2) Reimbursements..... ~~- 57,871,000~~
 20 (3) Amount payable from the Federal
 21 Trust Fund (Item 5180-141-0890)..... ~~- 603,768,000~~
 22 ~~- 590,281,000~~

23 Provisions:

- 24 1. Notwithstanding Chapter 1 (commencing with Section
 25 18000) of Part 6 of Division 9 of the Welfare and In-
 26 stitutions Code, a loan not to exceed \$127,000,000
 27 shall be made available from the General Fund, from
 28 funds not otherwise appropriated, to cover the federal
 29 share of costs of a program when the federal funds
 30 have not been received by this state prior to the usual
 31 time for transmitting that federal share to the counties
 32 of this state. This loan from the General Fund shall be
 33 repaid when the federal share of costs for the program
 34 or programs becomes available.
 35 2. In the event of declared disaster and upon county re-
 36 quest, the State Department of Social Services may
 37 act in the place of any county and assume direct respon-
 38 sibility for the administration of eligibility and grant
 39 determination. Upon recommendation of the Director
 40 of Social Services, the Department of Finance may

- 1 authorize the transfer of funds from Items 5180-141-
2 0001 and 5180-141-0890, to Items 5180-001-0001
3 and 5180-001-0890, for this purpose.
- 4 3. Provision 1 of Item 5180-101-0001 also applies to this
5 item.
- 6 4. Pursuant to public assistance caseload estimates reflect-
7 ed in the annual Governor's Budget, the Department
8 of Finance may approve expenditures in those amounts
9 made necessary by changes in caseload that are in ex-
10 cess of amounts appropriated in this act. If the Depart-
11 ment of Finance determines that the estimate of expend-
12 itures will exceed the expenditures authorized for
13 this item, the department shall so report to the Legisla-
14 ture. At the time the report is made, the amount of the
15 appropriation made by this item shall be increased by
16 the amount of the excess unless and until otherwise
17 provided by law.
- 18 5. Nonfederal funds appropriated in this item which have
19 been budgeted to meet the state's Temporary Assis-
20 tance for Needy Families maintenance-of-effort require-
21 ment established pursuant to the federal Personal Re-
22 sponsibility and Work Opportunity Reconciliation Act
23 of 1996 (P.L. 104-193) may not be expended in any
24 way that would cause their disqualification as a feder-
25 ally allowable maintenance-of-effort expenditure.
- 26 6. Section 11.00 shall apply to contracts entered into for
27 the development and implementation of the Consor-
28 tium IV, Interim Statewide Automated Welfare Sys-
29 tem, Los Angeles Eligibility, Automated Determina-
30 tion, Evaluation, and Reporting, and Welfare Client
31 Data Systems consortia of the Statewide Automated
32 Welfare System.
- 33 7. It is the intent of the Legislature that testing of the in-
34 terface between the Statewide Automated Welfare
35 System (SAWS) and the California Child Support
36 Automation System be considered a high priority by
37 the SAWS consortia, county welfare departments, the
38 State Department of Social Services, the Office of
39 Systems Integration, the Department of Child Support
40 Services, the Franchise Tax Board, and local child

1 support agencies. These entities shall make every effort
2 to complete the interface testing as soon as possible.
3 Resources may be redirected for this purpose, if nec-
4 essary.

5 8. Upon request of the Department of Finance, the Con-
6 troller shall transfer funds between this item and Item
7 5180-153-0001 as needed to reflect the estimated ex-
8 penditure amounts for each county that opts into the
9 Title IV-E Child Welfare Waiver Demonstration Pro-
10 ject pursuant to Section 18260 of the Welfare and In-
11 stitutions Code. The Department of Finance shall re-
12 port to the Legislature the amount to be transferred
13 pursuant to this provision. The transfer shall be autho-
14 rized at the time the report is made.

15 9. ~~Of the funds appropriated in this item, \$3,664,000 is~~
16 ~~for automation changes in the four Statewide Automat-~~
17 ~~ed Welfare System consortia for the purpose of imple-~~
18 ~~menting a semiannual reporting system. These funds~~
19 ~~may not be expended unless all of the following con-~~
20 ~~ditions are met: (a) the Legislature enacts a program~~
21 ~~of semiannual reporting for the CalWORKs, Food~~
22 ~~Stamp, and California Food Assistance programs, (b)~~
23 ~~related automation project documents, as required by~~
24 ~~the State Administrative Manual, are approved by the~~
25 ~~Department of Finance, and (c) the Department of~~
26 ~~Finance notifies the Legislature of such approval.~~

27
28 *SEC. 50. Item 5180-141-0890 of Section 2.00 of the Budget*
29 *Act of 2007 is amended to read:*

30
31 5180-141-0890—For local assistance, Department of Social
32 Services, for payment to Item 5180-141-0001, payable
33 from the Federal Trust Fund..... 603,768,000
34 590,281,000

35 Provisions:

36 1. Provisions 2, 3, 4, 6, 7, and 8 of Item 5180-141-0001
37 also apply to this item.

38 2. ~~Of the funds appropriated in this item, \$13,487,000 is~~
39 ~~for automation changes in the four Statewide Automat-~~
40 ~~ed Welfare System consortia for the purpose of imple-~~

1 menting a semiannual reporting system. These funds
 2 may not be expended unless all of the following con-
 3 ditions are met: (a) the Legislature enacts a program
 4 of semiannual reporting for the CalWORKs, Food
 5 Stamp, and California Food Assistance programs, (b)
 6 related automation project documents, as required by
 7 the State Administrative Manual, are approved by the
 8 Department of Finance, and (c) the Department of Fi-
 9 nance notifies the Legislature of such approval.

10
 11 *SEC. 51. Item 5180-151-0001 of Section 2.00 of the Budget*
 12 *Act of 2007 is amended to read:*

13

14	5180-151-0001—For local assistance, Department of Social	
15	Services.....	766,589,000
16		756,589,000
17	Schedule:	
18	(1) 25.30-Children and Adult Services	
19	and Licensing.....	2,087,314,000
20		2,077,314,000
21	(2) 25.35-Special Programs.....	24,207,000
22	(3) Reimbursements.....	-115,875,000
23	(4) Amount payable from the Child Health	
24	and Safety Fund (Item 5180-151-	
25	0279).....	-1,245,000
26	(5) Amount payable from the State Chil-	
27	dren’s Trust Fund (Item 5180-151-	
28	0803).....	-3,755,000
29	(6) Amount payable from the Federal	
30	Trust Fund (Item 5180-151-	
31	0890).....	-1,222,557,000
32	(7) Amount payable from the Child Welfare	
33	Services Program Improvement Fund	
34	(Item 5180-151-8023).....	-1,500,000
35	Provisions:	
36	1. Provision 1 of Item 5180-101-0001 also applies to this	
37	item.	
38	2. Notwithstanding Chapter 1 (commencing with Section	
39	18000) of Part 6 of Division 9 of the Welfare and In-	
40	stitutions Code, a loan not to exceed \$50,000,000 shall	

- 1 be made available from the General Fund from funds
2 not otherwise appropriated, to cover the federal share
3 of costs of a program when the federal funds have not
4 been received by this state prior to the usual time for
5 transmitting that federal share to the counties of this
6 state. That loan from the General Fund shall be repaid
7 when the federal share of costs for the program be-
8 comes available.
- 9 3. The Department of Finance may authorize the estab-
10 lishment of positions and transfer of amounts from
11 this item to Item 5180-001-0001, in order to allow the
12 state to perform the facilities evaluation function of
13 Community Care Licensing in the event the counties
14 fail to perform that function.
- 15 4. Nonfederal funds appropriated in this item which have
16 been budgeted to meet the state's Temporary Assis-
17 tance for Needy Families maintenance-of-effort require-
18 ment established pursuant to the federal Personal Re-
19 sponsibility and Work Opportunity Reconciliation Act
20 of 1996 (P.L. 104-193) may not be expended in any
21 way that would cause their disqualification as a feder-
22 ally allowable maintenance-of-effort expenditure.
- 23 5. The Department of Finance may authorize the estab-
24 lishment of positions and transfer of amounts from
25 this item to Item 5180-001-0001, in order to allow the
26 state to perform the adoptions function in the event
27 that a county notifies the State Department of Social
28 Services that it intends to cease performing that func-
29 tion.
- 30 6. (a) Of the amount appropriated in this item,
31 \$189,957,000 shall be provided to counties to
32 fund additional child welfare services activities
33 and shall be allocated based on child welfare ser-
34 vices caseload and county unit costs. However,
35 no county shall receive less than \$100,000. These
36 funds shall be expressly targeted for emergency
37 response, family reunification, family mainte-
38 nance, and permanent placement services and
39 shall be used to supplement, and shall not be used
40 to supplant, child welfare services funds. A

1 county is not required to provide a match of the
 2 funds received pursuant to this provision if the
 3 county appropriates the required full match for
 4 the county’s child welfare services program exclu-
 5 sive of the funds received pursuant to this provi-
 6 sion. These funds are available only to counties
 7 that have certified that they are fully utilizing the
 8 Child Welfare Services/Case Management System
 9 (CWS/CMS) or have entered into an agreed-upon
 10 plan with the State Department of Social Services
 11 outlining the steps that will be taken to achieve
 12 full utilization. The department shall reallocate
 13 any funds that counties choose not to accept under
 14 this provision, to other counties based on the allo-
 15 cation formula specified in this provision.

16 (b) The department, in collaboration with the County
 17 Welfare Directors Association and representatives
 18 from labor groups representing social workers,
 19 shall develop the definition of full utilization of
 20 the CWS/CMS, the method for measuring full
 21 utilization, the process for the state and counties
 22 to work together to move counties toward full
 23 utilization, and measurements of progress toward
 24 full utilization.

25 7. The State Department of Social Services shall consult
 26 with the counties, children’s advocates, and current
 27 and former foster youth in the development and imple-
 28 mentation of permanency and youth services initia-
 29 tives.

30 8. Upon request by the Department of Finance, the Con-
 31 troller shall transfer funds between this item and Item
 32 5180-153-0001 as needed to reflect the estimated ex-
 33 penditure amounts for each county that opts into the
 34 Title IV-E Child Welfare Waiver Demonstration Pro-
 35 ject pursuant to Section 18260 of the Welfare and In-
 36 stitutions Code. The Department of Finance shall re-
 37 port to the Legislature the amount to be transferred
 38 pursuant to this provision. The transfer shall be autho-
 39 rized at the time the report is made.
 40

1 SEC. 52. Item 5180-403 of Section 2.00 of the Budget Act of
2 2007 is amended to read:

3
4 5180-403—The Director of Finance is authorized to approve
5 transfers not to exceed ~~-\$139,507,000~~ \$55,507,000 from
6 the federal Temporary Assistance for Needy Families
7 (TANF) block grant to and in augmentation of any program
8 for which TANF funds have been appropriated in this act
9 or for Stage 2 child care, only if the request: (1) meets all
10 of the conditions set forth in Section 28.00, or (2) is consis-
11 tent with Provision 4 of Item 5180-101-0001. Any transfers
12 pursuant to this item shall require the respective legislative
13 notification procedures set forth in Section 28.00 or Provi-
14 sion 4 of Item 5180-101-0001, whichever is applicable.
15

16 SEC. 53. Item 5225-101-0001 of Section 2.00 of the Budget
17 Act of 2007 is amended to read:

18
19 5225-101-0001—For local assistance, Department of Correc-
20 tions and Rehabilitation..... 317,064,000
21 336,791,000

22 Schedule:

- 23 (1) 15-Corrections Standards Authority.... ~~222,250,000~~
- 24 241,977,000
- 25 (2) 20-Juvenile Operations..... 78,000
- 26 (3) 22-Juvenile Paroles..... 1,403,000
- 27 (4) 25.15.010-Adult Corrections and Reha-
- 28 bilitation Operations—Transportation
- 29 of Inmates..... 278,000
- 30 (5) 25.15.020-Adult Corrections and Reha-
- 31 bilitation Operations—Return of Fugi-
- 32 tives..... 5,066,000
- 33 (6) 25.30-Adult Corrections and Rehabilita-
- 34 tion Operations—County Charges..... 19,672,000
- 35 (7) 30-Parole Operations—Adult..... 53,417,000
- 36 (8) 60.01-County Juvenile Justice Planning
- 37 Grants..... 4,900,000
- 38 (9) 60.02-County Juvenile Justice Competi-
- 39 tive Grants..... 10,000,000

- 1 Provisions:
2 1. The amount appropriated in Schedules (4), (5), (6),
3 and (7) is provided for the following purposes:
4 (a) To pay the transportation costs of prisoners to and
5 between state prisons, including the return of pa-
6 role violators to prison and for the conveying of
7 persons under provisions of Division 3 (commenc-
8 ing with Section 3000) of the Welfare and Institu-
9 tions Code and the Western Interstate Corrections
10 Compact (Section 11190 of the Penal Code), in
11 accordance with Section 26749 of the Government
12 Code. Claims filed by local jurisdictions shall be
13 filed within six months after the end of the month
14 in which those transportation costs are incurred.
15 Expenditures shall be charged to either the fiscal
16 year in which the claim is received by the Con-
17 troller or the fiscal year in which the warrant is
18 issued by the Controller. Claims filed by local
19 jurisdictions directly with the Controller may be
20 paid by the Controller.
21 (b) To pay the expenses of returning fugitives from
22 justice from outside the state, in accordance with
23 Sections 1389, 1549, and 1557 of the Penal Code.
24 Claims filed by local jurisdictions shall be filed
25 within six months after the end of the month in
26 which expenses are incurred. Expenditures shall
27 be charged to either the fiscal year in which the
28 claim is received by the Controller or the fiscal
29 year in which the warrant is issued by the Con-
30 troller, and any restitution received by the state
31 for those expenses shall be credited to the appro-
32 priation of the year in which the Controller's re-
33 ceipt is issued. Claims filed by local jurisdictions
34 directly with the Controller may be paid by the
35 Controller.
36 (c) To pay county charges, payable under Sections
37 4700.1, 4750 to 4755, inclusive, and 6005 of the
38 Penal Code. Claims shall be filed by local juris-
39 dictions within six months after the end of the
40 month in which a service is performed by the

1 coroner, a hearing is held on the return of a writ
2 of habeas corpus, the district attorney declines to
3 prosecute a case referred by the Department of
4 Corrections and Rehabilitation, a judgment is
5 rendered for a court hearing or trial, an appeal
6 ruling is rendered for the trial judgment, or an
7 activity is performed as permitted by these sec-
8 tions. Expenditures shall be charged to either the
9 fiscal year in which the claim is received by the
10 Controller or the fiscal year in which the warrant
11 is issued by the Controller. Claims filed by local
12 jurisdictions directly with the Controller may be
13 paid by the Controller.

14 (d) To reimburse counties for the cost of detaining
15 state parolees pursuant to Section 4016.5 of the
16 Penal Code. Claims shall be filed by local juris-
17 dictions within six months after the end of the
18 month in which the costs are incurred. Claims
19 filed by local jurisdictions may not include
20 booking fees, may not recover detention costs in
21 excess of \$77.17 per day, and shall be limited to
22 the detention costs for those days on which
23 parolees are held subject only to a Department of
24 Corrections and Rehabilitation request pursuant
25 to subdivision (b) of Section 4016.5 of the Penal
26 Code. Expenditures shall be charged to either the
27 fiscal year in which the claim is received by the
28 Department of Corrections and Rehabilitation or
29 the fiscal year in which the warrant is issued.

30 2. Notwithstanding any other provision of law, upon 30-
31 day prior notification to the Chairperson of the Joint
32 Legislative Budget Committee, funds appropriated in
33 Schedule (7) of this item may be transferred to
34 Schedule (7) or (8), or both, of Item 5225-001-0001,
35 upon order of the Director of Finance, to provide funds
36 for the reimbursement of counties for the cost of
37 holding parole violators in local jails or for the auditing
38 or monitoring of local assistance costs.

39 4. The amounts appropriated in Schedules (2) and (3)
40 are provided for the following purposes:

- 1 (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.
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- 12 (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.
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- 24 10. The amount appropriated in Schedule (8) shall be for one-time grants to all 58 counties to plan for changes in state law governing county custody and rehabilitative services for youthful offenders whose offenses are not listed in subdivision (b) of Section 707 of the Welfare and Institutions Code. The Corrections Standards Authority (CSA), in consultation with the Division of Juvenile Facilities, shall distribute the funds based on county population, as reported most recently by the Department of Finance. The 10 largest counties shall receive grants of \$150,000 each. The next 20 largest counties shall receive grants of \$100,000 each. The 28 smallest counties shall receive grants of \$50,000 each. The CSA shall award grants no later than 30 days following the chaptering of this act.
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- 39 11. The amount appropriated in Schedule (9) shall be for one-time grants to counties for additional planning
- 40

1 and development efforts related to changes in state
 2 law governing the custody and treatment of youthful
 3 offenders whose offenses are not listed in subdivision
 4 (b) of Section 707 of the Welfare and Institutions
 5 Code. The amounts shall be distributed by the Correc-
 6 tions Standards Authority, in consultation with the
 7 Division of Juvenile Facilities, on a competitive basis.
 8 Counties may apply for these funds, and the Correc-
 9 tions Standards Authority shall give preference to
 10 counties that request funds to develop (a) regional
 11 approaches to the care, custody, and supervision of
 12 youthful offenders, (b) programs for specialized
 13 youthful offender populations, including, but not lim-
 14 ited to, offenders with histories of mental illness,
 15 substance abuse, violence, and recurrent and in-
 16 tractable behavioral problems, and (c) the use of evi-
 17 dence-based programs, risk/needs assessments, and a
 18 plan to implement a continuum of care for all youthful
 19 offenders. The Corrections Standards Authority shall
 20 award the grants not later than April 1, 2008. Up to 3
 21 percent of the total amount appropriated in Schedule
 22 (9) shall be available to the Corrections Standards
 23 Authority, Division of Juvenile Facilities, and Depart-
 24 ment of Corrections and Rehabilitation for administra-
 25 tion of this provision.

26 *12. Notwithstanding any other provision of law, of the*
 27 *funds appropriated in Schedule (1), \$29,727,000 shall*
 28 *be allocated to fully fund the 2006–07 fiscal year grant*
 29 *cycle for Mentally Ill Offender Reduction Grant Pro-*
 30 *gram for adults and juveniles.*

31 *13. Notwithstanding any other provision of law, of the*
 32 *funds appropriated in Schedule (1), \$29,727,000 shall*
 33 *be allocated to provide annual funding for Mentally*
 34 *Ill Offender Crime Reduction Grants as administered*
 35 *by the Corrections Standards Authority. These funds*
 36 *shall be available for expenditure and encumbrance*
 37 *until September 30, 2008.*

38
 39 *SEC. 54. Item 6110-009-0001 of Section 2.00 of the Budget*
 40 *Act of 2007 is amended to read:*

1	6110-009-0001—For support of Department of Education.....	483,000
2		1,483,000

3	Schedule:	
4	(1) 50-State Board of Education.....	536,000
5		1,536,000
6	(2) Reimbursements.....	-53,000

7 Provisions:

8 1. The amount appropriated in Schedule (1) shall be

9 available for support of the State Board of Education

10 and shall be directed to meet the policy priorities of

11 its members.

12 (a) Of the amount appropriated in this schedule,

13 \$138,000 is allocated for statutory oversight of

14 charter schools approved by the State Board of

15 Education. In addition, the State Department of

16 Education is authorized to receive and expend

17 statutory reimbursements of an amount estimated

18 to be \$138,000 for purposes of overseeing State

19 Board of Education-approved charter schools.

20

21 *SEC. 55. Item 6110-111-0001 of Section 2.00 of the Budget*

22 *Act of 2007 is amended to read:*

24	6110-111-0001—For local assistance, Department of Education	
25	(from the Public Transportation Account, State Transporta-	
26	tion Fund) <i>(Proposition 98)</i> , for transfer to Section A of	
27	the State School Fund, Home to School Transportation,	
28	pursuant to Article 10 (commencing with Section 41850)	
29	of Chapter 5 of Part 24 of the Education Code, and Small	
30	School District Transportation, pursuant to Article 4.5	
31	(commencing with Section 42290) of Chapter 7 of Part	
32	24 of the Education Code.....	577,131,000
33		228,011,000

34	Schedule:	
35	(1) 10.10.006-Pupil Transportation.....	571,359,000
36		222,239,000
37	(2) 10.10.008-Small School District Bus	
38	Replacement.....	5,772,000

39 Provisions:

- 1 1. Of the funds appropriated in this item, \$27,290,000 is
- 2 for the purpose of providing a cost-of-living adjust-
- 3 ment (COLA) at a rate of 4.53 percent.
- 4 2. An additional \$52,583,000 in expenditures for this
- 5 item has been deferred until the 2008–09 fiscal year.

6
 7 *SEC. 56. Item 6110-111-0046 is added to Section 2.00 of the*
 8 *Budget Act of 2007, to read:*

9
 10 *6110-111-0046—For local assistance, Department of Education*
 11 *(from the Public Transportation Account, State Transporta-*
 12 *tion Fund), for transfer to Section A of the State School*
 13 *Fund, Home to School Transportation, pursuant to Article*
 14 *10 (commencing with Section 41850) of Chapter 5 of Part*
 15 *24 of the Education Code, and Small School District*
 16 *Transportation, pursuant to Article 4.5 (commencing with*
 17 *Section 42290) of Chapter 7 of Part 24 of the Education*
 18 *Code..... 99,120,000*
 19 *Schedule:*
 20 *(1) 10.10.006-Pupil Transportation..... 99,120,000*
 21

22 *SEC. 57. Item 6110-113-0001 of Section 2.00 of the Budget*
 23 *Act of 2007 is amended to read:*

24
 25 *6110-113-0001—For local assistance, Department of Education*
 26 *(Proposition 98), for purposes of California’s pupil testing*
 27 *program..... ~~83,003,000~~*
 28 *85,123,000*
 29 *Schedule:*
 30 *(1) 20.70.030.005-Assessment Review and*
 31 *Reporting..... 2,313,000*
 32 *(2) 20.70.030.006-STAR Program..... ~~60,004,000~~*
 33 *62,124,000*
 34 *(3) 20.70.030.007-English Language Devel-*
 35 *opment Assessment..... 9,741,000*
 36 *(4) 20.70.030.008-High School Exit Exam-*
 37 *ination..... 10,945,000*
 38 *(5) 20.70.030.015-California High School*
 39 *Proficiency Examination..... 1,144,000*
 40 *(6) Reimbursements..... -1,144,000*

1 Provisions:

- 2 1. The funds appropriated in this item shall be for the
3 pupil testing programs authorized by Chapter 3 (commencing with Section 48400), Chapter 5 (commencing with Section 60600), Chapter 6 (commencing with Section 60800), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code.
4
5
6
7
8
9 2. The funds appropriated in Schedule (2) are provided
10 for approved contract and district apportionment costs
11 for the development and administration of the California Standards Test, the national Norm-Referenced
12 Test, the Standards-Based Test in Spanish, the California Alternate Performance Assessment, the Designated
13 Primary Language Test, and the California Modified Assessment, as part of the STAR Program.
14
15
16
17 3. The funds appropriated in Schedule (3) shall be
18 available for approved contract costs and apportionment costs for administration of the California English
19 Language Development Test (CELDT) meeting the requirements of Chapter 7 (commencing with Section
20 60810) of Part 33 of the Education Code. Incentive
21 funding of \$5 per pupil is provided for district apportionments for the CELDT. As a condition of receiving
22 these funds, school districts must agree to provide information determined to be necessary to comply with
23 the data collection and reporting requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-
24 110) regarding English language learners by the State Department of Education-(SDE).
25
26
27
28
29
30
31 4. The funds appropriated in Schedule (4) include funds
32 for approved contract costs and apportionment costs
33 for the administration of the California High School Exit Examination (CAHSEE) pursuant to Chapter 9
34 (commencing with Section 60850) of Part 33 of the Education Code. The State Board of Education shall
35 establish the amount of funding to be apportioned to school districts for the CAHSEE. The amount of
36 funding to be apportioned per test shall not be valid without the approval of the Department of Finance.
37
38
39
40

- 1 5. The funds appropriated in Schedule (4) shall be used
- 2 for seven annual administrations of the ~~CAHSEE~~
- 3 *California High School Exit Examination*. Grade 12
- 4 students may take up to five administrations of the
- 5 exam, grade 11 students may take up to two, and grade
- 6 10 students are required to take one.
- 7 6. It is the intent of the Legislature that the ~~SDE~~ *State*
- 8 *Department of Education (SDE)* develop a plan to
- 9 streamline existing programs to eliminate duplicative
- 10 tests and minimize the instructional time lost to test
- 11 administration. The SDE shall ensure that all statewide
- 12 tests meet industry standards for validity and reliabili-
- 13 ty.
- 14 7. Funds provided to local educational agencies from
- 15 Schedules (2), (3), and (4) shall first be used to offset
- 16 any state-mandated reimbursable costs within the
- 17 meaning of Section 17556 of the Government Code,
- 18 that otherwise may be claimed through the state man-
- 19 dates reimbursement process for the STAR Program,
- 20 the ~~CELDT~~ *California English Language Development*
- 21 *Test*, and the ~~CAHSEE~~ *California High School Exit*
- 22 *Examination*. Local educational agencies receiving
- 23 funding from these schedules shall reduce their esti-
- 24 mated and actual mandated reimbursement claims by
- 25 the amount of funding provided to them from these
- 26 schedules.

28 *SEC. 58. Item 6110-188-0001 of Section 2.00 of the Budget*
 29 *Act of 2007 is amended to read:*

30

31 6110-188-0001—For local assistance, Department of Education	
32 (Proposition 98), Program 10.10-School Apportionments	
33 Deferred Maintenance, for transfer to the State School	
34 Deferred Maintenance Fund.....	241,903,000
35	161,903,000

- 36 Provisions:
- 37 1. The funds appropriated in this item shall be transferred
 - 38 to the State School Deferred Maintenance Fund and
 - 39 are available for funding applications received by the
 - 40 Department of General Services, Office of Public

1 School Construction for the purpose of payments to
2 school districts for deferred maintenance projects
3 pursuant to Section 17584 of the Education Code.

4 2. *An additional \$115,479,000 in expenditures for this*
5 *item is appropriated in Item 6110-485 from the*
6 *Proposition 98 Reversion Account for the purposes of*
7 *this item.*

8
9 *SEC. 59. Item 6110-227-0001 of Section 2.00 of the Budget*
10 *Act of 2007 is amended to read:*

11
12 6110-227-0001—For local assistance, Department of Education
13 (Proposition 98), established pursuant to Article 4 (com-
14 mencing with Section 315) of Chapter 3 of Part 1 of the
15 Education Code, English language tutoring to children with
16 limited English proficiency..... 50,000,000

17 Schedule:
18 (1) 10-Instruction..... 50,000,000

19 Provisions:
20 1. ~~Funds appropriated in this item are contingent upon~~
21 ~~approval of legislation during the 2007-08 Regular~~
22 ~~Session that clarifies the use of these funds.~~

23
24 *SEC. 60. Item 6110-485 of Section 2.00 of the Budget Act of*
25 *2007 is amended to read:*

26
27 6110-485—Reappropriation (Proposition 98), Department of
28 Education. The sum of ~~150,674,000~~ \$480,674,000 is hereby
29 reappropriated from the Proposition 98 Reversion Account,
30 for the following purposes:

- 31 0001—General Fund
32 (1) \$100,000,000 to the School Facilities Program for the
33 purpose of funding the School Facilities Emergency
34 Repair Account as required by Chapter 899 of the
35 Statutes of 2004.
36 (2) \$8,810,000 to the State Department of Education for
37 the purpose of the Teacher Credentialing Block Grant
38 pursuant to Article 4 (commencing with Section
39 41520) of Chapter 3.2 of Part 24 of the Education Code

- 1 to fund estimated participation in the 2006–07 budget
2 year.
- 3 (8) \$4,100,000 to the State Department of Education for
4 the purpose of funding community day school program
5 deficiencies from the 2006–07 fiscal year.
- 6 (9) \$1,900,000 to the State Department of Education on
7 a one-time basis for maintenance of the K–12 High
8 Speed Network. The program shall provide a status
9 report to the Department of Finance, Legislative Ana-
10 lyst’s Office, and budget committees of each house of
11 the Legislature by March 1, 2008, on the use of these
12 funds and whether any unplanned program savings
13 are anticipated (due to vendor allowances, base pro-
14 gram savings, or other specified matters).
- 15 (11) \$385,000 to the Superintendent of Public Instruction,
16 on a one-time basis, for allocation to the Fiscal Crisis
17 and Management Assistance Team (FCMAT) to
18 conduct comprehensive assessments pursuant to Sec-
19 tion 41327.1 of the Education Code. Of the amount
20 appropriated in this paragraph, FCMAT shall use
21 \$150,000 for an assessment of the Oakland Unified
22 School District, \$125,000 for an assessment of the
23 Vallejo City Unified School District and \$110,000
24 for an assessment of the West Fresno Elementary
25 School District. The FCMAT shall provide a copy of
26 the written report to the appropriate fiscal and policy
27 committees of the Legislature, the Members of the
28 Legislature representing those school districts, any
29 advisory councils of those school districts, the Super-
30 intendent of Public Instruction, the county superinten-
31 dent of schools with jurisdiction over those school
32 districts, the Department of Finance, and the Office
33 of the Secretary for Education.
- 34 (12) ~~\$35,479,000~~ *\$115,479,000* to the State Department of
35 Education, on a one-time basis, to backfill the De-
36 ferred Maintenance Program.
- 37 (13) *Notwithstanding subdivision (b) of Section 17592.71*
38 *of the Education Code, \$250,000,000 shall be trans-*
39 *ferred by the Controller from the School Facilities*
40 *Emergency Repair Account to the Proposition 98*

1 *Reversion Account no later than 30 days after the*
 2 *enactment of the Budget Act. By March 31, 2008, the*
 3 *Director of Finance shall determine whether there*
 4 *are sufficient funds in the School Facility Emergency*
 5 *Repair Account to cover approved grants for the*
 6 *Schools Emergency Repairs Grant Program pursuant*
 7 *to Article 1.5 (commencing with Section 17592.70)*
 8 *of Chapter 5 of Part 10 of the Education Code. If the*
 9 *Director of Finance determines that the amount*
 10 *available in the School Facilities Emergency Repair*
 11 *Account is insufficient to cover approved grants, the*
 12 *amount necessary to fund grants approved by the State*
 13 *Allocation Board shall be transferred back from the*
 14 *Proposition 98 Reversion Account to the School Faci-*
 15 *lities Emergency Repair Account.*
 16 (14) *\$250,000,000 to the State Department of Education*
 17 *for the home-to-school transportation program, pur-*
 18 *suant to Article 10 (commencing with Section 41850)*
 19 *of Chapter 5 of Part 24 of the Education Code, and*
 20 *Small School District Transportation, pursuant to*
 21 *Article 4.5 (commencing with Section 42290) of*
 22 *Chapter 7 of Part 24 of the Education Code.*

23
 24 *SEC. 61. Item 6110-495 of Section 2.00 of the Budget Act of*
 25 *2007 is amended to read:*

26
 27 6110-495—Reversion, Department of Education, Proposition
 28 98. The following amounts shall be reverted to the Propo-
 29 sition 98 Reversion Account by the Controller within 60
 30 days of enactment of this act:
 31 0001—General Fund
 32 (1) \$10,000,000 of the balance in the Child Care Facilities
 33 Revolving Fund established pursuant to Section 8278.3
 34 of the Education Code.
 35 (2) \$10,202,000 or whatever the greater or lesser amount
 36 reflects the unexpended funds from Schedules (1) and
 37 (2) of Item 6110-113-0001 of the Budget Act of 2005
 38 (Chs. 38 and 39, Stats. 2005).
 39 (3) \$298,000 or whatever the greater or lesser amount re-
 40 flects the unencumbered balance of the amount appro-

- 1 priated for Specialized Secondary Programs in Item
2 6110-122-0001 of the Budget Act of 2005 (Chs. 38
3 and 39, Stats. 2005).
- 4 (4) \$14,200,000 or whatever the greater or lesser amount
5 reflects the unexpended funds from Schedules (1) and
6 (2) of Item 6110-123-0001 of the Budget Act of 2005
7 (Chs. 38 and 39, Stats. 2005).
- 8 (6) \$1,394,000 or whatever the greater or lesser amount
9 reflects the unexpended funds from Schedules (2) and
10 (4) of Item 6110-113-0001 of the Budget Act of 2004
11 (Ch. 208, Stats. 2004).
- 12 (7) \$1,550,000 or whatever the greater or lesser amount
13 reflects the unexpended funds from Schedules (1) and
14 (2) of Item 6110-116-0001 of the Budget Act of 2004
15 (Ch. 208, Stats. 2004).
- 16 (9) \$1,515,000 or whatever the greater or lesser amount
17 reflects the unexpended funds from Item 6110-166-
18 0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 19 (10) \$305,000 or whatever the greater or lesser amount
20 reflects the unexpended funds from Item 6110-195-
21 0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 22 (11) \$111,000 or whatever the greater or lesser amount
23 reflects the unexpended funds from Schedule (7) of
24 Item 6110-485 of the Budget Act of 2004 (Ch. 208,
25 Stats. 2004).
- 26 (12) \$10,000,000 or whatever lesser or greater amount re-
27 flects the unexpended funds from Schedule (3) of Item
28 6110-491 of the Budget Act of 2006 (Chs. 47 and 48,
29 Stats. 2006).
- 30 (13) \$1,500,000 or whatever the greater or lesser amount
31 reflects the unexpended funds from Schedule (1) of
32 Item 6110-113-0001 of the Budget Act of 2006 (Chs.
33 47 and 48, Stats. 2006).
- 34 (14) \$266,000 or whatever lesser or greater amount reflects
35 the unexpended funds from Schedule (3) of Item
36 6110-491 of the Budget Act of 2006 (Chs. 47 and 48,
37 Stats. 2006).
- 38 (15) \$200,000 or whatever lesser or greater amount reflects
39 the unexpended funds from Schedule (3) of Item

- 1 6110-491 of the Budget Act of 2006 (Chs. 47 and 48,
- 2 Stats. 2006).
- 3 (16) \$2,300,000 or whatever greater or lesser amount re-
- 4 flects the unexpended funds from Schedule (1) of Item
- 5 6110-203-0001 of the Budget Act of 2005 (Chs. 38
- 6 and 39, Stats. 2005).
- 7 (17) \$1,325,000 or whatever greater or lesser amount re-
- 8 flects the unexpended funds from Item 6110-224-0001
- 9 of the Budget Act of 2005 (Chs. 38 and 39, Stats.
- 10 2005).
- 11 (18) \$953,000 from Schedule (1) of Item 6110-228-0001
- 12 of the Budget Act of 2005 (Chs. 38 and 39, Stats.
- 13 2005).
- 14 (19) \$200,000 or whatever greater or lesser amount reflects
- 15 the unexpended funds from Schedule (1) of Item
- 16 6110-161-0001 of the Budget Act of 2005 (Chs. 38
- 17 and 39, Stats. 2005).
- 18 (20) \$84,000 or whatever greater or lesser amount reflects
- 19 the unexpended funds from Item 6110-245-0001 of
- 20 the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005).
- 21 (21) \$10,583,000 or whatever greater or lesser amount re-
- 22 flects the unexpended funds from subparagraph (D)
- 23 of paragraph (1) of subdivision (a) of Chapter 900 of
- 24 the Statutes of 2004.
- 25 (22) \$5,094,000 or whatever greater or lesser amount re-
- 26 flects the unexpended funds from Item 6110-234-0001
- 27 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 28 (23) \$1,000,000 or whatever greater or lesser amount re-
- 29 flects the unexpended funds from Schedule (3) of Item
- 30 6110-198-0001 of the Budget Act of 2004 (Ch. 208,
- 31 Stats. 2004).
- 32 (24) \$1,000,000 or whatever greater or lesser amount re-
- 33 flects the unexpended funds from Schedule (1) of Item
- 34 6110-203-0001 of the Budget Act of 2004 (Ch. 208,
- 35 Stats. 2004).
- 36 (25) \$693,000 or whatever greater or lesser amount reflects
- 37 the unexpended funds from Item 6110-649-0001 from
- 38 the 2004–05 fiscal year appropriation pursuant to
- 39 Section 8483.5 of the Education Code, as enacted by
- 40 Proposition 49 in 2002.

- 1 (26) \$657,000 or whatever greater or lesser amount reflects
- 2 the unexpended funds from Schedule (1) of Item
- 3 6110-193-0001 of the Budget Act of 2004 (Ch. 208,
- 4 Stats. 2004).
- 5 (27) \$418,000 or whatever greater or lesser amount reflects
- 6 the unexpended funds from Item 6110-111-0001 of
- 7 the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 8 (28) \$71,000 or whatever greater or lesser amount reflects
- 9 the unexpended funds from Item 6110-161-0001 of
- 10 the Budget Act of 2004 (Ch. 208, Stats. 2004).
- 11 (29) \$10,675,000 or whatever greater or lesser amount re-
- 12 flects the unexpended funds from paragraph (3) of
- 13 subdivision (a) of Chapter 227 of the Statutes of 2003.
- 14 (30) \$5,362,000 or whatever greater or lesser amount re-
- 15 flects the unexpended funds from paragraph (5) of
- 16 subdivision (a) of Section 44 of Chapter 227 of the
- 17 Statutes of 2003.
- 18 (31) \$55,000 or whatever greater or lesser amount reflects
- 19 the unexpended funds from Schedule (4) of Item
- 20 6110-226-0001 of the Budget Act of 2002 (Ch. 379,
- 21 Stats. 2002).
- 22 (32) *\$25,000,000 or whatever greater or lesser amount*
- 23 *reflects the unexpended funds from Item 6110-137-*
- 24 *0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats.*
- 25 *2006).*
- 26 (33) *\$1,005,000 or whatever greater or lesser amount re-*
- 27 *fects the unexpended funds from Schedule (4) of Item*
- 28 *6110-485 of the Budget Act of 2006 (Chs. 47 and 48,*
- 29 *Stats. 2006).*
- 30 (34) *\$11,691,000 or whatever greater or lesser amount*
- 31 *reflects the unexpended funds from subparagraph (E)*
- 32 *of paragraph (2) of subdivision (a) of Section 31 of*
- 33 *Chapter 73 of the Statutes of 2005.*
- 34 (35) *\$664,000 or whatever greater or lesser amount re-*
- 35 *fects the unexpended funds from subparagraph (J)*
- 36 *of paragraph (2) of subdivision (a) of Section 31 of*
- 37 *Chapter 73 of the Statutes of 2005.*
- 38

39 *SEC. 62. Item 7100-001-0514 of Section 2.00 of the Budget*
40 *Act of 2007 is amended to read:*

1 7100-001-0514—For support of Employment Development
 2 Department, for payment to Item 7100-001-0870, payable
 3 from the Employment Training Fund..... ~~61,600,000~~
 4 *51,600,000*

5 Provisions:

- 6 1. Upon order of the Director of Finance, funds disencum-
 7 bered from Employment Training Fund training con-
 8 tracts during the 2007–08 fiscal year that have not re-
 9 verted as of July 1, 2007, may be appropriated in
 10 augmentation of this item.
 11 2. Notwithstanding subparagraph (B) of paragraph (2)
 12 of subdivision (a) of Section 10206 of the Unemploy-
 13 ment Insurance Code, the Employment Training Pan-
 14 el’s administrative costs may exceed 15 percent of the
 15 amount appropriated in this item.

16
 17 *SEC. 63. Item 7100-001-0870 of Section 2.00 of the Budget*
 18 *Act of 2007 is amended to read:*

19
 20 7100-001-0870—For support of Employment Development
 21 Department, payable from the Unemployment Administra-
 22 tion Fund-Federal..... 523,595,000

23 Schedule:

- 24 (1) 10-Employment and Employment Re-
 25 lated Services..... 180,125,000
 26 (2) 21-Tax Collections and Benefit Pay-
 27 ments..... 626,785,000
 28 (3) 22-California Unemployment Insurance
 29 Appeals Board..... 74,196,000
 30 (4) 30.01-General Administration..... 56,859,000
 31 (5) 30.02-Distributed General Administra-
 32 tion..... -51,194,000
 33 (6) 50-Employment Training Panel..... ~~56,345,000~~
 34 *46,345,000*
 35 (7) Reimbursements..... -22,916,000
 36 (8) Amount payable from the General
 37 Fund (Item 7100-001-0001)..... -25,176,000
 38 (9) Amount payable from the Employment
 39 Development Department Benefit Au-
 40 dit Fund (Item 7100-001-0184)..... -14,621,000

1	(10) Amount payable from the Employment	
2	Development Contingent Fund (Item	
3	7100-001-0185).....	-79,495,000
4	(11) Amount payable from the Employment	
5	Training Fund (Item 7100-001-	
6	0514).....	-61,600,000
7		-51,600,000
8	(12) Amount payable from the Unemploy-	
9	ment Compensation Disability Fund	
10	(Item 7100-001-0588).....	-214,768,000
11	(13) Amount payable from the School Em-	
12	ployees Fund (Item 7100-001-0908)....	-945,000
13	Provisions:	
14	1. Funds appropriated in this item are in lieu of the	
15	amounts that otherwise would have been appropriated	
16	pursuant to Section 1555 of the Unemployment Insur-	
17	ance Code.	
18	2. Provision 1 of Item 7100-001-0588 also applies to	
19	funds appropriated in this item for the Unemployment	
20	Insurance Program.	
21	3. No later than September 13, 2007, the Secretary of	
22	Labor and Workforce Development shall report to the	
23	Director of Finance and the Joint Legislative Budget	
24	Committee on the progress of the Underground	
25	Economy Enforcement Program and shall provide	
26	justification for its continuance.	
27		

28 *SEC. 64. Item 8860-001-0001 of Section 2.00 of the Budget*
 29 *Act of 2007 is amended to read:*

30		
31	8860-001-0001—For support of Department of Finance.....	34,530,000
32		36,563,000
33	Schedule:	
34	(1) 10-Annual Financial Plan.....	24,668,000
35		23,699,000
36	(2) 15-Statewide Systems Development.....	2,315,000
37		6,615,000
38	(3) 20-Program and Information System	
39	Assessments.....	12,401,000

1	(4) 30-Supportive Data.....	13,067,000
2		<i>16,069,000</i>
3	(5) 40.01-Administration.....	6,411,000
4	(6) 40.02-Distributed Administration.....	-6,411,000
5	(7) Reimbursements.....	-14,540,000
6	(8) Amount payable from the General Fund	
7	(Item 8860-002-0001).....	-2,315,000
8		<i>-6,615,000</i>
9	(9) Amount payable from Unallocated	
10	Special Funds (Item 8860-011-0494)....	-587,000
11	(10) Amount payable from Unallocated	
12	Bond Funds—Select (Item 8860-011-	
13	0797).....	-127,000
14	(11) Amount payable from Other Unallocat-	
15	ed Nongovernmental Cost Funds (Item	
16	8860-011-0988).....	-352,000

17 Provisions:

- 18 1. The funds appropriated in this item for CALSTARS
- 19 shall be transferred by the Controller, upon order of
- 20 the Director of Finance, or made available by the De-
- 21 partment of Finance as a reimbursement, to other items
- 22 and departments for CALSTARS-related activities by
- 23 the Department of Finance.
- 24 2. The funds appropriated in this act for purposes of
- 25 CALSTARS-related data-processing costs may be
- 26 transferred between any items in this act by the Con-
- 27 troller upon order of the Director of Finance. Any
- 28 funds so transferred shall be used only for support of
- 29 CALSTARS-related data-processing costs incurred.
- 30 3. Notwithstanding any other provision of law, the Direc-
- 31 tor of Finance may authorize a loan from the General
- 32 Fund to the Department of Finance for the purpose of
- 33 meeting operational cashflow obligations for the
- 34 2007–08 fiscal year. The loan shall not exceed the es-
- 35 timated amount of uncollected reimbursements for the
- 36 final quarter of the fiscal year.
- 37 4. From the funds appropriated in Schedule (3) for the
- 38 purpose of evaluating and continuing development
- 39 and enhancement of the Governor’s Budget Presenta-
- 40 tion System (GBPS), the following provisions apply:

1 (a) From time to time, but no later than December 1,
2 2007, the Department of Finance shall update the
3 Legislature on anticipated changes to the GBPS.
4 In addition, the Department of Finance shall (1)
5 no later than the approximate same time the
6 Governor’s Budget is formally presented in elec-
7 tronic or any other Web-based form, provide
8 printed and bound hard copies of the Governor’s
9 Budget and Governor’s Budget Summary as fol-
10 lows: to the Legislative Analyst’s Office—45
11 copies, the Office of the Legislative Counsel—six
12 copies, offices of the Members of the Legisla-
13 ture—120 copies, the Rules Committees of the
14 Assembly and Senate—5 copies each, and the
15 fiscal committees of the Legislature—60 copies,
16 and (2) no later than four weeks after the Gover-
17 nor’s Budget is formally presented in electronic
18 or any other Web-based form, 131 printed and
19 bound hard copies of the Governor’s Budget and
20 Governor’s Budget Summary shall be provided
21 as follows: two copies to the State Library, to en-
22 sure that the State Librarian maintains at least one
23 public copy and one for the permanent research
24 collections, and 129 copies: one copy to each de-
25 pository public library in the state. Additional
26 copies, either bound or unbound, shall be available
27 for purchase by the public based on the cost of
28 producing the documents requested. Whenever
29 the Department of Finance submits to the Legisla-
30 ture changes to the Governor’s Budget or to the
31 Budget Bill, these requests shall be provided in
32 hard copy form to the Legislature including the
33 appropriate staff of the fiscal committees and the
34 Legislative Analyst’s Office. Whenever the De-
35 partment of Finance releases a document summa-
36 rizing changes proposed for the Governor’s Bud-
37 get or to the Budget Bill, the Department of Fi-
38 nance shall provide the summaries in hard copy
39 form to the Legislature including the appropriate

- 1 staff of the fiscal committees and the Legislative
- 2 Analyst’s Office.
- 3 (b) Notwithstanding any other provision of law, the
- 4 Department of Finance may amend its existing
- 5 contract with the Web-development firm to aug-
- 6 ment and continue consulting services until June
- 7 30, 2008, for the purpose of providing continuity
- 8 of services.
- 9 5. Of the amount appropriated in Schedule (1), \$654,000
- 10 is available to support the Public Employee Post-Em-
- 11 ployment Benefits Commission established pursuant
- 12 to Executive Order S-25-06. Any unencumbered bal-
- 13 ance will revert to the General Fund.

14
 15 *SEC. 65. Item 8860-002-0001 of Section 2.00 of the Budget*
 16 *Act of 2007 is amended to read:*

17	8860-002-0001—For support of Department of Finance, for	
18	payment to Item 8860-001-0001.....	2,315,000
19		6,615,000
20		

- 21 *Provisions:*
- 22 1. *The Department of Finance shall submit to the Legis-*
 - 23 *lature, no later than April 1, 2008, an approved Spe-*
 - 24 *cial Project Report for the Financial Information*
 - 25 *System for California (Project #8860-30). The Special*
 - 26 *Project Report shall incorporate project alternatives*
 - 27 *that include, at a minimum: (a) continuing with the*
 - 28 *project as proposed in the Special Project Report ap-*
 - 29 *proved December 15, 2006, (b) continuing with the*
 - 30 *design, development, and implementation of the Budget*
 - 31 *Information System as described in the Feasibility*
 - 32 *Study Report dated July 14, 2005, (c) developing and*
 - 33 *implementing a proof of concept including the control*
 - 34 *agencies’ statewide functions and a select few depart-*
 - 35 *ments, and (d) no action.*
 - 36 2. *The Special Project Report shall also include: (a) a*
 - 37 *plan of funding that evaluates alternative financing*
 - 38 *options and the use of special funds and federal funds,*
 - 39 *(b) a report on the status of funding discussions with*
 - 40 *the federal government, (c) the formalization of roles*

1 *and responsibilities, through the execution of memo-*
2 *randa of understanding, among the following project*
3 *partners: the Director of Finance, the Controller, the*
4 *Treasurer, and the Director of General Services, (d)*
5 *a revised project management plan addressing project*
6 *leadership succession planning and vendor account-*
7 *ability through the management of contracts, and (e)*
8 *a project oversight plan that includes regular and in-*
9 *dependent reviews by the Office of Technology Review,*
10 *Oversight, and Security and the Bureau of State Audits.*

11 3. *The Department of Finance shall transfer the contract*
12 *administration authority for the Financial Information*
13 *System for California (FI\$Cal) project’s contract re-*
14 *lated to Independent Project Oversight (contract)*
15 *services to the Bureau of State Audits. The bureau*
16 *shall monitor the contract, including assessing whether*
17 *the concerns of the contractor are being addressed,*
18 *and shall periodically report on the contract pursuant*
19 *to Chapter 6.5 (commencing with Section 8543) of*
20 *Division 1 of Title 2 of the Government Code. The*
21 *department shall amend the contract to reflect the re-*
22 *quirements of this provision and shall consult with the*
23 *bureau in making that amendment, and the bureau*
24 *shall approve the contents of the amendment prior to*
25 *its execution. The contract shall be amended prior to*
26 *any vendor payment from any amounts appropriated*
27 *in this item to fund the contract. For purposes of this*
28 *provision, “transfer the contract administration au-*
29 *thority” means that the bureau’s authority under the*
30 *contract shall include, but not necessarily be limited*
31 *to, the following:*

32 (a) *Receiving and approving for payment by the de-*
33 *partment, all invoices for payment under the*
34 *contract.*

35 (b) *Directly receiving from the contractor any reports*
36 *or other products produced under the contract,*
37 *without any modification to those reports or*
38 *products by the department.*

1 (c) Receiving notice of any and all meetings held
2 under the contract so that the bureau may attend
3 those meetings.

4 (d) Receiving communications made under the con-
5 tract.

6 Nothing in this provision shall supersede or compro-
7 mise the Office of Technology Review, Oversight, and
8 Security’s project oversight authority and responsibil-
9 ities with respect to the FI\$Cal project.

10 4. A communication plan between oversight entities and
11 contractors shall be developed and presented to the
12 Legislature concurrent with the Special Project Report.

13
14 SEC. 66. Item 9350-104-6065 of Section 2.00 of the Budget
15 Act of 2007 is amended to read:

16
17 9350-104-6065—Local assistance-shared revenues for support
18 of Local Streets and Road Improvement, Congestion Relief
19 and Traffic Safety Account of 2006, Highway Safety,
20 Traffic Reduction, Air Quality, and Port Security Fund of
21 2006..... 600,000,000

22 Provisions:

23 1. These funds shall be available for allocation by the
24 ~~California Transportation Commission~~ Controller
25 until June 30, 2010.

26
27 SEC. 67. Section 4.05 of the Budget Act of 2007 is amended
28 to read:

29 SEC. 4.05. (a) The Director of Finance, in consultation with
30 agency secretaries and other cabinet members, shall reduce General
31 Fund appropriations in the 2007–08 fiscal year by a total of
32 ~~\$60,297,000~~ \$100,297,000 on a one-time basis. Each agency
33 secretary shall recommend to the Director of Finance amounts to
34 be reduced from the appropriations to departments within the
35 agency. The Director of Finance may provide the agency secretaries
36 with target reduction amounts, in which case the agency secretaries
37 shall provide the Director of Finance with a list of recommended
38 reductions that is no less than the target amount for that agency.
39 For departments not reporting to an agency secretary, the Director
40 of Finance shall determine the amount of the reductions.

1 (b) The Director of Finance shall not reduce, pursuant to
2 subdivision (a), the amounts appropriated for the following: higher
3 education; the judicial branch; the Legislature; the Legislative
4 Counsel Bureau; constitutional officers; debt service, including,
5 but not limited to, tobacco settlement revenue shortfall, payment
6 of interest on General Fund loans, and interest payments to the
7 federal government; health and dental benefits for annuitants;
8 equity claims before the California Victim Compensation and
9 Government Claims Board; or augmentations for contingencies
10 or emergencies, unless the savings identified would not negatively
11 impact program needs as provided for in this act or current law,
12 and provided that the affected entity or the state official responsible
13 for that expenditure concurs with the reduction.

14 (c) General Fund savings from appropriations other than those
15 in the 2007–08 fiscal year may be credited towards the overall
16 savings in subdivision (a). Savings from funds other than the
17 General Fund that would otherwise revert to the General Fund in
18 the 2007–08 fiscal year may also be credited towards the total
19 savings specified in subdivision (a).

20 (d) Nothing within this section shall be construed to confer any
21 authority upon the Director of Finance to modify or eliminate any
22 other provision of existing law.

23 (e) Not later than February 15, 2008, the Director of Finance
24 shall report to the Chairperson of the Joint Legislative Budget
25 Committee and the chairpersons of the committees of each house
26 of the Legislature that consider appropriations the amount of
27 reductions made in each item of appropriation pursuant to this
28 section. The report shall include the following: each specific
29 reduction by department, agency, and program; whether the
30 reduction is one time or ongoing; a description of programmatic
31 effects; the number and description of positions affected; and any
32 other description necessary to fully disclose the reduction’s impact.

33 (f) A state operations appropriation, and a program, project, or
34 function designated in any line of any schedule set forth by that
35 appropriation, may not be reduced pursuant to subdivision (a) by
36 more than 20 percent. A local assistance appropriation, and a
37 program, project, or function designated in any line of any schedule
38 set forth by that appropriation, may not be reduced pursuant to
39 subdivision (a) by more than 5 percent.

1 *SEC. 68. Section 9.00 is added to the Budget Act of 2007 to*
2 *read:*

3 *SEC. 9.00. Notwithstanding any other provision of law, the*
4 *Director of Finance may reduce the appropriation in Schedule*
5 *(14) of Item 6110-485 in order to ensure adequate funds in the*
6 *Proposition 98 Reversion Account in the event the transfer from*
7 *the Proposition 98 Reversion Account to the School Facilities*
8 *Emergency Repair Account described in Schedule (13) of Item*
9 *6110-485 is required.*

10 *If the Director of Finance reduces the amount in Schedule (14)*
11 *of Item 6110-485 to ensure adequate funding in the School*
12 *Facilities Emergency Repair Account, the director shall adjust*
13 *Item 6110-111-0046 upward by an equal amount to ensure that*
14 *funding for the Home-to-School transportation program is*
15 *consistent with the total amount appropriated for the program by*
16 *this act.*

17 *SEC. 69. Section 11.15 is added to the Budget Act of 2007 to*
18 *read:*

19 *SEC. 11.15. Notwithstanding any other provision of law,*
20 *whenever a reference is made to the Department of Finance or*
21 *the Office of the State Chief Information Officer related to review,*
22 *approval, or legislative notification for information technology*
23 *projects, the following shall apply:*

24 (i) *From the period July 1, 2007, to December 31, 2007,*
25 *inclusive, references to either of the above organizations related*
26 *to information technology projects shall require approval or*
27 *notification or both by the Department of Finance.*

28 (b) *From the period January 1, 2008, to June 30, 2008,*
29 *inclusive, references to either of the above organizations related*
30 *to information technology projects shall require approval or*
31 *notification or both by the Office of the State Chief Information*
32 *Officer.*

33 *This section does not apply to Sections 11.00 and 11.10.*

34 *SEC. 70. Section 12.32 of the Budget Act of 2007 is amended*
35 *to read:*

36 SEC. 12.32. (a) It is the intent of the Legislature that
37 appropriations that are subject to Section 8 of Article XVI of the
38 California Constitution be designated with the wording
39 “Proposition 98.” In the event these appropriations are not so
40 designated, they may be designated as such by the Department of

1 Finance, where that designation is consistent with legislative intent,
2 within 30 days after notification in writing of the proposed
3 designation to the chairperson of the committee in each house of
4 the Legislature that considers appropriations and the Chairperson
5 of the Joint Legislative Budget Committee, or within a lesser time
6 that the chairperson of the joint committee, or his or her designee,
7 determines.

8 (b) Pursuant to the Proposition 98 funding requirements
9 established in Chapter 2 (commencing with Section 41200) of Part
10 24 of the Education Code, the total appropriations for Proposition
11 98 for the 2007–08 fiscal year are ~~—\$41,929,603,000~~
12 ~~\$41,492,504,000~~ or ~~42.6~~ 42.2 percent of total General Fund
13 revenues and transfers subject to the state appropriations limit.
14 General Fund revenues appropriated for school districts are
15 ~~\$37,639,628,000~~ \$37,202,628,000 or ~~38.3~~ 37.8 percent of total
16 General Fund revenues and transfers subject to the state
17 appropriations limit. General Fund revenues appropriated for
18 community college districts are \$4,170,624,000 or 4.2 percent of
19 total General Fund revenues and transfers subject to the state
20 appropriations limit. General Fund revenues appropriated for other
21 state agencies that provide direct elementary and secondary level
22 education, as defined in Section 41302.5 of the Education Code,
23 are \$119,252,000 or 0.1 percent of total General Fund revenues
24 and transfers subject to the state appropriations limit.

25 *SEC. 71. Section 24.80 is added to the Budget Act of 2007 to*
26 *read:*

27 *SEC. 24.80. (a) Notwithstanding any other provision of law,*
28 *the Director of Finance is authorized to reimburse four hundred*
29 *nine million dollars (\$409,000,000) in General Fund expenditures*
30 *for the purposes of offsetting the cost of debt service payments*
31 *made in prior fiscal years for public transportation related general*
32 *obligation bond expenditures in the 2007–08 fiscal year from the*
33 *Public Transportation Account. The total reimbursement shall not*
34 *reduce the balance in the Public Transportation Account below a*
35 *prudent reserve as determined by the Director of Finance.*

36 *(b) This reimbursement will result in overall General Fund*
37 *savings. It is not the intent of the Legislature in enacting this*
38 *section to provide additional expenditure authority to state*
39 *programs.*

1 (c) Funds provided from the Public Transportation Account for
2 this purpose are derived from the sales tax on fuels and are
3 dedicated to mass transportation purposes pursuant to Section
4 99310.5 of the Public Utilities Code. The Legislature hereby finds
5 that funding debt service on bonds benefiting public transportation
6 is a component of the state's mass transportation program.

7 (d) Under the provisions of Article XIX B as amended by
8 Proposition 1A in the November 7, 2006, statewide general
9 election, funds from sales taxes on fuels that are placed in the
10 General Fund must be then allocated to the Transportation
11 Investment Fund and distributed in conformance to the provisions
12 of Proposition 42 that are applicable to that year. If the provisions
13 of Proposition 42 are suspended in the future, Proposition 1A
14 provides that any proceeds from sales taxes on fuels that are placed
15 in the General Fund must be repaid in three years and limits future
16 suspensions. Thus any funds from sales taxes on fuels can no longer
17 be retained in the General Fund and thus cannot practically
18 become revenues that affect the calculation of the Proposition 98
19 guarantee.

20 (e) Because there were no revenues from the sales tax on fuel
21 deposited in the General Fund in the 1986–87 fiscal year, the
22 calculation of the first year of funding guaranteed to schools under
23 Proposition 98 is not affected by this revenue source.

24 (f) The Legislature finds therefore that the operation of this
25 section does not reduce the amount of funds allocable to schools
26 under Article XVI of the California Constitution.

27 SEC. 72. Section 29.50 is added to the Budget Act of 2007 to
28 read:

29 SEC. 29.50. It is the intent of the Legislature that, in assisting
30 the Governor in preparing the State Budget for the 2008–09 fiscal
31 year, the Department of Finance not include any proposed funding
32 for any of the following: (a) discretionary price adjustments to
33 state, University of California, or California University operations,
34 and (b) General Fund capital outlay, beyond the minimal amount
35 of fifty million dollars (\$50,000,000) for emergencies and
36 contingencies.

37 SEC. 73. Section 35.50 of the Budget Act of 2007 is amended
38 to read:

39 SEC. 35.50. (a) For purposes of paragraph (1) of subdivision
40 (f) of Section 10, and subdivision (f) of Section 12, of Article IV

1 of the California Constitution, “General Fund revenues” means
2 the total resources available to the General Fund for a fiscal year
3 before any transfer to the Budget Stabilization Account.

4 (b) For purposes of subdivision (f) of Section 12 of Article IV
5 of the California Constitution, “all appropriations from the General
6 Fund for that fiscal year” shall not include any transfer to the
7 Budget Stabilization Account to retire Economic Recovery Bonds
8 because that amount is reflected in the “amount of any General
9 Fund moneys transferred to the Budget Stabilization Account.”

10 (c) For purposes of subdivision (f) of Section 12 of Article IV
11 of the California Constitution, the estimate of General Fund
12 revenues for the 2007–08 fiscal year pursuant to this act, as passed
13 by the Legislature, is ~~\$106,689,100,000~~ \$106,764,100,000.

14 (d) For purposes of subdivision (b) of Section 20 of Article XVI
15 of the California Constitution, General Fund revenues shall be
16 defined as revenues and transfers before any transfer to the Budget
17 Stabilization Account, excluding any proceeds from Economic
18 Recovery Bonds, as estimated in the enacted State Budget.

19 *SEC. 74. Sections 1 to 73, inclusive, of this act shall become*
20 *operative only if the Budget Act of 2007, Senate Bill 77, as*
21 *proposed by Conference Report No. 1 on July 9, 2007, is enacted*
22 *and becomes effective on or before January 1, 2008.*

23 *SEC. 75. This act is an urgency statute necessary for the*
24 *immediate preservation of the public peace, health, or safety within*
25 *the meaning of Article IV of the Constitution and shall go into*
26 *immediate effect. The facts constituting the necessity are:*

27 *This act makes appropriations for the support of the government*
28 *of the State of California and for several public purposes for the*
29 *2007–08 fiscal year. It is imperative that these appropriations be*
30 *made effective as soon as possible. It is therefore necessary that*
31 *this act go into immediate effect.*