AMENDED IN ASSEMBLY DECEMBER 16, 2008

CALIFORNIA LEGISLATURE—2009–10 FIRST EXTRAORDINARY SESSION

SENATE BILL No. 12

Introduced by Senator Ducheny

December 8, 2008

~~An act relating to the Budget Act of 2008.~~ *An act to amend Items 3910-004-0226, 3910-004-0281, and 3910-007-0387 of Section 2.00 of the Budget Act of 2003 (Chapter 157 of the Statutes of 2003), and to amend Items 0250-001-3066, 0250-012-0001, 0250-101-0001, 0250-101-0932, 0250-102-0556, 0250-111-0001, 0250-112-0001, 0690-102-0001, 0690-102-0597, 0690-113-0001, 1870-012-0214, 2640-101-0046, 2740-001-0044, 2740-001-0064, 3480-001-0001, 3480-001-3046, 3790-001-0001, 3790-001-6051, 4300-101-0001, 5180-111-0001, 5225-101-0001, 6440-001-0001, 6600-001-0001, 6610-001-0001, 6610-002-0001, 8660-011-0470, 8660-011-0471, 8660-011-0483, 9100-101-0001, 9210-101-0001, and 9210-105-0001 of, to add Item 0250-012-0159 to, and to repeal Item 0690-102-0214 of, Section 2.00 of the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008), and to add Section 3.90 to the Budget Act of 2008, relating to the support of state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 12, as amended, Ducheny. Budget Act of 2008*: revisions*.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2008.~~

The Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008) made appropriations for the support of state government during the 2008–09 fiscal year.

This bill would amend the Budget Act of 2008 to make adjustments to certain items of appropriations and would authorize the Director of Finance to allocate necessary reductions in employee compensation from General Fund items in the amount of $240,000,000 and from items relating to other funds in the amount of $149,000,000. The bill would state the intent of the Legislature that reductions in employee compensation will result in General Fund savings of $417,000,000 and other fund savings of $255,000,000 in the 2009–10 fiscal year.

The Budget Act of 2003 (Chapter 157 of the Statutes of 2003) makes appropriations for the support of state government during the 2003–04 fiscal year and, among other things, authorizes transfers to the General Fund from certain special funds to be repaid to those funds during the 2nd half of the 2008–09 fiscal year.

This bill would amend the Budget Act of 2003 to extend the time for repayment of those transfers to the 2nd half of the 2010–11 fiscal year.

The bill would become operative only if SB 1 of the 2009–10 First Extraordinary Session is enacted.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 1, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 1, 2008, pursuant to the California Constitution.

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:

~~SECTION 1. It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2008.~~

SECTION 1. The adjustments to appropriations made by this act are in addition to the appropriations made in Section 2.00 of the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008) and are subject to the provisions of that act, as appropriate, including, as applicable, the provisions of that act that apply to the items of appropriation that are amended by this act. Unless *otherwise specified, the references in this act to item numbers refer to items of appropriation in Section 2.00 of the Budget Act of 2008 (Chapters 268 and 269 of the Statutes of 2008).*

SEC. 2. Item 0250-001-3066 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-001-3066—For support of Judicial Branch, payable from the Court Facilities Trust Fund... ~~17,504,000~~ *17,492,000*

Schedule:

(1) 35-Judicial Branch Facility Program..... ~~19,028,000~~ *19,016,000*

(2) Reimbursements.................................. −1,524,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of this item for the operation, repair, and maintenance of court facilities pursuant to Section 70352 of the Government Code.
2. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.

SEC. 3. Item 0250-012-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-012-0001—For transfer by the Controller to the Court Facilities Trust Fund... ~~3,304,000~~ *3,292,000*

Provisions:

1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.

SEC. 4. Item 0250-012-0159 is added to Section 2.00 of the Budget Act of 2008, to read:

0250-012-0159—For transfer by the Controller, upon order of the Director of Finance, from the Trial Court Improvement Fund, to the General Fund .... (61,000,000)

SEC. 5. Item 0250-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-101-0001—For local assistance, Judicial Branch............ ~~18,996,000~~ *18,753,000*

Schedule:

(1)	45.10-Support for Operation of Trial Courts..	~~7,017,000~~ *6,774,000*
(2)	45.55.010-Child Support Commissioners Program (Article 4 (commencing with Section 4250) of Chapter 2 of Part 2 of Division 9 of the Family Code).....	47,927,000
(3)	45.55.020-California Collaborative and Drug Court Projects.............................	5,791,000
(4)	45.55.030-Federal Child Access and Visitation Grant Program......................	1,600,000
(5)	45.55.050-Federal Court Improvement Grant Program.....................................	700,000
(6)	45.55.070-Grants—Other.....................	745,000
(7)	45.55.080-Federal Grants—Other........	775,000
(8)	45.55.090-Equal Access Fund Program...	10,776,000
(9)	Reimbursements................................	−53,260,000
(10)	Amount payable from Federal Trust Fund (Item 0250-101-0890)................	−3,075,000

Provisions:

1. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (8) are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the

council determines that the awards comply with statutory and other relevant guidelines. Ten percent of the funds in Schedule (8) shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds in Schedule (8) shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.

2. The amount appropriated in Schedule (1) is available for reimbursement of court costs related to the following activities: (a) payment of service of process fees billed to the trial courts pursuant to the provisions of Chapter 1009 of the Statutes of 2002, (b) payment of the court costs payable under Sections 4750 to 4755, inclusive, and Section 6005 of the Penal Code, and (c) payment of court costs of extraordinary homicide trials.

3. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.

SEC. 6. Item 0250-101-0932 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund......................		~~3,045,408,000~~ *3,011,088,000*
Schedule:		
(1) 45.10-Support for Operation of the Trial Courts....................................	~~2,621,571,000~~ *2,587,251,000*	
(2) 45.25-Compensation of Superior Court Judges..	296,112,000	
(3) 45.35-Assigned Judges.........................	26,047,000	
(4) 45.45-Court Interpreters......................	91,585,000	

(5) 45.55.060-Court Appointed Special Advocate (CASA) Program.................	2,278,000
(6) 45.55.065-Model Self-Help Program....	991,000
(7) 45.55.090-Equal Access Fund Program...	5,622,000
(8) 45.55.095-Family Law Information Centers...	346,000
(9) 45.55.100-Civil Case Coordination......	856,000

Provisions:

1. Notwithstanding Section 26.00, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by the Judicial Council.
2. The funds appropriated in Schedule (2) shall be made available for costs of the workers' compensation program for trial court judges.
3. The amount appropriated in Schedule (3) shall be made available for all judicial assignments. Schedule (3) expenditures for necessary support staff may not exceed the staffing level that is necessary to support the equivalent of three judicial officers sitting on assignments.
4. The funds appropriated in Schedule (4) shall be for payments for services of contractual court interpreters, and certified and registered court interpreters employed by the courts, and the following court interpreter coordinators: 1.0 each in counties of the 1st through the 15th classes, 0.5 each in counties of the 16th through the 31st classes, and 0.25 each in counties of the 32nd through the 58th classes. For the purposes of this provision, "court interpreter coordinators" may be full- or part-time court employees, or those contracted by the court to perform these services.

   The Judicial Council shall set statewide or regional rates and policies for payment of court interpreters, not to exceed the rate paid to certified interpreters in the federal court system.

   The Judicial Council shall adopt appropriate rules and procedures for the administration of these funds. The Judicial Council shall report to the Legislature and Director of Finance annually regarding expenditures from this schedule.

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

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

7. Of the funds appropriated in Schedule (1), which will be transferred to the Trial Court Improvement Fund in accordance with subdivision (b) of Section 77209 of the Government Code, up to $5,000,000 shall be available for support of services for self-represented litigants.

8. Upon approval by the Administrative Director of the Courts, the Controller shall transfer up to $11,274,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.

9. Upon approval by the Administrative Director of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the

State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase the amount of the transfer by an amount or amounts no more than $1,691,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts. Any augmentations shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

10. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule ~~(8)~~ *(7)* are available for distribution by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Upon approval by the Administrative Director of the Courts, the Controller shall transfer up to 5 percent of the funding appropriated in Schedule ~~(8)~~ *(7)* to Item 0250-001-0932 for administrative expenses. Ten percent of the funds remaining after administrative costs shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds remaining after administrative costs shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.

11. Funds available for expenditure in Schedule (7) may be augmented by order of the Director of Finance by the amount of any additional resources deposited for distribution to the Equal Access Fund Program in accordance with Sections 68085.3 and 68085.4 of the Government Code. Any augmentation under this provision shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.
12. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.
13. The Judicial Council is authorized to convert up to 16.0 subordinate judicial officer positions to judgeships in the 2008–09 fiscal year in the manner and pursuant to the authority described in subparagraph (B) of paragraph (1) of subdivision (b) of Section 69615 of the Government Code.

SEC. 7. Item 0250-102-0556 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-102-0556—For local assistance, Judicial Branch, payable from the Judicial Administration Efficiency and Modernization Fund... ~~44,676,000~~
44,181,000

Provisions:
1. Upon approval of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the Judicial Administration Efficiency and Modernization Fund, which is in addition to the amount appro-

priated in this item. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the chairperson of the joint committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.

2. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted by ~~a factor of 2.7 percent per the Consumer Price Index~~ *1.4 percent*.

3. Notwithstanding any other provision of law, of the funds appropriated in this item, up to $5,967,000 is available to fund positions and activities for the development and deployment of the Phoenix Project to implement a statewide financial and human resources system to support trial court operations.

SEC. 8. Item 0250-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund.. ~~1,786,484,000~~ *1,752,164,000*

Provisions:

1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.

SEC. 9. Item 0250-112-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0250-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund........ ~~38,709,000~~ *38,214,000*

Provisions:

1. Notwithstanding subparagraph (B) of paragraph (1) of subdivision (a) of Section 77202 of the Government Code, the growth factor for this item for the 2008–09 fiscal year has been adjusted ~~per the Consumer Price Index factor of 2.7~~ *by 1.4* percent.

SEC. 10. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services.. ~~48,794,000~~ *26,058,000*

Schedule:

(1) 50.20-Victim Services......................... 3,916,000

(2) 50.30-Public Safety............................. ~~44,878,000~~ *22,142,000*

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.

4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.

SEC. 11. Item 0690-102-0214 of Section 2.00 of the Budget Act of 2008 is repealed.

~~0690-102-0214—For local assistance, Office of Emergency Services, payable from the Restitution Fund....................~~ ~~10,000,000~~

~~Schedule:~~

~~(1)~~	~~Grants to cities with heavy gang concentrations...~~	~~3,000,000~~
~~(2)~~	~~Competitive grants to cities.................~~	~~4,500,000~~
~~(3)~~	~~Competitive grants to community-based organizations..~~	~~2,000,000~~
~~(4)~~	~~Internet Crimes Against Children Task Force funding.......................................~~	~~500,000~~

~~Provisions:~~

~~1. All grantees must provide a dollar-for-dollar match to state grant funds awarded from Schedules (1), (2), and (3).~~

~~2. The Office of Emergency Services shall submit a report and evaluation of the grants awarded pursuant to Schedules (1), (2), and (3) to the fiscal committees of the Legislature not later than April 1, 2011.~~

~~3. The Department of Finance may transfer up to 3 percent of the funds appropriated in Schedules (1), (2), and (3) to Item 0690-002-0001 for administration of the grant programs.~~

~~4. The amount appropriated in Schedule (1) shall be distributed as follows: $1,000,000 each to Los Angeles, San Francisco Bay area cities, and central valley cities.~~

~~5. The amount appropriated in Schedule (2) shall be competitive grants to cities. No grant shall exceed $500,000, and at least two grants shall be awarded to cities with populations of 200,000 or less. In awarding grants, the Office of Emergency Services shall give preference to applicants that incorporate regional approaches to antigang activities.~~

~~6. Each city that receives a grant from Schedule (1) or (2) shall collaborate and coordinate with area jurisdictions and agencies, including the existing county juvenile justice coordination council, with the goal of reducing gang activity in the city and adjacent areas. Each grantee shall establish a coordinating and advisory council to prioritize the use of the funds. Membership shall include city officials, local law enforcement, including the county sheriff, chief probation officer, and district attorney, local educational agencies, including school districts and the county office of education, and community-based organizations.~~

~~7. The amount appropriated in Schedule (3) shall be for grants to community-based organizations. The grants shall be used to test different approaches designed to reduce gang activities in communities and neighborhoods. No grant shall exceed $200,000.~~

SEC. 12. Item 0690-102-0597 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-102-0597—For local assistance, Office of Emergency Services, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund................. ~~11,970,000~~ *5,985,000*

Schedule:

(1) 50.30-Public Safety............................. ~~11,970,000~~ *5,985,000*

Provisions:

1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.
2. All grantees receiving funds appropriated in this item shall be required to provide matching funds equal to 25 percent of the amount of grant funding received by them from the High Technology Theft Apprehension and Prosecution Program Trust Fund.
3. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the High Technology Theft Apprehension and Prosecution Program Trust Fund, which is in addition to the amount appropriated in this item. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairperson of the committee and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

SEC. 13. Item 0690-113-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

0690-113-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.. ~~11,970,000~~
5,985,000

Provisions:

1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.

SEC. 14. Item 1870-012-0214 of Section 2.00 of the Budget Act of 2008 is amended to read:

1870-012-0214—For transfer by the Controller, upon order of the Director of Finance, from the Restitution Fund to the General Fund... ~~(50,000,000)~~ *(110,000,000)*

SEC. 15. Item 2640-101-0046 of Section 2.00 of the Budget Act of 2008 is amended to read:

2640-101-0046—For local assistance, State Transit Assistance, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund......... ~~306,434,000~~ *150,000,000*

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than $60,397 of the amount appropriated in this item shall be used to reimburse the Controller for expenditures of administration of State Transit Assistance funds.

SEC. 16. Item 2740-001-0044 of Section 2.00 of the Budget Act of 2008 is amended to read:

2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.......... ~~519,463,000~~ *669,463,000*

Schedule:

(1) 11-Vehicle/Vessel Identification and Compliance..........	538,624,000
(2) 22-Driver Licensing and Personal Identification..........	245,979,000
(3) 25-Driver Safety..........	117,241,000
(4) 32-Occupational Licensing and Investigative Services..........	48,549,000
(5) 35-New Motor Vehicle Board..........	2,104,000
(6) 41.01-Administration..........	106,673,000
(7) 41.02-Distributed Administration..........	−106,673,000
(8) Reimbursements..........	−15,366,000
(9) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042)..........	−51,459,000
(10) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054)..........	−2,104,000
(11) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064)..........	~~−359,765,000~~ *−209,765,000*
(12) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516)..........	−2,761,000
(13) Amount payable from the Federal Trust Fund (Item 2740-001-0890)..........	−1,579,000

Provisions:

1. No later than December 31 of each year up to and including 2014, the Department of Motor Vehicles shall report to the Joint Legislative Budget Committee and the policy committees on transportation of both houses of the Legislature on all of the following concerning the Information Technology Modernization project: (a) planned milestone completion dates versus actual

milestone completion dates, (b) planned expenditures by phase versus actual expenditures by phase, and (c) description of adherence to scope and reasons for any changes.

2. The Department of General Services, with the consent of the Department of Motor Vehicles, may lease or exchange property located at 8629 Hellman Avenue, Rancho Cucamonga for the purpose of development of a replacement field office for use and occupancy by the Department of Motor Vehicles through a lease, lease purchase, purchase of the facility, or other terms determined by the Director of General Services to be in the best interest of the state. Thirty days prior to entering into any agreement, the Department of General Services shall notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of the terms and conditions of the agreement. If the Joint Legislative Budget Committee does not express any opposition or concerns, the Department of General Services may proceed with the agreement 30 days after giving notice.

SEC. 17. Item 2740-001-0064 of Section 2.00 of the Budget Act of 2008 is amended to read:

2740-001-0064—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund.. ~~359,765,000~~
209,765,000

SEC. 18. Item 3480-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

3480-001-0001—For support of Department of Conservation.... 4,605,000

Schedule:

(1) 10-Geologic Hazards and Mineral Resources Conservation........................... 24,836,000

(2)	20-Oil, Gas, and Geothermal Resources	~~22,177,000~~ *28,990,000*
(3)	30-Land Resource Protection	6,221,000
(4)	40.01-Administration	13,748,000
(5)	40.02-Distributed Administration	−13,748,000
(6)	50-Beverage Container Recycling and Litter Reduction Program	48,692,000
(7)	60-Office of Mine Reclamation	6,597,000
(8)	Reimbursements	−9,269,000
(10)	Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035)	−2,192,000
(11)	Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-0042)	−12,000
(12)	Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-0133)	−48,592,000
(13)	Amount payable from the Soil Conservation Fund (Item 3480-001-0141)	−3,849,000
(14)	Amount payable from the Hazardous and Idle-Deserted Well Abatement Fund (Section 3206 of the Public Resources Code)	−100,000
(15)	Amount payable from the Mine Reclamation Account (Item 3480-001-0336)	−3,842,000
(16)	Amount payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund (Item 3480-001-0338)	−9,920,000
(17)	Amount payable from the Federal Trust Fund (Item 3480-001-0890)	−1,324,000
(18)	Amount payable from the Bosco Keene Renewable Resources Investment Fund (Item 3480-001-0940)	−1,135,000

(18.5) Amount payable from the Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3102)	−980,000
(19) Amount payable from the Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account (Item 3480-001-3025)	−427,000
(20) Amount payable from the Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3046)	~~−20,004,000~~ *−26,817,000*
(21) Amount payable from the Agriculture and Open Space Mapping Subaccount (Item 3480-001-6004)	−436,000
(22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund of 2002 (Item 3480-001-6029)	−550,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3480-001-6031)	−1,021,000
(24) Amount payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3480-001-6051)	−265,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Department of Conservation may borrow sufficient funds, from special funds that otherwise provide support for the department, to meet cashflow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision may be made only if the Department of Conservation has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All moneys

so transferred shall be repaid to the special fund as soon as possible, but not later than one year from the date of the loan.

SEC. 19. Item 3480-001-3046 of Section 2.00 of the Budget Act of 2008 is amended to read:

3480-001-3046—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Oil, Gas, and Geothermal Administrative Fund	~~20,004,000~~ *26,817,000*

SEC. 20. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

3790-001-0001—For support of Department of Parks and Recreation	~~149,124,000~~ *134,123,000*

Schedule:

(1)	For support of the Department of Parks and Recreation	431,099,000
(2)	Reimbursements	−33,441,000
(3)	Less funding provided by capital outlay	−4,000,000
(4)	Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005)	−5,057,000
(5)	Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)	−3,023,000
(6)	Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)	−10,098,000
(7)	Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)	−64,243,000

(8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)..	−123,804,000
(9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)...	−353,000
(10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)..	−2,168,000
(11) Amount payable from the Federal Trust Fund (Item 3790-001-0890)...............	−6,335,000
(12) Amount payable from the California Main Street Program Fund (Item 3790-001-3077)..	−175,000
(13) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029)...............	−4,555,000
(14) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031)..................................	−435,000
(15) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3790-001-6051)..	~~−12,020,000~~ *−27,021,000*
(16) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3790-002-6051)..	−12,268,000

Provisions:

1. Of the funds appropriated by this act from the General Fund and special funds, other than the Off-Highway Vehicle Trust Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 3.7 percent of each project's allocation,

except to the extent otherwise restricted by law, to allow the department to administer its grants. Those funds shall be available for encumbrance or expenditure until June 30, 2014.

2. It is the intent of the Legislature that salaries, wages, operating expenses, and positions associated with implementing specific Department of Parks and Recreation capital outlay projects continue to be funded through capital outlay appropriations, and that these funds should also be reflected in the department's state operations budget in the Governor's Budget as a special item of expense reflecting the funding provided from the capital outlay appropriations.

3. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the Department of Parks and Recreation, provided that:

   (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.

   (b) The loan is for a short term and shall be repaid by September 30, 2009.

   (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

   (d) The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time that the chairperson of the joint committee, or his or her designee, may determine.

4. The Department of Parks and Recreation is authorized to enter into a contract for fee collection and other services required by the department with a cooperative

association that has and will continue to fund state employees on an ongoing basis.

5. Of the amount appropriated in this item, ~~$4,001,000 General Fund and $1,000,000~~ *$5,001,000* Proposition 84 funds shall be used for continued remediation and treatment activities at Empire Mine State Historic Park. Upon approval and order of the Director of Finance, the Controller shall adjust the amount included in this item for remediation activities at Empire Mine based on the status or result of the mediation between the Department of Parks and Recreation and the Newmont Mining Company. Any adjustment for this purpose may be authorized no sooner than 30 days after written notification to the Chairperson of the Joint Legislative Budget Committee.

SEC. 21. Item 3790-001-6051 of Section 2.00 of the Budget Act of 2008 is amended to read:

3790-001-6051—For support of Department of Parks and Recreation, payable to Item 3790-001-0001, from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006......................	~~12,020,000~~ *27,021,000*

Provisions:

1. Provision 5 of Item 3790-001-0001 also applies to this item.

SEC. 22. Item 3910-004-0226 of Section 2.00 of the Budget Act of 2003 is amended to read:

3910-004-0226—For transfer by the Controller, upon order of the Director of Finance, from the California Tire Recycling Management Fund to the General Fund............................	(17,097,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of law, this loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legis-

lature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.

2. Notwithstanding any other provision of law, $2,097,000 of the amount transferred by this item shall be repaid in the second half of the ~~2008–09~~ *2010–11* fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.

SEC. 23. Item 3910-004-0281 of Section 2.00 of the Budget Act of 2003 is amended to read:

3910-004-0281—For transfer by the Controller, upon order of the Director of Finance, from the Recycling Market Development Revolving Loan Subaccount to the General Fund.... (1,853,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of the law, this loan shall be repaid in the second half of the ~~2008–09~~ *2010–11* fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.

SEC. 24. Item 3910-007-0387 of Section 2.00 of the Budget Act of 2003 is amended to read:

3910-007-0387—For transfer by the Controller, upon order of the Director of Finance, from the Integrated Waste Management Account to the General Fund .... (4,768,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of law, this loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.
2. Notwithstanding any other provision of law, $2,768,000 of the amount transferred by this item shall be repaid in the second half of the ~~2008–09~~ *2010–11* fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.
3. ~~Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of the provision is specifically identified by the Legislature for suspension during the 2003–04 fiscal year:~~
   ~~(1) 98.01.118.892-Very High Fire Hazard and Severity Zones (Ch. 1188, Stats. 1992)~~

SEC. 25. Item 4300-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers...................... ~~2,382,799,000~~ *2,342,999,000*

Schedule:

(1) 10.10.010-Operations......................... ~~527,816,000~~ *518,516,000*

(2) 10.10.020-Purchase of Services...... ~~3,370,854,000~~ *3,315,154,000*

(3) 10.10.060-Early Intervention Programs.. 20,095,000
(4) Reimbursements........................... ~~−1,307,587,000~~ *−1,282,387,000*
(5) Amount payable from the Public Transportation Account, State Transportation Fund (Item 4300-101-0046).. −138,275,000
(6) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172).......................... −1,147,000
(7) Amount payable from Federal Trust Fund (Item 4300-101-0890)............... −88,957,000

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. Within 10 working days after approval of a transfer as authorized by this provision, the Department of Finance shall notify the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of the transfer, including the amount transferred, how the amount transferred was determined, and how the amount transferred will be utilized.
2. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of $160,000,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.
3. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition Program.

4. $1,826,000 of the funds appropriated in this item may be used to augment service provider rates for the work needed to obtain information to secure federal participation under the Home and Community-Based Services Waiver program. Eligible providers are those service providers who are qualified providers under Title XIX of the Social Security Act, are not currently providing the required information, and are serving individuals enrolled under the Home and Community-Based Services Waiver program.
5. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to more accurately reflect expenditures in the Early Intervention federal grant program (Part C of the Individuals with Disabilities Education Act).
6. It is the intent of the Legislature for the State Department of Health Care Services and the State Department of Developmental Services to collaboratively work with stakeholders, including providers and diverse constituency groups as deemed appropriate, regarding the bundling of rates for the reimbursement of intermediate care facilities for the developmentally disabled, including habilitative and nursing facilities. It is the intent of the Legislature that any changes made by the state shall be seamless to the providers of services affected by the changes, as well as to the consumers and their families that are provided services through the Regional Center system. The integrity of the individual program plan process described in the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) shall be maintained throughout this process and shall not be affected by any changes made to implement the bundled rates.
7. Of the funds appropriated in Schedule (2), the amount identified by the State Department of Developmental Services for self-directed services shall be available for encumbrance until June 30, 2010, and for liquidation until June 30, 2011.

8. Upon the order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-103-0001 in order to effectively administer the Self-Directed Services Risk Pool Fund.
9. It is the intent of the Legislature for the California Children and Families Commission to utilize at least $5,000,000 in funds from any of its accounts for information, services, and supports provided under the Early Start Program as administered by the State Department of Developmental Services. This language is not intended to affect any contingencies or emergencies of which the Department of Finance may choose to notify the Legislature in the 2008–09 fiscal year.

SEC. 26. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5180-111-0001—For local assistance, Department of Social Services		~~5,562,733,000~~ *5,405,733,000*
Schedule:		
(1) 16.70-SSI/SSP	~~3,751,938,000~~ *3,594,938,000*	
(2) 25.15-IHSS	5,330,297,000	
(3) 25.20-Recipient Supplementary Payment	44,176,000	
(4) Reimbursements	−3,563,678,000	

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $240,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to

the usual time for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The department may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the county if the county fails to reimburse its share of cost of the IHSS program to the state.

3. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the In-Home Supportive Services (IHSS) program, without compromising the quality of the services provided to IHSS recipients.

4. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund increased costs due to workload associated with the retroactive reimbursement of Medi-Cal services for the In-Home Supportive Services program to comply with the Conlan v. Shewry court decision. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision and the number of positions to be established by the State Department of Social Services. The transfer shall be authorized at the time the report is made. The State Department of Social Services shall review the workload associated with the Conlan v. Shewry decision during the 2008–09 fiscal year and may administratively establish positions as the workload requires.

5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the In-Home Supportive Services program. The De-

partment of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 27. Item 5225-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

5225-101-0001—For local assistance, Department of Corrections and Rehabilitation		~~246,671,000~~ *156,035,000*
Schedule:		
(1) 15-Corrections Standards Authority	~~182,107,000~~ *91,471,000*	
(2) 20-Juvenile Operations	78,000	
(3) 22-Juvenile Paroles	1,403,000	
(4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates	278,000	
(5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return of Fugitives	2,593,000	
(6) 25.30-Adult Corrections and Rehabilitation Operations—County Charges	16,480,000	
(7) 30-Parole Operations—Adult	43,732,000	

Provisions:

1. The amount appropriated in Schedules (4), (5), (6), and (7) is provided for the following purposes:
   (a) To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 11190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal

year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(b) To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(c) To pay county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

(d) To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the

Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of $77.17 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections and Rehabilitation request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections and Rehabilitation or the fiscal year in which the warrant is issued.

2. Notwithstanding any other provision of law, upon 30-day prior notification to the Chairperson of the Joint Legislative Budget Committee, funds appropriated in Schedule (7) of this item may be transferred to Schedule (8) or (9), or both, of Item 5225-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jails or for the auditing or monitoring of local assistance costs.

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

(a) To pay the transportation costs of persons committed to the Department of Corrections and Rehabilitation to or between its facilities, including the return of parole violators, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

(b) To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of the Department of Corrections and Rehabilitation parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

SEC. 28. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6440-001-0001—For support of University of California..... ~~2,995,520,000~~ *2,930,023,000*

Schedule:

(1)	Support...	3,118,116,000
(2)	Charles R. Drew Medical Program.......	8,738,000
(3)	Acquired Immune Deficiency Syndrome (AIDS) Research.................................	9,214,000
(4)	Student Financial Aid..........................	52,199,000
(5)	Loan Repayments................................	5,105,000
(6)	San Diego Supercomputer Center........	3,240,000
(8)	Unallocated Reduction....................	~~−201,092,000~~ *−266,589,000*

Provisions:

1. The appropriations made in this item are exempt from Section 31.00.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Funds appropriated in this item may be used for capital expenditures as well as payment of debt service for such exempted capital projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00.

   Funds appropriated in this item may be used for capital expenditures as well as payment of debt service associated with the Energy Partnership Program, whereby the University of California will receive financial incentives from state investor-owned utilities to undertake energy conservation projects. The use of state operations funding for these energy savings projects may not infringe on the university's funding for its instructional support activities. The Director of Finance may authorize program expenditures for the list of planned projects not sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. The list of planned projects submitted for approval for a given funding cycle should be all-inclusive and may include projects that eventually may not be initiated during that funding cycle. A project not included on the list of planned projects for that funding cycle, but with which the university wishes to proceed during the budget year, may be treated as an exempted project as described above and reported in a manner consistent with the reporting procedures in subdivision (e) of Section 28.00. No later than November 15 of each year, the university shall prepare a report describing the identified projects funded under the Energy Partnership Program in the prior year. The report shall include the cost of each project, how the cost is being funded, including the amount funded from support budget funds and investor-owned utility incentive awards, and the projected amount of energy savings. These reports will sunset at the end of the program.

3. The funds appropriated in Schedule (2) are for support of University of California programs of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the funds appropriated, $500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its

own resources. The University of California shall ensure by adequate controls that funds appropriated in Schedule (2) are expended solely for the support of the program identified in that schedule.

4. The funds appropriated in Schedule (4) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.

5. Of the funds appropriated in Schedule (1), $2,762,129 is for payment of energy service contracts in connection with the issuance of State Public Works Board Energy Efficiency Revenue Bonds.

6. Of the funds appropriated in Schedule (5), $2,700,000 is for repayment of $25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.

7. Of the funds appropriated in Schedule (5), $2,405,000 is for repayment of $25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.

8. Of the funds appropriated in Schedule (1), $1,897,200 is for the California State Summer School for Mathematics and Science (COSMOS). The University of California shall report on the outcomes and effectiveness of COSMOS every five years, commencing April 1, 2011.

9. The University of California (UC) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each UC campus) beginning with the 2004–05 academic year (before

the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative's different components and activities, including an identification of best practices, and (d) the job placement of students who earn a mathematics or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.

10. The University of California shall report to the Legislature by March 15, 2009, on whether it has met its 2008–09 academic year enrollment goal.

11. Of the funds appropriated in Schedule (1), $1,050,000 is to support 70 full-time equivalent students in the Program in Medical Education (PRIME) at the Irvine, Davis, San Diego, and San Francisco campuses. The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2009, on (a) its progress in implementing the PRIME program and (b) the use of the total funds provided for this program from both state and nonstate resources.

12. The university shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the entry-level clinical and master's degree nursing programs and the master's of science nursing degree programs.

13. It is the intent of the Legislature that the University of California submit an annual report by March 1 of each year through the 2010–11 fiscal year to the Joint Legislative Budget Committee, legislative fiscal subcommittees, and the Department of Finance on the university's progress in reforming its compensation policies and practices, reflecting the criteria specified in Provision 27 of Item 6440-001-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).

14. Of the funds appropriated in Schedule (1), $19,300,000 is for student academic preparation and education programs (SAPEP) and is to be matched with

$12,000,000 from existing university resources, for a total of $31,300,000 for these programs. The University of California shall provide a plan to the Department of Finance and the fiscal committees of each house of the Legislature for expenditure of both state and university funds for SAPEP by September 1 of each year.

15. The amount appropriated in Schedule (1) reflects a reduction of $32,300,000 to institutional support.
17. Of the funds appropriated in Schedule (1), $693,000 is for the Welfare Policy Research Project, pursuant to Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.
18. Of the funds appropriated in Schedule (1), $427,500 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.
19. Of the funds appropriated in Schedule (1), $346,500 shall be expended for viticulture and enology research, contingent upon the receipt of an equal amount of private sector matching funds.
20. Of the funds appropriated in Schedule (1), $16,200,000 is for substance abuse research at the Department of Neurology at the University of California, San Francisco.
21. Of the funds appropriated in Schedule (1), $693,000 shall be used for lupus research at the University of California, San Francisco.
22. Of the funds appropriated in Schedule (1), $1,385,100 shall be used to expand spinal cord injury research.
23. Of the funds appropriated in Schedule (1), $3,463,000 is to fund the Medical Investigation of Neurodevelopment Disorders (MIND) Institute, including $3,150,000 for a research grants program.
24. Of the funds appropriated in Schedule (1), $0 is to support research on labor and employment and labor education throughout the University of California system.

25. The amount appropriated in this item reflects a $5,000,000 one-time reduction to the Subject Matter Projects. An identical amount is appropriated in Item 6110-195-0890 from federal Title II carryover funds to ensure the projects can be maintained in the 2008–09 fiscal year.
26. To the extent funds are available in Schedule (1), and contingent upon the receipt of an equal amount of private sector matching funds, the University of California shall allocate funds for the California Institute for Quantitative Biosciences for the purpose of enhancing innovative, cost-effective technologies and therapies in health care.

SEC. 29. Item 6600-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6600-001-0001—For support of Hastings College of the Law....	~~10,631,000~~
	10,229,000

Provisions:
1. The appropriation made in this item is exempt from Section 31.00.
2. The amount appropriated in this item reflects a 10-percent reduction to institutional support.

SEC. 30. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6610-001-0001—For support of California State University..		~~2,910,596,000~~
		2,844,364,000
Schedule:		
(1) Support...	3,082,555,000	
(2) Unallocated Reduction....................	~~−171,959,000~~	
	−238,191,000	

Provisions:
1. The appropriations made in this item are exempt from Section 31.00, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.

2. Of the amount appropriated in this item, $350,000 is for transfer to the Affordable Student Housing Revolving Fund for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of Division 8 of Title 3 of the Education Code.
3. Of the amount appropriated in this item, $1,878,000 is for repayment of the $17,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose until June 30, 2010.
4. Of the amount appropriated in this item, $2,309,000 is for repayment of the $24,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose until June 30, 2011.
5. The California State University (CSU) shall report to the Legislature and the Governor by February 1 of each year on its progress toward increasing the quality and supply of science and mathematics teachers resulting from implementation of the Science and Math Teacher Initiative. This report shall include the following information: (a) annual number of mathematics and science teachers awarded credentials (by each CSU campus) beginning with the 2004–05 academic year (before the state first provided funding for the initiative), (b) an expenditure plan on the use of the funds appropriated in this item, (c) the effectiveness of the initiative's different components and activities, including an identification of best practices, and (d) the job placement of students who earn a math or science teaching credential, including the location of the K–12 school of employment and whether it is in an urban, rural, or suburban setting.

6. The California State University shall provide a preliminary report to the Legislature by March 15, 2009, and a final report by May 1, 2009, on whether it has met its 2008–09 academic year enrollment goal.
7. The California State University shall report to the Legislature and the Governor by May 1, 2009, on the total enrollment in the 2007–08 and 2008–09 academic years in the baccalaureate nursing degree and entry-level master's nursing degree programs.
8. The amount appropriated in Schedule (1) reflects a reduction of $43,199,000 to institutional support.
9. Of the amount appropriated in this item, $33,785,000 is provided for student financial aid grants. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.
10. Of the amount appropriated in Schedule (1), $52,000,000 is appropriated for student academic preparation and student support services programs. The California State University shall provide $45,000,000 to support the Early Academic Assessment Program and the Educational Opportunity Program.

SEC. 31. Item 6610-002-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

6610-002-0001—For support of the California State University for transfer to and in augmentation of Item 6610-001-0001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate, Executive, and Judicial Fellows programs and the Center for California Studies..........		~~3,111,000~~ *3,040,000*
Schedule:		
(1) Center for California Studies—Fellows Program..........	602,000	
(2) Center for California Studies— Other....	37,000	
(3) Assembly Fellows..........	565,287	
(4) Senate Fellows..........	565,287	

(5) Executive Fellows................................ 565,287
(6) Judicial Fellows................................... 402,139
(7) LegiSchool Project.............................. 114,000
(8) Sacramento Semester Internship Program... 56,000
(9) Unscheduled.. 328,000
(10) Unallocated Reduction......................... ~~−124,000~~ *−195,000*

SEC. 32. Item 8660-011-0470 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-011-0470—For transfer by the Controller from the California High-Cost Fund-B Administrative Committee Fund to the General Fund... ~~(35,000,000)~~ *(75,000,000)*

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the California High-Cost Fund-B Administrative Committee Fund are not adversely affected by the loan.

SEC. 33. Item 8660-011-0471 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-011-0471—For transfer by the Controller from the Universal Lifeline Telephone Service Trust Administrative Committee Fund to the General Fund............................. ~~(30,000,000)~~ *(45,000,000)*

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Universal Lifeline Telephone Service Trust Administrative Committee Fund are not adversely affected by the loan.

SEC. 34. Item 8660-011-0483 of Section 2.00 of the Budget Act of 2008 is amended to read:

8660-011-0483—For transfer by the Controller from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the General Fund......................	~~(85,000,000)~~ *(30,000,000)*

Provisions:

1. The amount transferred in this item is a loan to the General Fund and shall be repaid by June 30, 2011. Repayment shall be made so as to ensure that the programs supported by the Deaf and Disabled Telecommunications Program Administrative Committee Fund are not adversely affected by the loan.

SEC. 35. Item 9100-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9100-101-0001—For local assistance, Tax Relief...................	~~503,005,000~~ *468,265,000*

Schedule:

(2)	20-Senior Citizens' Property Tax Deferral Program..	25,800,000
(4)	50-Homeowners' Property Tax Relief..	442,465,000
~~(5)~~	~~60-Subventions for Open Space...........~~	~~34,740,000~~

Provisions:

1. Schedule (2) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). The appropriation made in that schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

3. Schedule (4) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appropriation made in that schedule shall

be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or 16120 of the Government Code.

5. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for Schedules (2)~~,~~ *and* (4)~~, and (5)~~ in excess of or less than the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

SEC. 36. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9210-101-0001—For local assistance, Local Government Financing.. ~~214,200,000~~ *107,100,000*

Provisions:

1. For allocation by the Controller to local jurisdictions for public safety as determined by the Director of Finance pursuant to Chapter 6.7 (commencing with Section 30061) of Division 3 of Title 3 of the Government Code.
2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2010. These funds shall be used to supplement and not supplant existing services.

SEC. 37. Item 9210-105-0001 of Section 2.00 of the Budget Act of 2008 is amended to read:

9210-105-0001—For local assistance, Local Government Financing.. ~~31,500,000~~ *15,750,000*

Provisions:

1. For reimbursement of actual costs incurred by cities and other entities for local detention facilities subventions, charged pursuant to subdivision (a) of Section 29552 of the Government Code during the 2007–08 fiscal year. Any funds not disbursed shall revert to the General Fund no later than June 30, 2009.
2. No later than December 1, 2008, the Controller shall allocate the funds appropriated in this item to all eligible cities and other entities, and shall certify to the Director of Finance the actual amount of moneys allocated for the payment of local detention facilities subventions, as described in Section 29552 of the Government Code. Any city or other entity that applies for funding pursuant to this item shall comply with all requests made by the Controller.
3. The Controller shall reduce payments proportionally if the amount appropriated in this item is not sufficient to pay all valid claims in full.

SEC. 38. Section 3.90 is added to the Budget Act of 2008, to read:

Sec. 3.90. (a) Notwithstanding any other provision of this act, each item of appropriation in this act, with the exception of the California State University, the University of California, judicial, and Legislature budget items, shall be reduced, as appropriate, to reflect a reduction in employee compensation agreed to through the collective bargaining process for represented employees or existing administration authority and a proportionate reduction for nonrepresented employees (utilizing existing authority of the administration to adjust compensation for nonrepresented employees) in the total amounts of $240,000,000 from General Fund items and $149,000,000 from items relating to other funds. It is the intent of the Legislature that these and, if necessary, other agreements through the collective bargaining process, as well as proportionate reductions for nonrepresented employees (utilizing existing authority of the administration to adjust compensation for nonrepresented employees), will result in General Fund savings of $417,000,000 and other fund savings of $255,000,000 in the 2009–10 fiscal year. The Director of Finance shall allocate the *necessary reduction to each item of appropriation to accomplish the employee compensation reductions required by this section.*

(b) The Department of Personnel Administration shall transmit proposed memoranda of understanding to the Legislature promptly and shall include with each such transmission estimated savings pursuant to this section of each agreement.

(c) Nothing in this section shall change or supersede the provisions of the Ralph C. Dills Act (Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1 of the Government Code).

SEC. 39. Sections 1 to 38, inclusive, of this act shall become operative only if Senate Bill 1 of the 2009–10 First Extraordinary Session is enacted.

~~SEC. 2.~~

SEC. 40. This act addresses the fiscal emergency declared by the Governor by proclamation on December 1, 2008, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 41. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that necessary amendments to terms relating to loan repayments made in the Budget Act of 2003 and that necessary adjustments by this act to the appropriations in the Budget Act of 2008 for support of state government for the 2008–09 fiscal year may be made as soon as possible to address the fiscal emergency declared by the Governor, it is necessary that this act take effect immediately.

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