



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

MAR 30 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
State Department of Education**

Federal Funds Adjustment

**Items 6110-001-0001 and 6110-001-0890, Support, State Department of Education (SDE)
(Issues 146, 322, 324, 611, 645, 801, 803, and 804)**

Add Support Carryover for Common Core Standards Implementation (Issue 146)—It is requested that Item 6110-001-0890 be increased by \$2,360,000 to reflect one-time federal Title I carryover funds used to support the continued implementation of academic content standards in mathematics and English language arts and that Schedules (2) and (9) of Item 6110-001-0001 be amended to conform to that action. In August 2010, the State Board of Education adopted content standards in mathematics and English language arts based on the Common Core State Standards developed by national organizations. Chapters 605, 608, and 623, Statutes of 2011 authorize the SDE to conduct specific activities to implement these standards, and the 2011 Budget Act included \$3.5 million federal Title I funds for these purposes. The SDE reports that these funds will not be fully expended because the implementation timeline extends beyond the current year. This request will ensure that Common Core activities are completed as prescribed by the statutes.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

X. Of the funds appropriated in this item, \$2,360,000 is available in one-time Title I carryover funds to conduct activities related to implementation of the academic content standards in mathematics and English language arts, as authorized by Chapters 605, 608, and 623 of the Statutes of 2011.

Add Support Carryover for the Public Charter Schools Grant Program (PCSGP) (Issue 322)—It is requested that Item 6110-001-0890 be increased by \$825,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover for the PCSGP. The PCSGP awards newly approved charter schools between \$250,000 and \$575,000 to support planning and initial implementation. As part of the 2010 federal grant application, the SDE agreed to contract for an independent evaluation to measure the

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effectiveness of the PCSGP and for charter development technical assistance to increase the quality of new charter schools in California. These activities were previously funded in the 2011 Budget Act, but due to concerns stemming from a reduction in the federal grant award, the SDE was unable to enter into contracts in the current year. This request will allow the SDE to fulfill its stated activities from the 2010 federal grant application.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

X. Of the funds appropriated in this item, \$825,000 is available on a one-time basis for the State Department of Education to contract for an independent evaluation of the Public Charter Schools Grant Program and contract to provide technical assistance to sub-grantees.

Amend California Longitudinal Pupil Achievement Data System (CALPADS) Budget Bill Language (Issue 324)—It is requested that Provision 26 of Item 6110-001-0890 be amended to allow greater flexibility for the SDE to administer the CALPADS. Currently, the provisional language for the CALPADS restricts the funds for specific purposes, including systems maintenance and vendor costs. In fiscal year 2012-13, the SDE projects increased costs from the Office of Technology Services (OTech) for data storage and a one-time cost to update older software versions no longer supported by the OTech, which the SDE would not be able to fund due to the proscriptive nature of the amount in the Budget Bill language. The proposed changes will provide the flexibility necessary for the SDE to absorb the cost increases and successfully administer the CALPADS.

Specifically, it is requested that Provision 26 of 6110-001-0890 be amended as follows:

"26. Of the funds appropriated in this item, \$6,636,000 is for the California Longitudinal Pupil Achievement Data System (CALPADS), which is to meet the requirements of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and Chapter 1002 of the Statutes of 2002. These funds are payable from the Federal Trust Fund to the State Department of Education (SDE). ~~Of this amount, \$5,641,000 is federal Title VI funds and \$995,000 is federal Title II funds.~~ These funds are provided for the following purposes: \$2,457,000~~\$3,254,000~~ for systems housing and maintenance provided by the Office of Technology Services (OTECH); \$1,491,000~~\$908,000~~ for vendor costs associated with necessary systems integration and improvement activities; \$790,000 for SDE staff, ~~including a technical lead, to work on the system~~; \$251,000 for system software costs; \$134,000 for an independent project oversight consultant and independent validation and verification costs; \$45,000 for system hardware costs; \$8,000 for Department of General Services charges; and \$486,000~~\$710,000~~ for various other costs, including hardware and software costs, indirect charges, Department of General Services charges ~~OTECH charges~~, and operating expenses and equipment. As a condition of receiving these funds, SDE shall ensure the following work has been completed prior to making final vendor payments: a Systems Operations Manual, as specified in the most current contract, has been delivered to SDE and all needed documentation and knowledge transfer of the system has occurred; all known software defects have been corrected; the system is able to receive and transfer data reliably between the state and local educational agencies within timeframes specified in the most current contract; system audits assessing data quality, validity, and reliability are operational for all data elements in the system; and SDE is able to operate and maintain CALPADS over time. As a further condition of receiving these funds, the SDE shall not add additional data elements to CALPADS, require local educational agencies to use the data collected through the CALPADS for any purpose, or otherwise expand or enhance the system beyond the data elements and functionalities that are identified in the most current approved

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Feasibility Study and Special Project Reports and the CALPADS Data Guide v1.2. In addition, \$974,000 is for SDE data management staff responsible for fulfilling certain federal requirements not directly associated with CALPADS."

Add Support Carryover for the Striving Readers Comprehensive Literacy Program

(Issue 611)—It is requested that Item 6110-001-0890 be increased by \$424,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds for the Striving Readers Comprehensive Literacy Program. The program provides support to the State Literacy Team in developing California's State Literacy Plan. In order to finalize the plan, the SDE requests \$424,000 to update the ten-year old California Recommended Reading List.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

X. Of the funds appropriated in this item, \$424,000 is provided in one-time federal Title I carryover funds for the Striving Readers Comprehensive Literacy program.

Increase Federal Funds for Mental Health Services Compliance and Monitoring of

Out-of-State Residential Facilities (Issue 645)—It is requested that Item 6110-001-0890 be increased by \$1,226,000 in federal Individuals with Disabilities Education Act (IDEA) funds and 3.0 limited-term positions be provided for three years, and that Item 6110-001-0001 be amended, to provide an adequate level of oversight and monitoring related to the transition of mental health services from counties to schools.

With the passage of Chapter 43, Statutes of 2011 (AB 114), the responsibility for providing mental health services to special education students shifted from counties to schools and has created a significant increase in workload for the SDE. The SDE has already redirected 5.0 positions, which were funded in the current year with \$800,000 in one-time federal IDEA carryover funds, to assist local educational agencies (LEAs) and to provide technical assistance to the field. The proposed funding will continue to support these positions in providing oversight, monitoring, technical assistance, and fiscal and programmatic data collection to ensure a proper transition in the provision of mental health services. In addition, this request will fund 3.0 new limited-term positions that will monitor residential placements made by LEAs in out-of-state facilities to ensure they meet basic health and safety standards.

Add Federal Funds for Oversight of Food Service Contracts (Issue 801)—It is requested that Item 6110-001-0890 be increased by \$556,000 Federal Trust Fund and that Item 6110-001-0001 be amended to support workload associated with federally-required oversight of contracts between food service management companies (FSMCs) and school food authorities (SFAs).

Federal regulations require state agencies to review and approve all contract documents (including solicitations, evaluations, contracts, and bid protests) between FSMCs and SFAs. The SDE's Nutrition Services Division has only 0.25 of a position dedicated to these activities. This request will ensure that the SDE can fund redirected positions to provide the required level of oversight.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

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X. Of the funds appropriated in this item, \$556,000 is provided to support workload associated with federally-required oversight of contracts between food service management companies and school food authorities.

Add One-Time Federal Funding for Child Nutrition Reauthorization Workload and Current Year Expenditure Plan (Issue 803)—It is requested that Item 6110-001-0890 be increased by \$4.8 million in one-time Federal Trust Fund and that Item 6110-001-0001 be amended to support contracts and staff travel associated with training SFAs on changes to meal and nutritional standards contained in the federal Healthy, Hunger-Free Kids Act of 2010, Public Law No. 111-296 (Act).

In an effort to improve federal child nutrition programs, the Act contained many new requirements, including changes to meal patterns and nutritional standards and increased oversight of program sponsors. The Act also provides the following funding increases:

(1) \$0.06 per meal to SFAs that are compliant with new meal and nutrition requirements and
(2) administrative funds specifically for state agencies to provide technical assistance to SFAs on changes to the meal and nutrition requirements. California's allocation of administrative funds is \$6.0 million for 2012-13.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

X. Of the funds appropriated in this item, \$4,800,000 is provided on a one-time basis to support statewide training of school food authorities regarding changes to meal and nutritional standards contained in the federal Healthy, Hunger-Free Kids Act of 2010, Public Law No. 111-296 (2010), as allowed by federal guidelines on the allocation of administrative funds for state costs of implementation of new meal patterns for the National School Lunch Program and School Breakfast Program.

Current Year Expenditure Plan: The 2011 Budget Act provided \$500,000 Federal Trust Fund (\$1.0 million annualized) for increased workload associated with the Act's requirement that state agencies review each National School Lunch Program (NSLP) sponsor and School Breakfast Program sponsor once every three years. (Previously, only NSLP sponsors were reviewed once every five years.) Provisional language requires the Department of Finance (Finance) to approve the SDE's plan to expend these funds. In February 2012, the SDE submitted a plan that proposed to redirect and fill 10.0 positions by the end of the current fiscal year and to fund these positions in the budget year with \$1.0 million of the \$6.0 million administrative grant because the positions will provide technical assistance to SFAs regarding new nutritional requirements and certification to receive the additional meal reimbursement.

Finance hereby approves the SDE's plan for the budget year. The SDE will need to use existing federal authority to absorb any current year expenses associated with these positions, which are expected to be minimal. When the increased review requirements take effect in 2013-14, these positions will conduct compliance reviews and will be funded with existing federal state administrative expense funds.

It is requested that Provision 24 of Item 6110-001-0890 be amended as follows to conform to this action:

"24. Of the funds appropriated in this item, \$1,000,000 is provided in 2012-13 for technical assistance to child nutrition sponsors regarding new nutritional requirements and in 2013-14 for

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increased costs associated with new federal requirements to increase the frequency of compliance reviews for child nutrition programs. Expenditure of these funds is subject to Department of Finance approval of an expenditure plan. The expenditure plan shall be based upon final rules established by the United States Department of Agriculture regarding, but not limited to: (a) the effective date of the requirement to review each National School Lunch Program and School Breakfast Program once every three years and (b) how compliance reviews are conducted, especially new or amended regulations leading to efficiencies in the review process. To the extent that additional staff resources are needed, positions shall be redirected from existing vacancies within the State Department of Education."

Add One-Time Carryover for Safe and Supportive Schools (Issue 804)—It is requested that Item 6110-001-0890 be increased by \$680,000 in one-time federal carryover funds and that Item 6110-001-0001 be amended to support the Safe and Supportive Schools program. These carryover funds from 2011-12 will be used to (1) improve the aging California School Climate, Health, Learning Survey system at WestEd, which collects school safety climate data from students, parents, and staff and (2) provide increased technical assistance to participating high schools, which have the worst school safety climates statewide.

It is further requested that provisional language be added to Item 6110-001-0890 as follows to conform to this action:

X. Of the funds appropriated in this item, \$680,000 is provided in one-time carryover funds for the Safe and Supportive Schools program to support enhanced data collection capacity and accuracy and increased technical assistance to participating schools.

Items 6110-009-0001 and 6110-009-0890, Support, State Board of Education (Board) (Issue 081)—It is requested that Item 6110-009-0890 be added in the amount of \$800,000 and that Item 6110-009-0001 be revised to provide \$800,000 one-time federal Title I, Part C carryover funds for the Board to contract for an independent audit or review of the federally-funded Migrant Education Program (MEP). Given the recent federal report on the MEP, the Board and the SDE have expressed a desire for additional examination of the MEP to ensure program compliance and to identify areas of improvement.

The federally-funded MEP provides migratory students with additional supplemental instruction, English language development, and instructional materials. Additionally, state statute requires the State Superintendent of Public Instruction to identify and recruit parents of identified migratory students for local parent advisory councils to participate in local-level MEP planning, operation, and evaluation.

It is further requested that Item 6110-009-0890 be added as follows to conform to this action:

6110-009-0890—For support of the Department of Education, for payment to Item 6110-009-0001, payable from the Federal Trust Fund.....\$800,000

Provisions:

1. The funds appropriated in this item are for the State Board of Education to contract for an independent audit or review of the federally-funded Migrant Education Program.

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Item 6110-112-0890, Local Assistance, Carryover for the Public Charter Schools Grant Program (PCSGP) (Issue 325)—It is requested that Item 6110-112-0890 be increased by \$25,814,000 Federal Trust Fund to reflect the availability of one-time federal carryover funds for the PCSGP. The PCSGP awards newly approved charter schools between \$250,000 and \$575,000 to support planning and initial implementation. The second grant cycle for 2011-12 will not close until March 31, 2012, with an expected grant notification date of June 30, 2012; therefore, there will be insufficient time to award and encumber these funds in the current year. This augmentation will allow SDE to award these funds to recipients in 2012-13.

Item 6110-161-0890, Local Assistance, State Improvement Grant (Issue 640)—It is requested that Provision 9 of this item be amended to accurately reflect the intended use of the State Improvement Grant and prevent the misinterpretation that the funds are intended for a science-based curriculum, when they are to be used for scientifically-based professional development for special education. The federal State Improvement Grant assists state educational agencies in reforming and improving their systems for personnel preparation and professional development in early intervention, education, and transition services to improve results for children with disabilities.

Specifically, it is requested that Provision 9 of 6110-161-0890 be amended as follows:

"9. Of the funds appropriated in Schedule (6), \$2,196,000 is provided for science scientifically-based professional development as part of the State Personnel Development grant."

Item 6110-161-0890, Local Assistance, Special Education Individuals with Disabilities Education Act (IDEA) 611 Grant Awards (Issue 643)—It is requested that Provision 1 of this item be amended to align future IDEA 611 grant awards with the amended allocation table provided by the federal government. This request would provide the SDE with flexibility so that in instances where IDEA 611 amended grant awards received are lower than the initial grant award, reductions can be made according to the intent set forth by the federal Office of Special Education Programs.

"1. If the funds for Part B of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) (IDEA) that are actually received by the state exceed \$1,237,042,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Up to 5 percent of the amount received in excess of \$1,237,042,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the IDEA that are actually received by the state are less than \$1,237,042,000, the reduction shall be taken in other state-level activities, unless otherwise specified in the amended grant award."

Item 6110-199-0890, Support, Increase Funding for the American Recovery and Reinvestment Act (ARRA) Early Learning Grant (Issue 403)—It is requested that Provision 2 of this item be amended as follows to increase state operations funding by \$45,000 in federal carryover funds to support the last year of the Early Learning Grant authorized by ARRA of 2009, Public Law No. 111-5. This action will align expenditure authority with actual personnel costs incurred by the SDE.

Specifically, it is requested that Provision 2 of Item 6110-199-0890 be amended as follows:

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"2. Of the funds appropriated in this item, ~~\$417,000~~162,000 shall be transferred to Item 6110-001-0890 for state operations costs to support the State Advisory Council on Early Childhood Education and Care, subject to approval of a budget revision by the Department of Finance."

General Fund and Other Adjustments

Eliminate Funding for the SDE Administration of the California Subject Matter Projects (CSMP) (Issue 613)—It is requested that Item 6110-001-0001 be decreased by \$5.0 million to reflect the reestablishment of the CSMP funding in the University of California (UC) budget. The Governor's Budget proposed to shift \$5.0 million General Fund designated for the CSMP from the UC to the SDE. The shift was necessary to ensure that the funding was identified for matching purposes. However, the shift is no longer necessary because it has been determined that the UC can sufficiently identify the funding for federal matching purposes and that funding will remain in the UC budget.

It is further requested that Provision 17 be deleted from Item 6110-001-0001 to conform to this action.

Item 6110-001-0001, Support, Add Funding for Increased Non-Public Schools and Agencies Certification Workload (Issue 644)—It is requested that Item 6110-001-0001 be amended by increasing reimbursements by \$190,000 for projected increases in workload relating to the number of non-public schools and agencies (NPS/As) seeking certification to provide individualized education program-based mental health services.

With the passage of Chapter 43, Statutes of 2011 (AB 114), the responsibility for providing mental health services to special education students shifted from counties to schools. The SDE anticipates an increase in NPS/A certification applications it receives due to the ability of local educational agencies to contract with independent agencies for mental health services.

Item 6110-128-0001, Local Assistance, Amend Economic Impact Aid Program Budget Bill Language (Issue 083)—It is requested that provisional language be amended to change the due date for a required Economic Impact Aid (EIA) report from March 31 to September 15 of each year. As a condition of receiving EIA funds, juvenile county court schools are required to report on the use of funds and the number of pupils served. The September due date would allow data to be reported after the completed fiscal year and would provide more accurate information for budget development.

The EIA is a categorical program that provides Proposition 98 General Fund to school districts for the purpose of providing educational services to disadvantaged and English learner pupils.

It is further requested that Provision 1 of this item be amended to conform to this action as follows:

"1. Of the funds appropriated in this item, up to \$3,100,000 is available pursuant to Section 54021.2 of the Education Code for Juvenile County Court Schools that have Economic Impact Aid eligibility. As a condition of receipt of funds, Juvenile County Court Schools receiving the funds are required to report on the use of funds and the number of pupils served no later than ~~March 31, 2013.~~ September 15, of each year."

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Item 6110-170-0001, Local Assistance, Add Reimbursement Carryover for the Career Technical Education Program (Issue 082)—It is requested that Item 6110-170-0001 be amended by increasing reimbursements by \$1,865,000 to reflect one-time reimbursement carryover funds for the Career Technical Education Program, which will allow for the completion of three projects that could not be completed in the current year due to contract delays.

It is further requested that provisional language be added as follows to conform to this action:

X. Of the funds appropriated in this item, \$1,865,000 reflects one-time reimbursement carryover funds to support the existing program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Thomas Todd, Assistant Program Budget Manager, at (916) 445-0328.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzola, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Tom Torlakson, Superintendent of Public Instruction, Department of Education
Ms. Jeannie Oropeza, Deputy Superintendent, Department of Education
Ms. Roxanne Eres, Fiscal and Administrative Services Director, Department of Education



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Budget Bill Item 6110-301-0660, Capital Outlay, Department of Education.

The following requests would address changes to proposed capital outlay projects:

Add Item 6610-301-0660 (Attachment 1) to add the following construction phase lease revenue bond appropriation for two projects to enable the projects to be completed. Both projects have had cost increases resulting from their stoppage due to the Pooled Money Investment Board's decision to suspend the AB 55 loans used to provide interim financing for these types of projects. As a result, both projects were stopped until funding was identified to complete the design. These projects are finishing design and expect to be ready to bid in the fall in time for the fall bond sales, which will provide funding for the construction phase. The projects and their specific funding needs are as follows:

California State Special Schools, Riverside School for the Deaf: Academic, Support Cores, Bus Loop and Renovation Project will construct six support cores for academic areas (early childhood education, elementary, and high schools), three additional classrooms, a bus loop, will renovate office space, educational areas, and install efficient boilers.

This project began in 2007 with the appropriation of approximately \$10.4 million in lease revenue bonds for preliminary plans, working drawings, construction, and equipment.

As a result of the temporary stoppage, an additional \$1,510,000 is needed in construction to address cost increases from new federal accessibility code requirements, and compliance with California Department of Education's Program for Deaf and Hard of Hearing Students—Guidelines for Quality Standards that have since been updated.

California State Special Schools, Riverside School for the Deaf: New Gymnasium and Pool Center Project will demolish the existing gym and pool center to construct a new 45,000 square foot gymnasium and 23,000 square foot pool center. The project will include modifying existing utilities as necessary, complete telephone systems including teletypewriters, closed-circuit television, community access television, fire alarm systems, parking and road realignment.

This project began in 2006 with the appropriation of approximately \$25 million in lease revenue bonds for preliminary plans, working drawings, construction, and equipment.

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As a result of the temporary stoppage, an additional \$4,591,000 is needed in construction to address cost increases from new federal accessibility code requirements, abatement costs to remove chlordane found during site investigation work, and compliance with California Department of Education's Program for Deaf and Hard of Hearing Students—Guidelines for Quality Standards that have been updated.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzosa, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Scott Kerby, Director of State Special Schools and Services Division,
Department of Education
Mr. C. Allen Young, Departmental Construction Maintenance Supervisor, State Special Schools
and Services Division, Department of Education
Ms. Rosa Wright, Fiscal Officer, State Special Schools and Services Division,
Department of Education
Ms. Roxanne Eres, Director, Fiscal and Administrative Services Division, Department of Education

Attachment Budget Bill Language

Attachment 1

6110-301-0660-For capital outlay, Department of Education, payable from the Public Buildings Construction Fund..... 6,101,000

Schedule:

California School for the Deaf, Riverside:

- (1) 80.80.052-New Gymnasium and Pool Center-Construction.....4,591,000
- (2) 80.80.065-Academic Support Cores, Business Loop and Renovation-Construction... 1,510,000



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Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 6120-011-0001, Support, California State Library

Partially Restore State Operations Reduction Tied to Local Assistance Trigger Cuts

(Issue 101)—It is requested that this item be increased by \$609,000 General Fund and 3.0 positions to more accurately reflect the resources dedicated to ongoing programs and functions at the California State Library (CSL) and to refine the state operations reduction included in the Governor's Budget. The Governor's Budget reduced the CSL's funding by \$1.1 million General Fund and 13.0 positions to reflect an anticipated reduction in workload as a result of the "trigger cuts" enacted in fiscal year 2011-12, which eliminated \$15,866,000 of state grants to local libraries administered by the CSL.

The CSL has since provided information indicating that only 6.0 positions and \$491,000 General Fund have been dedicated to the local assistance programs eliminated by the trigger cuts. A reduction in excess of this amount would affect administration of the CSL's remaining programs, including the Law Library and the Braille and Talking Book program, as well as activities such as statewide leadership and coordination, federal grant administration and day-to-day operations. This request restores funding needed to administer these programs and acknowledges that the CSL can redirect positions which have been held vacant to fund other operating costs.

It is further requested that provisional language be amended as follows to conform to this action:

"4. The reduction in Schedule (6) shall be achieved by eliminating ~~13.0~~ 10.0 positions associated with the elimination of General Fund assistance for the following programs: the Public Library Foundation, the California Library Services Act, the California English Acquisition and Literacy Program, the California Civil Liberties Public Education Program, and the California Newspaper Project."

The effect of my requested action is reflected on the attachment.

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If you have any questions or need additional information regarding this matter, please call Lenin Del Castillo, Principal Program Budget Analyst, at (916) 445-0328.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzosa, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Stacey A. Aldrich, State Librarian of California



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Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 6440-001-0001, Support, University of California

It is requested that \$5.0 million be added to the University of California's (UC) main General Fund item to reinstate base funding for the California Subject Matter Projects (CSMP). These funds were previously earmarked in UC's budget because they serve as a match to receive federal Title II funds for the CSMP program through the State Department of Education (SDE). The Governor's Budget earmarked the \$5.0 million in the SDE's appropriation, with provisional language that the SDE would transfer the full amount back to UC with no change in program activity. However, the SDE has since stated that, as budgeted, it would be required to assess administrative costs prior to transferring the funds to UC, which would result in more money being spent on overhead costs and less on direct program activities.

The UC has confirmed that the state funds provided for its CSMP program do not have to be earmarked in the Budget Bill, and has committed to spending the entire \$5.0 million for the CSMP even if the funds are not earmarked in provisional language. This proposal will maximize the use of both federal and state funds for the program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Sara Swan, Principal Program Budget Analyst, at (916) 445-0328.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

MAR 30 2012

Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzola, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Patrick Lenz, Vice President for Budget and Capital Resources, University of California
Ms. Deborah Obley, Associate Vice President, Budget and Capital Resources, University of California



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MAR 30 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items, Capital Outlay, as Follows:

University of California

6440-490
6440-491
6440-301-0658
6440-301-0705

Santa Cruz, Infrastructure Improvements Phase 2—Construction (Issue 001). It is requested that Items 6440-301-0658 and 6440-301-0705 be added in the amount of \$7,732,000 (\$6,532,000 from the Public Education Facilities Bond Act of 1996 [Fund 0658] and \$1,200,000 from Higher Education Facilities Bond Act of June 1992 [Fund 0705]) to fund the construction phase for the Santa Cruz campus, Infrastructure Improvements Phase 2 project (Project). Total costs are \$8,416,000 from general obligation (GO) bonds.

The 2006 and 2007 Budgets appropriated a total of \$684,000 from GO bonds for the preliminary plans (\$367,000) and working drawings (\$317,000) for the Project. The Project will include a number of infrastructure components on the Santa Cruz campus (e.g., improving the storm water drainage system, replacing portions of the central campus heating water system, replacing components of the electrical system, and upgrading selected portions of the natural gas system) that are needed to stop further soil erosion and to replace selected electrical system switches to address life-safety concerns of fires, explosions, and/or spills of hazardous insulating oils in the old switches. This is the second of three planned projects designed to improve infrastructure reliability on the Santa Cruz campus. The Project had been delayed due to the prior year's suspension of capital outlay projects resulting in changes in how the state provides cash to delayed projects. Consequently, the University of California (UC) is now able to proceed using available GO bonds to complete the Project.

Various Reappropriations

Amend Item 6440-491 (see Attachment 1) to reappropriate funds for the following nine project phases appropriated from the 2007, 2009, 2010 and 2011 Budget Acts:

1. Los Angeles, Telemedicine and PRIME Facilities Phase 2—Equipment

Reappropriating the equipment phase for three telemedicine projects in conjunction with various UC campuses (Los Angeles, San Diego and San Francisco) is needed because a few of the

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clinics initially identified as community partners have closed due to financial or unforeseen circumstances. Thus, UC is in the process of contracting with financially viable clinics that serve the same communities, and additional time is needed for equipment purchases.

2. Merced, Site Development and Infrastructure, Phase 4—Construction

Reappropriating the construction phase is needed because bond funding for the project's design phase was not sold until late November 2011, thereby causing a delay in the project schedule. Consequently, the campus will not be able to proceed to bid prior to June 30, 2012.

3. Riverside, East Campus Infrastructure and Improvements Phase 2—Construction

Reappropriating the construction phase is needed because the campus needs more time to award all construction contracts. The project proceeded to bid in 2010, and all bids came in over budget. After the campus re-evaluated the project, additional campus funds were added to complete the project. Consequently, the reappropriation will allow needed time to award all contracts.

4. San Diego, Structural and Materials Engineering Building—Equipment (funded with 1992 GO Bonds)

Reappropriating the equipment phase is needed because the project had experienced a year-and-a-half delay in the start of construction due to the Pooled Money Investment Board funding freeze. Consequently, construction is expected to be completed by August 2012 and additional time for equipment purchases will be needed so the building can be occupied in the Fall 2012.

5. San Diego, Structural and Materials Engineering Building—Equipment (funded with 1990 GO Bonds)

(See #4 above)

6. San Diego, Telemedicine and PRIME Health Equity Education Facility—Equipment

(See #1 above)

7. San Diego, SIO Research Support Facilities—Construction

Reappropriating the construction phase is needed because bond funding for the project's design phase was not sold until late November 2011, thereby causing a delay in the project schedule. Preliminary plans were approved in February 2012. The lease revenue bonds to fund the construction phase are anticipated to be sold in a fall 2012 bond sale. Consequently, the campus will not be able to proceed to bid by June 30, 2012.

8. San Francisco, Telemedicine and PRIME-Urban Underserved Education Facilities Phase 2—Equipment

(See #1 above)

9. Santa Barbara, Davidson Library Addition and Renovation—Working drawings and construction

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Reappropriating the working drawings and construction phase is needed because of unforeseen seismic issues in the project's eight-story tower which requires additional design and construction work, and the project is also awaiting funding from a lease revenue bond sale.

Various Extension of Liquidation Periods

Add Item 6440-490 to extend the liquidation period by one additional year (until June 30, 2013) for the Berkeley, Campbell Hall Seismic Replacement Building—Working drawings phase appropriated in 2007.

Additional time is requested to resolve various design issues (e.g., proper sizing of steam pipes and data communication lines) before payments can be finalized.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
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Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Patrick Lenz, Vice President for Budget, University of California
Ms. Deborah Wylie, Associate Vice President, Capital Resources Management, University of California
Ms. Roshni Thomas, Executive Director, Capital Planning, University of California

Attachment 1

6440-491—Reappropriation, University of California. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations in those appropriations, unless otherwise specified, provided for in those appropriations and shall be available for encumbrance until June 30, 2016:

0658—1996 Higher Education Capital Outlay Bond Fund

(1) Item 6440-301-0658, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 6440-492, Budget Act of 2011 (Ch. 33, Stats. Of 2011)

Merced Campus:

(1) 99.11.055-Site Development and Infrastructure, Phase 4--Construction

0660---Public Buildings Construction Fund

(1) Item 6440-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 6440-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.):

Berkeley Campus:

(2) 99.01.260-Helios Energy Research Facility---Preliminary plans, working drawings, construction and equipment

(2) Item 6440-301-0660, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008):

Riverside Campus:

(1) 99.05.200—Environmental Health and Safety Expansion—Working drawings and construction

(3) Item 6440-301-0660, Budget Act of 2010 (Ch. 712, Stats. 2010)

Santa Barbara Campus:

(3) 99.08.145-Davidson Library Addition and Renewal—Working drawings and construction

0668—Public Buildings Construction Fund Subaccount

(1) Item 6440-301-0668, Budget Act of 2011 (Ch. 33, Stats. 2011)

San Diego Campus:

(1) 99.06.365-SIO Research Support Facilities—Construction

0705—1992 Higher Education Capital Outlay Bond Fund

(1) Item 6440-301-0705, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

San Diego Campus:

(1) 99.06.375-Structural and Materials Engineering Building—Equipment

0791—June 1990 Higher Education Capital Outlay Bond Fund

(2) Item 6440-301-0791, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

San Diego Campus:

(2) 99.06.375-Structural and Materials Engineering Building—Equipment

6048—2006 University Capital Outlay Bond Fund

(1) Item 6440-302-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 6440-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1 2009-10 4th Ex. Sess.), and 6440-493, Budget Act of 2011

Riverside Campus:

(5) 99.05.225-East Campus Infrastructure Improvements, Phase 2—Construction

(2) Item 6440-304-6048, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

San Francisco Campus

(1) 99.02.155-Telemedicine and PRIME Urban Underserved Education Facilities—Equipment

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(3) Item 6440-305-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. Of 2007), as reappropriated by Item 6440-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

San Diego Campus:

(2) 99.06.395-Telemedicine/PRIME Health Equity Education Facility—Equipment

(4) Item 6440-305-6048, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1 2009-10 4th Ex. Sess.), as reappropriated by Item 6440-492, Budget Act of 2011 (Ch. 33, Stats. 2011)

Los Angeles Campus:

(1) 99.04.290-Telemedicine and PRIME Facilities, Phase 2--Equipment



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items, Capital Outlay, California State University

Various Campuses, Seismic Upgrades Using Federal Emergency Management Agency (FEMA) Grants—Preliminary plans, working drawings and construction (Issue 001). It is requested that Item 6610-301-6048 be added in the amount of \$10,995,000 (2006 University Capital Outlay Bond Fund) and reimbursements be added in the amount of \$11,155,000 (federal funds) to fund the design and construction phases for five seismic upgrade projects on four California State University (CSU) campuses:

1. Los Angeles, Seismic Upgrade, Administration—\$5,799,000
2. Humboldt, Seismic Upgrade, Van Duzer Theatre—7,920,000
3. Humboldt, Seismic Upgrade, Library—5,558,000
4. Bakersfield, Seismic Upgrade, Dore Theatre—1,867,000
5. San Luis Obispo, Crandell Gymnasium (Seismic)—1,006,000

The five capital outlay seismic projects are all rated by the Division of State Architect as a seismic level six (out of seven), meaning that in a seismic event, the building would suffer extensive structural damage with partial collapse likely and substantial risk to life. The CSU is in the process of applying, through the California Emergency Management Agency (CalEMA), for five hazard mitigation grants, administered by the FEMA that could help offset state costs for these five projects. The grants would require a minimum state share of 25 percent of the total project cost and would provide federal matching funds of 75 percent of the total project cost, not to exceed \$3.0 million dollars per project. However, the 25-percent state share must be in place at the time of application submittal. The CalEMA advises that final applications are due to FEMA by July 18, 2012, and the application review could take between six months and a year before funds are obligated. Therefore, it is also requested that provisional language be added to Item 6610-301-6048 to recognize the receipt of these federal funds, and if the full amount does not materialize, provide a vehicle for CSU to utilize any federal grant funds and the remaining state funds to complete upgrades to as many of the projects as possible:

6610-301-6048—For capital outlay, California State University, payable from the
2006 University Capital Outlay Bond Fund.....10,995,000

Schedule:

1. 06.50.067-Bakersfield: Seismic Upgrade, Dore Theatre---Preliminary plans, working drawings, and construction.....1,867,000

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2. 06.67.102-Humboldt: Seismic Upgrade, Van Duzer Theatre---Preliminary plans, working drawings, and construction.....7,920,000
3. 06.67.090-Humboldt: Seismic Upgrade, Library---Preliminary plans, working drawings, and construction.....5,558,000
4. 06.73.099-Los Angeles: Seismic Upgrade, Administration---Preliminary plans, working drawings, and construction5,799,000
5. 06.96.127-San Luis Obispo: Crandell Gymnasium (Seismic)---Preliminary plans, working drawings, and construction.....1,006,000
6. Reimbursements.....-11,155,000

Provisions:

1. Of the amount appropriated in this item, \$11,155,000 is for anticipated reimbursements from the California Emergency Management Authority for federal hazard mitigation grant funds administered by the Federal Emergency Management Agency. If all or part of the requested reimbursements do not fully materialize, the Department of Finance may authorize the use of the funds in this item to fully fund one or more projects in the schedule above with or without reimbursements, but not before providing the Chairperson of the Joint Legislative Budget Committee and chairperson of the respective fiscal committee with a 30-day written notice of the intent to fully fund a project.
2. Notwithstanding Section 1.80 of this Act, the appropriation made in this item is available for encumbrance until June 30, 2017.
3. For those projects which are approved for hazard mitigation grants, the California State University may prefund design and/or construction while awaiting the anticipated reimbursements from awarded grants from the California Emergency Management Authority. However, no funds may be advanced on any project in this item until the project has been awarded a grant.

Various Reappropriations

It is requested that Item 6610-491 be amended (see Attachment 1) to reappropriate funds for the following four project phases appropriated from general obligation bonds in Item 6610-301-0658, Budget Act of 2010, as reappropriated by Item 6610-492, Budget Act of 2011:

1. Chico Campus, Taylor II Replacement Building—Working drawings
2. Fresno Campus, Faculty Office and Lab Building—Working drawings
3. San Jose Campus, Spartan Complex—Working drawings
4. Channel Islands, West Hall—Working drawings

The initial general obligation bond sale to fund the design phases for these projects did not occur until late in the fall of 2011 with allocation orders going out to campuses in December 2011. While preliminary plans are anticipated to be completed by June 2012, additional time is needed for completion of working drawings.

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It is requested that Item 6610-491 be amended (see Attachment 1) to reappropriate from general obligation bonds, Item 6610-302-6041 Budget Act of 2008, as reappropriated by Item 6610-491, Budget Act of 2009 for the San Bernardino, Access Compliance Barrier Removal Project—working drawings and construction.

Due to the state's suspension of capital outlay projects and resulting changes in how the state provides cash to delayed projects, this project was one of the last to receive all the needed cash for the project. Consequently, additional time is needed for the orderly completion of the project to conform with a court ordered legal settlement related to compliance with the Americans with Disabilities Act.

Various Extension of Liquidation Periods

It is requested Item 6610-492 be added to extend the liquidation period by one additional year (until June 30, 2013) for Item 6610-301-6048, Budget Act of 2007, Channel Islands, Infrastructure Improvements Phase 1A and 1B—Construction phase. This project has been completed; however, the project has an outstanding contractor claim in which additional time is needed to resolve the claim.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: On following page

MAR 30 2012

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Elvyra F. San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction,
California State University
Mr. Larry Piper, Chief, Capital Planning, Design and Construction, California State University

MAR 30 2012

6610-491—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations in those appropriations, unless otherwise specified, provided for in those appropriations and shall be available for encumbrance or expenditure until the date specified:

0658—1996 Higher Education Capital Outlay Bond Fund

(1) Item 6610-301-0658, Budget Acts of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 6610-492, Budget Act of 2011 (Ch. 33, Stats. 2011):

Chico Campus:

(1) 06.52.113-Taylor II Replacement Building—Working drawings

Fresno Campus:

(2) 06.56.066-Faculty Office/Lab Building—Working drawings

Channel Islands Campus:

(3) 06.83.004-West Hall—Working drawings

San Jose Campus:

(4) 06.86.084-Spartan Complex Renovation (Seismic)-Working drawings

0660—Public Buildings Construction Fund

(1) Item 6610-301-0660, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 6610-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.) shall be available for encumbrance until June 30, 2015:

Bakersfield Campus:

(1) 06.50.066-Art Center and Satellite Plant—Working drawings and construction

Maritime Academy:

(2) 06.51.010-Physical Education Replacement—Preliminary plans, working drawings, and construction

Monterey Bay Campus:

(3) 06.74.008-Academic Building II—Preliminary plans, working drawings, and construction

0668—Public Buildings Construction Fund Subaccount

(1) Item 6610-301-0668, Budget Act of 2011 (Ch. 33, Stats. Of 2011) shall be available for encumbrance until June 30, 2017:

Chico Campus:

(1) 06.52.113-Taylor II Replacement Building—Construction

Fresno Campus:

(2) 06.56.066-Faculty Office/Lab Building—Construction

East Campus:

(3) 06.64.081-Warren Hall Replacement Building—Preliminary plans, working drawings and construction

Channel Islands Campus:

(4) 06.83.004-West Hall—Construction

San Jose Campus:

(5) 06.86.084-Spartan Complex Seismic Renovation—Construction

6041—2004 Higher Education Capital Outlay Bond Fund

(1) Item 6610-302-6041, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 6610-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.):

San Bernardino Campus:

(1) 06.78.073-Access Compliance Barrier Removal—Working drawings, and construction



MAR 30 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 6870-101-0001, Local Assistance, California Community Colleges

(Issue 001)—It is requested that Provision 5 of Item 6870-101-0001 be deleted to correct a drafting error that imposed unnecessary restrictions on the proposed categorical program flexibility. The Governor's Budget would consolidate California Community College (CCC) categorical program funding of \$411,629,000 Proposition 98 General Fund into a single student support program that would largely allow the funding to be used for any purpose. Provision 5 would impose unnecessary restrictions that would conflict with the intended flexibility.

Trailer Bill Language

Neighboring State Student Enrollment Fee—The Administration proposes trailer bill legislation that would increase student fees for qualifying neighboring state students that attend CCC based on reciprocal state attendance agreements. Currently, Education Code section 76140, subdivision (j), requires eligible neighboring state students to pay \$42 per unit to attend a CCC. However, the student fees for California students are scheduled to increase from \$36 per unit to \$46 per unit effective the summer term of 2012. As a result, eligible neighboring state students will be paying lower student fees than California residents. The proposed statutory amendment would increase neighboring state student fees to three times, or \$138 per unit, the California resident student fee of \$46 per unit. Establishing neighboring state student fees at three times the current resident student fee would reestablish neighboring state student fees as a multiple of resident student fees and would allow neighboring student fees to adjust in concert with any adjustments to resident student fees. Furthermore, the \$138 per unit fee would establish neighboring state student fees approximately midway between Oregon, Nevada, and Arizona resident student fees that range in the mid \$70 per unit and California nonresident student fees ranging around \$200 per unit. The Governor's Budget estimates that the current neighboring state student fee of \$42 per unit would generate approximately \$500,000 in student fee revenues in 2012-13; however, a determination will be made at the May Revision to the extent that the proposed fee increase would generate additional student fee revenue.

The effect of my requested action is reflected on the attachment.

MAR 30 2012

If you have any questions or need additional information regarding this matter, please call Ed Hanson, Principal Program Budget Analyst, at (916) 445-0328.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Dan Troy, Vice Chancellor for Fiscal Policy, California Community College Chancellor's Office

Attachment

Education Code section 76140 is amended as follows:

76140. (a) A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee any person described in paragraph (1), (2), or (3):

(1) All nonresidents who enroll for six or fewer units. Exemptions made pursuant to this paragraph shall not be made on an individual basis.

(2) Any nonresident who is both a citizen and resident of a foreign country, if the nonresident has demonstrated a financial need for the exemption. Not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this paragraph may be made on an individual basis.

(3) (A) A student who, as of August 29, 2005, was enrolled, or admitted with an intention to enroll, in the fall term of the 2005-06 academic year in a regionally accredited institution of higher education in Alabama, Louisiana, or Mississippi, and who could not continue his or her attendance at that institution as a direct consequence of damage sustained by that institution as a result of Hurricane Katrina.

(B) The chancellor shall develop guidelines for the implementation of this paragraph. These guidelines shall include standards for appropriate documentation of student eligibility to the extent feasible.

(C) This paragraph shall apply only to the 2005-06 academic year.

(b) A district may contract with a state, a county contiguous to California, the federal government, or a foreign country, or an agency thereof, for payment of all or a part of a nonresident student's tuition fee.

(c) Nonresident students shall not be reported as full-time equivalent students (FTES) for state apportionment purposes, except as provided by subdivision (j) or another statute, in which case a nonresident tuition fee may not be charged.

(d) The nonresident tuition fee shall be set by the governing board of each community college district not later than February 1 of each year for the succeeding fiscal year. The governing board of each community college district shall provide nonresident students with notice of nonresident tuition fee changes during the spring term before the fall term in which the change will take effect. Nonresident tuition fee increases shall be gradual, moderate, and predictable. The fee may be paid in installments, as determined by the governing board of the district.

(e) (1) The fee established by the governing board pursuant to subdivision (d) shall represent for nonresident students enrolled in 30 semester units or 45 quarter units of credit per fiscal year one or more of the following:

(A) The amount that was expended by the district for the expense

of education as defined by the California Community College Budget and Accounting Manual in the preceding fiscal year increased by the projected percent increase in the United States Consumer Price Index as determined by the Department of Finance for the current fiscal year and succeeding fiscal year and divided by the FTES (including nonresident students) attending in the district in the preceding fiscal year. However, if for the district's preceding fiscal year FTES of all students attending in the district in noncredit courses is equal to, or greater than, 10 percent of the district's total FTES attending in the district, the district may substitute the data for expense of education in grades 13 and 14 and FTES in grades 13 and 14 attending in the district.

(B) The expense of education in the preceding fiscal year of all districts increased by the projected percent increase in the United States Consumer Price Index as determined by the Department of Finance for the fiscal year and succeeding fiscal year and divided by the FTES (including nonresident students) attending all districts during the preceding fiscal year. However, if the amount calculated under this paragraph for the succeeding fiscal year is less than the amount established for the current fiscal year or for any of the past four fiscal years, the district may set the nonresident tuition fee at the greater of the current or any of the past four-year amounts.

(C) An amount not to exceed the fee established by the governing board of any contiguous district.

(D) An amount not to exceed the amount that was expended by the district for the expense of education, but in no case less than the statewide average as set forth in subparagraph (B).

(E) An amount no greater than the average of the nonresident tuition fees of public community colleges of no less than 12 states that are comparable to California in cost of living. The determination of comparable states shall be based on a composite cost-of-living index as determined by the United States Department of Labor or a cooperating government agency.

(2) The additional revenue generated by the increased nonresident tuition permitted under the amendments made to this subdivision during the 2009-10 Regular Session shall be used to expand and enhance services to resident students. In no event shall the admission of nonresident students come at the expense of resident enrollment.

(f) The governing board of each community college district also shall adopt a tuition fee per unit of credit for nonresident students enrolled in more or less than 15 units of credit per term by dividing the fee determined in subdivision (e) by 30 for colleges operating on the semester system and 45 for colleges operating on the quarter system and rounding to the nearest whole dollar. The same rate shall be uniformly charged nonresident students attending any terms or sessions maintained by the community college. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

(g) Any loss in district revenue generated by the nonresident tuition fee shall not be offset by additional state funding.

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(h) Any district that has fewer than 1,500 FTES and whose boundary is within 10 miles of another state that has a reciprocity agreement with California governing student attendance and fees may exempt students from that state from the mandatory fee requirement described in subdivision (a) for nonresident students.

(i) Any district that has more than 1,500, but less than 3,001, FTES and whose boundary is within 10 miles of another state that has a reciprocity agreement with California governing student attendance and fees may, in any one fiscal year, exempt up to 100 FTES from that state from the mandatory fee requirement described in subdivision (a) for nonresident students.

(j) The attendance of nonresident students who are exempted pursuant to subdivision (h) or (i), or pursuant to paragraph (3) of subdivision (a), from the mandatory fee requirement described in subdivision (a) for nonresident students may be reported as resident FTES for state apportionment purposes. Any nonresident student reported as resident FTES for state apportionment purposes pursuant to subdivision (h) or (i) shall pay a per unit student fee of ~~forty-two dollars (\$42)~~ per course unit that is three times the resident student fee established per Education Code section 76300. That fee is to be included in the FTES adjustments described in Section 76330 for purposes of computing apportionments.



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MAR 30 2012

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Budget Bill Items 6870-301-6049 and 6870-490, Capital Outlay, California Community Colleges

It is requested that the following requests would address changes to proposed capital outlay projects:

Item 6870-301-6049, Glendale Community College District, Glendale College: Laboratory and College Services Building—Construction and Equipment—It is requested that Item 6870-301-6049 be added in the amount of \$41,237,000 for a laboratory college services replacement building. The project will construct a three-story 54,904 assignable square feet (asf) building to replace temporary instructional facilities and to expand college facilities to meet enrollment levels that will be on campus when the building is occupiable. The project creates 12,633 asf of lecture space, 18,905 asf of laboratory space, 19,077 asf of office space, 1,926 asf of library space, and 2,363 asf of other space.

The 2007 Budget Act appropriated \$2,769,000 for preliminary plans and working drawings. In the past few months, the California Community College districts have experienced significant bid savings that has resulted in sufficient bond authority to be able to fund this project.

Item 6870-490, Various Project Phases appropriated from the 2009, 2010 and 2011 Budget Acts—It is requested that Item 6870-490 be added to reappropriate funds for the following projects:

1. Santa Clarita Community College District College of the Canyons: Administrative and Student Services Building, Construction and Equipment; El Camino Community College District, El Camino Compton Center: Allied Health Building, Construction—These projects need to be reappropriated because of delays with obtaining final design approval from the Division of State Architects.
2. Gavilan Community College District, Gavilan College: Replace Water Supply System—Working Drawings and Construction. Working drawings and construction for this project need to be reappropriated because of findings during the environmental review process that has caused a delay in the completion of the Environmental Impact Report, which is expected to be completed now in October 2012.

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3. Long Beach Community College District, Long Beach City College, Pacific Coast Campus: Multi-Disciplinary Academic Building—Equipment needs to be reappropriated because of construction delays, which have all been resolved. The project's construction schedule was slower than expected because of some abatement issues, State Architect review of tie beam details between this new building and an existing building, and delays in the demolition process.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Carol Liu, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Susan Bonilla, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Jack Scott, Chancellor, California Community Colleges
Mr. Fred Harris, Assistant Vice Chancellor, California Community Colleges
Mr. Dan Troy, Vice Chancellor, California Community Colleges

Attachment Budget Bill Language

6870-301-6049—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors to community college districts for expenditure as set forth in the schedule below, payable from the 2006 California Community College Capital Outlay Bond Fund..... 41,237,000

Schedule:

Coast Community College District
 Orange Coast College
 (1) 40.18.124-Lab/College Services Building—
 Construction and equipment 41,237,000

6870-490- Reappropriation, Board of Governors of the California Community Colleges. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, in those appropriations:

6049-2006 California Community College
 Capital Outlay Bond Fund

Item 6870-301-6049, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), as partially reappropriated by Item-6870-490, and as partially reverted by Item 6870-497, Budget Act of 2010 (Ch. 712, Stats. 2010), and as partially reappropriated by Item 6870-491, Budget Act of 2011 (Ch. 33, Stats. 2011)

Long Beach Community College District
 Long Beach City College, Pacific Coast Campus
 (6) 40.25.117 – Multi-Disciplinary Academic
 Building-Equipment

Item 6870-301-6049, Budget Act of 2010 (Ch. 712, Stats. 2010)), as partially reappropriated by Item 6870-491, Budget Act of 2011 (Ch. 33, Stats. 2011)

El Camino Community College District

El Camino Compton Center

40.14.203 – Allied Health

Building – Construction

Item 6870-303-6049, Budget Act of 2010 (Ch. 712, Stats. 2010)

Gavilan Community College District

Gavilan College

40.17.111 – Replace Water Supply System –
Working Drawings and construction

(4) Item 6870-301-6049, Budget Act of 2011 (Ch. 33, Stats. 2011)

Santa Clarita Community College District College
of the Canyons

(3) 40.54.117 – Administrative and Student
Services Building– Construction and equipment