



STATE BUDGET

GRAY DAVIS, GOVERNOR, STATE OF CALIFORNIA



2000-01
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BUDGET HIGHLIGHTS

This \$99.4 billion Budget is the second consecutively to be signed into law by the June 30 deadline. It makes significant new investments in education, giving schools new resources while funding efforts to improve student achievement, recruit and retain qualified teachers, and upgrade technology. The Budget also invests in transportation, health care, and tax relief, and puts Propositions 12 and 13 bond proceeds to work immediately for new parks and water projects. The Budget also includes \$7.5 billion in one-time expenditures and a prudent reserve of \$1.78 billion.

EDUCATION

MAJOR FUNDING INCREASES

Proposition 98 Guarantee. Total spending is \$38.6 billion, an increase of \$3.2 billion, or 9.0 percent, over the current year. K-12 spending per pupil increases by \$480 from \$6,321 in 1999-00 to \$6,801 in 2000-01, a 7.5 percent increase.

Elimination of K-12 Deficit. \$1.84 billion to eliminate the deficit caused by the underfunding of COLAs in the 1990s. Combined with the 3.17 percent COLA, this reflects a historic discretionary funding increase in excess of 10 percent.

School Improvement And Pupil Achievement Block Grant. \$425 million for expenditure by school districts for school safety, deferred maintenance, technology staff development, education technology connectivity, or facility improvements (\$245 million); and by school sites for instructional materials, staff development, computers, education technology, library materials, deferred maintenance, enrichment activities, tutoring services, or any other one-time educational purpose (\$180 million).

IMPROVING STUDENT ACHIEVEMENT AND SCHOOL PERFORMANCE

Governor's Scholars Program. \$118 million to provide \$1,000 scholarships to public high school pupils in 9th, 10th, or 11th grade scoring in either the top 10 percent at their school or the top 5 percent statewide on the nationally-normed portions of the Standardized Testing and Reporting (STAR) exam; and \$2,500 scholarships to pupils who receive a scholarship under the

Governor's Scholars Program and also achieve top scores on specified Advanced Placement, International Baccalaureate, and Golden State Examination assessments in mathematics and science.

English Language Learners. \$260 million to provide intensive English language and literacy instruction, including \$250 million for grades K-12 to provide such instruction after school and during intersession/summer breaks; and \$10 million to provide support for adult literacy learners with children who are learning English by expanding the Family Literacy Program conducted at local libraries.

Academic Performance Schoolsite Employee Performance Bonus. \$350 million for one-time bonuses to all staff at school sites that have met or exceeded their academic performance growth target.

TEACHER RECRUITMENT, RETENTION AND TRAINING

Teacher Tax Credit. \$218 million for a personal income tax credit teachers may claim. The credit ranges from \$250 for teachers with at least 4 years of teaching experience to \$1,500 for those teachers who have taught at least 20 years, and is limited to 50 percent of the tax liability from teaching.

Recruitment and Retention Block Grant. Over \$118.6 million for a block grant that will help schools ranked in the bottom half of the Academic Performance Index (API) to recruit and retain fully credentialed teachers. Schools may use these funds for teacher signing bonuses, forgivable housing assistance loans, and other recruitment and retention incentives.

Beginning Teacher Salaries. \$55 million so school districts participating in the Beginning-Teacher Salary Program may increase the annual salaries of beginning teachers to a minimum of \$34,000.

Certificated Staff Bonuses. \$100 million for bonuses to certificated staff at schools that achieve increases in their API scores. Eligible employees may receive bonuses of between \$5,000 and \$25,000 depending on the degree of improvement in their school's API scores.

Professional Development Institutes. \$108.3 million to provide minimum week-long intensive training to more than 70,000 teachers and administrators to develop advanced skills in core curriculum areas.

TECHNOLOGY AND ACADEMIC ACHIEVEMENT

Education Technology. More than \$215 million to improve access to computers and technology for students in the classroom, including enhanced student access to advanced placement courses on-line, expanded connectivity and network infrastructure for K-12 schools, and increased funding for staff development and technical assistance; and \$188 million for the final year of implementation for the Digital High School Program.

Advanced Placement. \$16.5 million to implement the Advanced Placement Challenge Grant Program, which will provide \$30,000 grants to up to 550 high schools to facilitate pupil access to Advanced Placement or comparable college-level coursework by the Fall of 2001; and \$8 million through the University of California to develop additional distance-learning courses in core subject matter areas and expand its high school Advanced Placement initiative to additional schools throughout the State.

CHILD CARE

Expansions for Working Families. Over \$300 million to expand child care access to working families, including \$95 million for all former CalWORKS families who have exceeded the two-year transitional benefit (about 17,000 slots); \$43 million in half-year funding for children under age six of other working poor families and children of migrant families (about 10,000 slots); and \$165 million (about 30,000 slots) to meet the caseload increase for CalWORKS Stage 2 families..

Quality and Facility Enhancements. \$160 million for other child care efforts, including \$55 million for facility expansions, \$33 million to increase standard reimbursement rates, \$15 million for legislation to address issues for child care workers, \$15 million for other quality improvement initiatives, and \$42 million for one-time child care purposes.

Refundable Child Care Tax Credit. \$195 million in tax relief as a refundable credit for child care expenses paid by taxpayers with less than \$100,000 of annual income.

State Preschool Expansions. \$47 million for State Preschool, including annualization of the 1999-00 expansions, and half-year funding for the second increment of the expansion, which will increase services to over 100,000 children by the end of 2000-01.

HIGHER EDUCATION

Funding Increases. University of California's (UC) General Fund budget grows by \$486.3 million, a 17.9 percent increase, and California State University (CSU) receives a 12.7 percent General Fund increase of \$279 million. In addition, total funding for California Community Colleges grows by approximately \$497 million, an increase of 9.0 percent.

Enrollment Increases. \$51.2 million to fully fund enrollment at UC, bringing total enrollment to 170,566. CSU receives \$73.1 million to fully fund a total enrollment of 291,980. The Budget provides \$122 million for 3.5 percent growth in enrollments at community colleges, which is \$49 million, or 67 percent, higher than the statutory amount.

Institutes for Science and Innovation. \$75 million to establish three California Institutes for Science and Innovation at separate UC campuses. These institutes will combine technological and scientific research as well as train and educate California's future scientists and technology leaders.

Year Round Instruction. \$33.7 million to reduce summer fees at UC and CSU to the same level as the fees for regular academic terms.

Financial Aid Expansion. \$98.9 million to expand the Cal Grant Program, adding more than 22,000 new Cal Grant A, B, and C awards for financially needy students.

TRANSPORTATION

Department of Transportation. Over \$7.8 billion in expenditures for Caltrans and 23,137 personnel years, including \$1.4 billion for programs that assist local governments in constructing and operating highway, road, and transit systems, and nearly \$3.4 billion in capital outlay expenditures for state highway construction projects.

Transportation Congestion Relief Plan. \$2 billion from the General Fund to support the Governor's Transportation Congestion Relief Plan contained in separate budget trailer bill legislation. This funding is composed of a \$1.5 billion General Fund appropriation, and the transfer of \$500 million from the sales and use tax on gasoline to the program

California Highway Patrol. The Budget adds \$13.9 million for 165 additional California Highway Patrol officers. Of this increase, 96 motorcycle officers will help reduce congestion in urban areas by reaching disabled vehicles and other traffic problems faster to resolve incidents in less time. The Budget also includes 69 officers for rural areas to improve traffic safety, enhance motorist services, and provide additional assistance to allied agencies.

TAX RELIEF

In addition to the Teacher Tax and Child Care Tax Credits, the Budget provides the following tax relief:

Vehicle License Fee Rebates. The Budget permanently reduces vehicle license fees (VLF) by 67.5 percent, with a portion of that reduction provided in the form of rebates for the 2001 and 2002 calendar years. Vehicle owners will benefit from additional VLF tax relief totaling \$887 million in 2000-01.

Senior Citizens' Homeowners and Renters Tax Assistance. Assistance payments for low-income senior citizens and disabled individuals will be more than doubled on a one-time basis in 2000-01, at a cost of \$154 million.

Long Term Care Credit. A \$500 credit will be available for certain taxpayers who care for elderly or disabled individuals in their homes, at a cost of \$43 million.

Net Operating Losses. Businesses will benefit because they will be able to carry forward a higher percentage of losses to subsequent years. The percentage of losses that can be carried forward will increase on a phased-in basis from 50 percent to 65 percent.

Research and Development Credit. To encourage long-term investment in the State, the research and development credit will increase from 12 percent to 15 percent. In addition, the alternative incremental research credit will increase from 80 percent to 90 percent of the June 30, 1999, federal credit percentages. These changes will reduce revenues by \$20 million in 2000-01.

Rural Investment Exemption. California's rural areas will benefit from a State sales tax exemption for qualified investments specifically targeted to assist rural counties with relatively high unemployment rates, which will reduce revenues by \$5 million annually.

PUBLIC SAFETY

Los Angeles City/County Crime Laboratory. \$96,000,000 for a one-time local assistance grant for the construction of a joint crime laboratory for the City of Los Angeles and Los Angeles County with the participation of California State University, Los Angeles. This new state-of-the-art crime laboratory is intended serve the greater Los Angeles region.

Juvenile Justice. \$71.3 million set aside for juvenile justice programs at the local level, and \$75 million for counties for juvenile detention facilities.

DNA Profiling. \$50 million to conduct DNA analysis of evidence to establish innocence and determine guilt in unsolved sexual assault cases. This funding will be available for three years to provide local law enforcement agencies with the resources necessary to process 18,000 rape investigation kits.

Parolee Services. \$12.4 million for increased supervision of parolees who have at least two serious or violent felony convictions, and to assist in locating and recovering parolees who have failed to maintain the required contact with their parole agents; \$1.9 million to provide increased supervision of mentally ill parolees and facilitate their successful re-integration into the community; and \$6 million for programs that provide sex offender containment, and various services to assist parolees in their transition back into the community and to reduce recidivism.

Substance Abuse Treatment Program Expansion. \$28.7 million for implementation of a 3,000-bed therapeutic community substance abuse treatment program expansion, including community-based residential aftercare treatment for 50 percent of the program graduates.

HEALTH CARE

Healthy Families/Child Health Care Expansion. \$993 million (approximately \$468 million General Fund) more than was included in the 1999 Budget Act for benefits for families and children, including Medi-Cal, Healthy Families, Access for Infants and Mothers; for outreach to families and children; and for the Black Infant Health Program.

Provider Rates. \$940.9 million (\$508.8 million General Fund) for various health and human services provider rate increases: \$772.7 million (\$388.9 million General Fund) for Medi-Cal long-term care, managed care and other providers, \$84.6 million (\$64.8 million General Fund) to provide rate and wage increases to providers of direct services to the developmentally disabled, \$38.5 million (\$17 million General Fund) for a cost-of-living adjustment for foster care group homes and foster family agencies, as well as a wage pass-through for direct care workers, and \$31.4 million General Fund for rate increases for various public health programs.

Mental Health. \$155.4 million (\$151.5 million General Fund) is included for a Mental Health Initiative to improve services by increasing the quantity and quality of mental health services at the local level. This initiative includes \$89.3 million (\$87.3 million General Fund) in the Department of Mental Health to expand Integrated Services to Homeless Adults, Supportive Housing programs, and Children's System of Care, as well as to provide local funding for various programs.

Aging with Dignity Initiative. \$319.9 million (\$170 million General Fund) is included to help elderly persons remain at home and lead independent lives and to improve the quality of nursing home and in-home care. Approximately 52,800 more low-income seniors will receive no-cost Medi-Cal, so they can spend less of their resources on health care costs and better afford to remain at home. Nursing home workers funded by Medi-Cal will receive wage and benefit increases. Increased oversight and incentives will improve the quality of nursing home care. Seniors will also benefit from Long-Term Care Innovation Grants and other new services provided through augmentations made to the Department of Aging.

In-Home Supportive Services. \$221.6 million (\$100 million General Fund) to further supplement the Aging With Dignity Initiative by improving the quality of provider services and strengthening provider recruitment and retention.

Managed Care. \$34 million for the new department, a 119 percent increase over funding in last year's budget for oversight of managed care. On July 1, 2000, the Department of Managed Care assumes responsibility from the Department of Corporations for licensing and regulating health care service plans and for implementing the 1999 package of health care reform legislation.

Cancer Treatment. \$20 million for breast cancer treatment and, for the first time, \$10 million for prostate cancer treatment for low-income people.

HOUSING

The Budget includes over \$570 million General Fund to improve housing opportunities for all Californians. This level of funding is an increase of more than 800 percent over last year's budget for such programs. Key components include:

Jobs-Housing Balance: \$100 million to encourage local governments to increase permits for housing production by providing grants for amenities that may mitigate the impact of new housing; \$5 million for grants for job development in communities with adequate housing stocks; and \$5 million for predevelopment loans to help developers of affordable housing start new projects.

Homeownership: \$50 million for the new CalHome Program, which provides loans and grants to local governments for a variety of homeowner assistance programs. Additionally, the California Housing Finance Agency will provide \$50 million for down payment assistance to low- and moderate-income first-time homebuyers.

Rental Housing. \$188 million for the Multifamily Housing Program, which provides loans for construction, conversion, acquisition and/or rehabilitation of affordable rental housing.

TRADE AND COMMERC

Film California First. \$15.3 million to create the Film California First program to reduce location costs to productions filming in California.

Farmworker Housing. \$46.5 million to finance the construction or rehabilitation of rental and owner housing for farmworker households.

New Economy Initiative. \$14.6 million to support the Administration's New Economy Initiative. This funding includes \$3.4 million for space commerce and aeronautics, \$5 million in grant funds to match federal and private funds for the Next Generation Internet Centers, \$2 million for the E-Commerce in Rural Economic Regions Demonstration Project, \$2.2 million for the California Technology Investment Partnership Program, and \$2 million for the Manufacturing Technology Program.

LOCAL GOVERNMENT

Financial Assistance to Local Governments. **\$200 million is set aside for one-time discretionary funding to local governments.**

Citizens' Option for Public Safety (COPS). **\$121.3 million is provided to fund the COPS program, which is extended to 2003-04 and provides all local law enforcement agencies with at least \$100,000.**

Technology Funding for Local Law Enforcement. **\$75 million in one-time funding is provided to local law enforcement agencies for the purchase of high-technology equipment.**

NATURAL RESOURCES AND ENVIRONMENT

UC Merced. \$13.8 million to assist development and implementation of various natural resources conservation plans related to construction of UC Merced and protecting the surrounding environment. An additional \$30 million is included in the Budget to acquire approximately 60,000 acres adjacent to the new campus to help ensure the protection of wetlands, waterways, and wildlife around the campus.

CalFed. \$136.1 million to continue the State's commitment to address environmental restoration and water management in the San Francisco Bay and the Sacramento-San Joaquin River Delta. An additional \$125 million is set-aside to begin implementation of the Record of Decision recommendations released in June 2000.

Water Quality. Over \$50 million General Fund to enhance water quality monitoring and assessment, including development and implementation of preventive and corrective measures to address water quality impairments, mitigation of acid mine drainage, cleanup of contaminated sediments in coastal waters, and restoration of the Salton Sea.

Air Quality. \$100 million, including \$50 million to provide grants for projects that reduce emission from diesel trucks and equipment below levels required under existing regulations and for advanced technology projects and the development of an alternative fuels infrastructure, and \$50 million to reduce diesel emissions by replacing high-polluting school buses and installing special exhaust filters.

Land Conservation. \$75 million (\$54 million in the Wildlife Conservation Board and \$21 million in the Coastal Conservancy) for matching grants to purchase parks and open space preserves, and purchase and restore wildlife habitat.

Park Fee Reduction. \$36.6 million to reduce entrance fees at state parks to improve accessibility to all Californians and their families.

PARK AND WATER BONDS

The Budget includes allocations of \$1.2 billion for Parks projects and \$763.3 million for water projects from Propositions 12 and 13, the parks and water bonds approved by California voters in March 2000.

**2000-01 General Fund
Budget Summary
(Dollars in Millions)**

	<u>1999-00</u>	<u>2000-01</u>
Prior Year Balance	\$3,851	\$7,827
Revenues and Transfers	<u>\$71,162</u>	<u>\$73,856</u>
Total Resources Available	\$75,013	\$81,683
Expenditures	<u>\$67,186</u>	<u>\$78,816</u>
Fund Balance	\$7,827	\$2,867
Budget Reserves:		
Reserve for Liquidation of Encumbrances	\$592	\$592
Set aside for Litigation	\$0	\$500
Special Fund for Economic Uncertainties	\$7,235	\$1,775

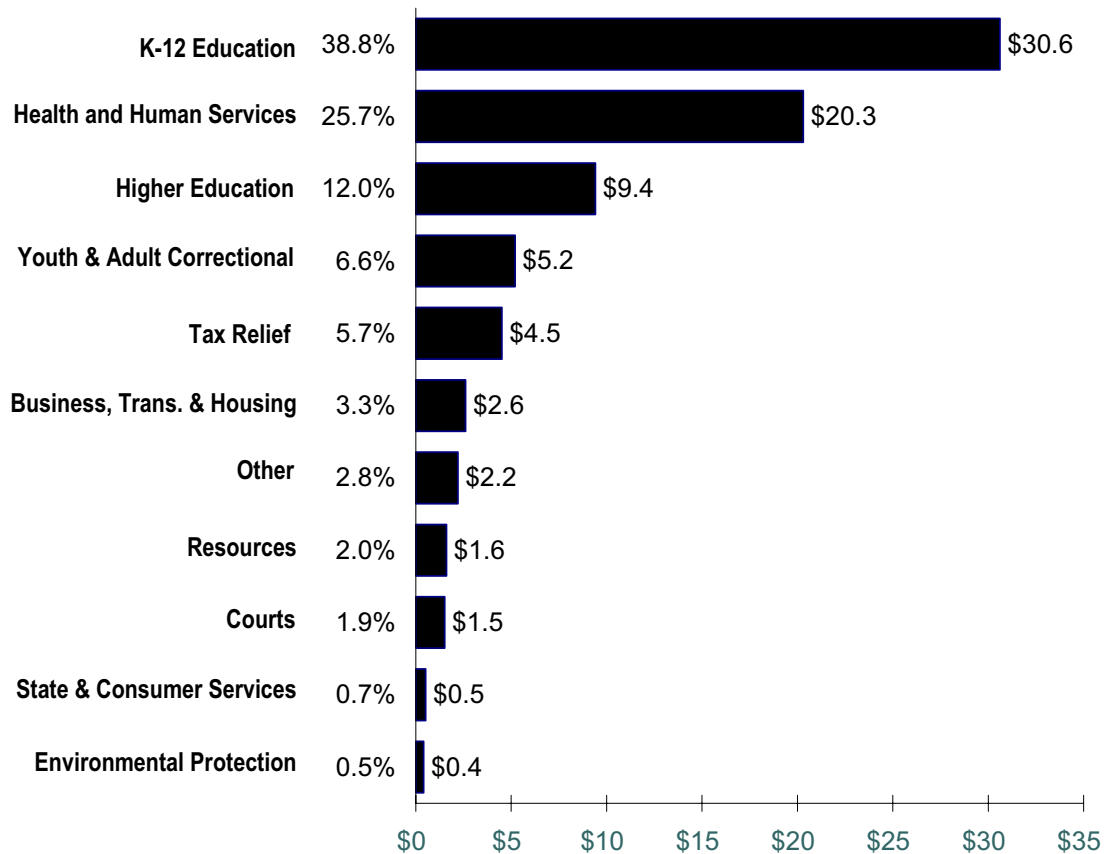
**2000-01 Revenue Sources
(Dollars in Millions)**

	<u>General Fund</u>	<u>Special Fund</u>
Personal Income Tax	\$41,333	--
Sales Tax	21,318	\$2,903
Bank and Corporation Tax	6,800	--
Highway Users Taxes	--	3,172
Motor Vehicle Fees	27	5,199
Insurance Tax	1,321	--
Estate Taxes	1,047	--
Liquor Tax	287	--
Tobacco Taxes	132	1,077
Horseracing Fees	1	33
Other	1,590	4,139
Total	\$73,856	\$16,523

General Fund Expenditures by Agency (Dollars in Millions)

	<u>1999-00</u>	<u>2000-01</u>
Legislative, Judicial, Executive	\$2,336	\$2,616
State and Consumer Services	492	533
Business, Transportation & Housing	398	2,586
Trade and Commerce	483	109
Resources	1,442	1,599
Environmental Protection	178	418
Health and Human Services	17,724	20,284
Youth and Adult Correctional	4,836	5,179
K-12 Education	27,483	30,603
Higher Education	8,066	9,445
General Government	3,748	5,444
Total	\$67,186	\$78,816

2000-01 General Fund Expenditures (Dollars in Billions)



2000-01 Expenditures By Fund
(Dollars in Millions)

Function	General Fund	Special Funds	Bond Funds	Total
Education (K-12)	\$30,603	\$46	\$1,707	\$32,356
Health and Human Services	20,284	4,271	--	24,555
Higher Education	9,445	686	767	10,898
Business, Transportation and Housing	2,586	4,301	333	7,220
Trade and Commerce	108	9	--	117
Tax Relief	4,488	--	--	4,488
Local Government Subventions	523	3,230	--	3,753
Youth and Adult Corrections	5,179	18	--	5,197
Resources	1,599	1,046	1,879	4,524
Environmental Protection	418	578	334	1,330
State and Consumer Services	533	496	27	1,056
Other	3,050	879	1	3,930
Total	\$78,816	\$15,560	\$5,048	\$99,424

**2000-01
Governor's Actions
General and Special Funds**
(Dollars in Millions)

Agency	Legislative Spending Plan	Governor's Vetoes	Enacted Budget
Legislative/Executive	\$1,431	-\$3	\$1,428
Courts	1,592	--	1,592
State and Consumer Services	1,033	-4	1,029
Business, Transportation & Housing	7,000	-113	6,887
Trade and Commerce	118	-1	117
Resources	2,774	-130	2,644
Environmental Protection	1,032	-36	996
Health and Human Services	24,801	-246	24,555
Youth and Adult Correctional	5,348	-151	5,197
Education (K-12)	30,823	-173	30,650
Higher Education	10,306	-175	10,131
Other	9,182	-32	9,150
Total	\$95,440	-\$1,064 ^{1/}	\$94,376

^{1/} Includes Trailer Bill vetoes of \$121.3 million for AB2885 for Local Juvenile Treatment & Prevention Program and \$8.9 million for SB1667 for County Office of Education Equalization

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BUDGET PROGRAM AREAS

Revenue Forecasting; Economic Projections;
Demographic Research; Business, Transportation and
Housing; Trade and Commerce; Local Government..... Shelley Mateo 322-2263

Education Kathryn Gaither 445-0328

Health and Human Services Stan Cubanski 445-6423

Youth and Adult Correctional; Judiciary;
Justice; General Government;
State and Consumer Services Calvin Smith 445-8913

Resources, Environment, Energy;
Capital Outlay Fred Klass 324-0043

Employee Relations;
Retirement Systems Robert Straight 327-0201

Budget Planning and Preparation;
Cash Management; Statewide Issues Carl Rogers 445-5332

California's Budget on the Internet

This document is also available on the Internet at the California Department of Finance
website: <http://www.dof.ca.gov>



PREPARED BY
DEPARTMENT
OF FINANCE

Gray Davis
Governor

June 30, 2000

State of California
Governor's Office

I object to the following appropriations contained in Assembly Bill 1740.

Item 0450-101-0932--For local assistance, State Trial Court Funding. I am deleting Provisions 6 and 9.

I am deleting Provision 6, which would require that any funds for salary increases for trial court judicial officers only be distributed to those trial courts that are unified to the fullest extent of the law.

I am also deleting Provision 9, which would require that funding for new trial court judicial officers shall be provided to those courts that are unified to the fullest extent of the law.

The 56th and final eligible county has recently unified, and this language is no longer necessary.

Item 0505-001-0001--For support of Department of Information Technology. I delete Provision 2.

I am deleting Provision 2 which would require \$500,000 of the funds appropriated in this item to be used to conduct a study that will research, analyze, and report on the lack of access to advanced technologies among low-income and minority communities, otherwise known as the "digital divide". While a study of this issue may be meritorious, I am deleting this language because when it was added, \$500,000 was available for this purpose. However, this item no longer contains resources for this study. Additionally, several national studies have been conducted on this issue.

Item 0505-101-0001--For local assistance, Department of Information Technology. I reduce this item from \$190,000 to \$150,000 by deleting:

(a) Sacramento Police Department—Racial Profiling Technology (\$40,000)

Consistent with my action in Item 2720-101-0001, which provides \$5,000,000 for grants to local law enforcement agencies that collect racial profiling data, I am deleting the \$40,000 legislative augmentation to the Sacramento Police Department for Racial Profiling Technology. Since it is my intention that the grant funds be used to offset a portion of local agency costs to report data to the Highway Patrol, the additional funding provided in this item is unnecessary.

Item 0530-001-0001--For support of Secretary for California Health and Human Services Agency. I reduce this item from \$2,274,000 to \$1,874,000 by reducing:

- (a) 10-Secretary for California Health and Human Services Agency from \$3,272,000 to \$2,872,000,

and by revising Provision 1.

I am deleting \$400,000 and 0.9 personnel years of the \$600,000 and 0.9 personnel years legislative augmentation to implement Chapter 990, Statutes of 1999 (SB 480) and conduct a study regarding universal health care coverage options. While these resources were added for the purpose of conducting an additional study, Chapter 990 does not require such a study. Instead, Chapter 990 requires the Agency to examine and use the results of an existing University of California study, meet with interested parties, and report back to the Legislature on options regarding universal health care coverage. Given that Chapter 990 contained no appropriation and requires no additional study, \$200,000 is sufficient funding for the Agency to complete the required tasks.

I am revising the language in the item to conform to this action.

“1. Of the amount appropriated in this item, ~~\$500,000~~ \$200,000 shall be used to ~~conduct a study pursuant to Division 25 (commencing with Section 25000) of the Welfare and Institutions Code, to~~ develop options for achieving universal health care coverage. The Secretary of the California Health and Human Services Agency may utilize an interagency agreement, or conduct a competitive process, for allocating all or any portion of these funds. These funds may be leveraged to obtain additional federal funds, grant moneys or foundation assistance, including in-kind support. It is the intent of the Legislature for the Secretary to utilize recommendations as contained in the report prepared by the Universal Health Care Technical Advisory Committee, dated April 2000, where applicable and deemed appropriate by the Secretary.”

Item 0540-001-0001--For support of Secretary for Resources. I reduce this item from \$11,781,000 to \$7,781,000 by reducing:

- (a) 10-Administration of Resources Agency from \$13,673,000 to \$9,673,000

and revising Provision 1.

I am reducing the \$8,000,000 legislative augmentation by \$4,000,000 for projects associated with removing the Auburn Dam diversion tunnel. While I am supportive of restoring the American River, closure of the tunnel is primarily a federal responsibility. It is premature to fully fund a state contribution toward the closure until the federal government has made clear its plans for and commitment to restoration of the river.

I am revising Provision 1 as follows:

"1. Of the funds appropriated in this item, ~~\$8,000,000~~-\$4,000,000 may be allocated by the Secretary for Resources for the joint restoration, with the U.S. Bureau of Reclamation, of the natural stream channel of the North Fork of the American River to its previous free-flowing condition, in conjunction with the U.S. Bureau of Reclamation's closure of the Auburn Dam diversion tunnel for the purpose of restoring navigable flows and installation of a permanent, midchannel instream diversion and a pumping station for the Placer County Water Agency. Notwithstanding any other provision of law, these funds shall be available for expenditure during the 2000-01, 2001-02, and 2002-03 fiscal years."

Item 0540-101-0001--For local assistance, Secretary for Resources. I reduce this item from \$4,007,000 to \$3,397,000 by revising:

(2) Special Projects (Baldwin Hills) from \$860,000 to \$250,000 by deleting:

(b) Baldwin Hills Conservancy (100,000); and

(c) Baldwin Hills Planning Fund (510,000).

I am deleting the legislative augmentation of \$610,000 for these two projects. I have sustained \$250,000 for support of the Baldwin Hills Conservancy if it is created by legislation during the 1999-2000 Regular Session.

Item 0540-102-0005--For local assistance, Secretary for Resources. I deleted this item.

These legislative augmentations would over subscribe the allocation to the Resources Agency from the 2000 Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund. Specifically, I am deleting the funding for all of the projects related to the San Gabriel and Lower Los Angeles River and Mountains area (subschedules (l), (m), (n) and (o) because, while these projects are meritorious, funding for these projects is premature. The newly established San Gabriel and Lower Los Angeles River and Mountains Conservancy has not yet had an opportunity to develop an implementation plan of priority projects for the region. Further, I believe it is important that project selection include community participation in order to keep faith with the voters to allow community groups to have a role in project selection.

Item 0552-001-0001--For support of Office of the Inspector General. I reduce this item from \$10,348,000 to \$10,248,000 and delete Provision 1.

I am deleting the \$100,000 legislative augmentation to contract with independent social science researchers to study the incidence of violence in State prisons and Youth Authority institutions in order to fund higher competing priorities.

I am deleting Provision 1 to conform to this action.

Item 0555-001-0001--For support of Secretary for Environmental Protection. I reduce this item from \$4,477,000 to \$4,177,000.

I am deleting the \$300,000 legislative augmentation for the California Border Environmental Education Program. This augmentation would provide technical assistance and training for government officials and community-based organizations on environmental issues at the Mexican border, and fund minor capital outlay projects for emergency situations. The Administration's California-Mexico Border Initiative already provides \$2.8 million to address environmental pollution at the Mexican border, including approximately \$306,000 for technical assistance and training.

Item 0555-001-0028--For support of Secretary for Environmental Protection. I delete this item.

I am deleting the \$700,000 legislative augmentation to develop and implement a geographical information management system for Unified Program data tracking. I believe it would be premature to fund this information technology project prior to an approved feasibility study report. If a feasibility study for a geographical information management system is completed and approved, funding for development and implementation costs could be considered in a future budget.

I am deleting Provision 1 to conform to this action.

Item 0555-001-0044--For support of Secretary for Environmental Protection. I revise this item by reducing:

- (b) 20-Special Environmental Programs from (\$5,424,000) to (\$4,724,000);
- (4) 20.25-Information Technology from \$746,000 to \$46,000;
- (d) Amount payable from the General Fund (Item 0555-001-0001) from -\$4,477,000 to -\$4,177,000;

and by deleting:

- (bx) 20.55-California Border Environmental Education Program (\$300,000);
- (ex) Amount payable from the Unified Program Account (Item 0555-001-0028) (\$700,000).

I am revising this item to conform to the actions taken in Items 0555-001-0001 and 0555-001-0028.

Item 0650-011-0001--For support of the Office of the Secretary for Education. I reduce this item from \$6,453,000 to \$6,273,000 by reducing:

- (a) Office of the Secretary for Education from \$6,463,000 to \$6,283,000.

I am reducing this item by \$180,000 and two positions which I proposed to support the expansion of the Academic Volunteer and Mentor Service Program. The expansion of the Program was not supported by the Legislature; thus these positions are no longer necessary.

Item 0690-103-0001--For support of the Office of Emergency Services. I reduce this item from \$7,685,350 to \$6,935,350 and revise Provision 1.

I am deleting funding for the East County Fire Protection District's fire rescue equipment. I am also reducing the appropriation for the San Mateo County emergency shelter facility from \$500,000 to \$250,000. While these projects may be meritorious, I am reducing or deleting the funding for them to fund higher competing priorities.

I am revising Provision 1 as follows:

“1. The funds appropriated in this item are for various grants for emergency projects or emergency equipment as follows:

- (a) Hanford Fire Department: 3 automated external defibrillators 13,000
- (b) City of San Diego: East County Fire Protection District fire truck 169,500
- (c) East County Fire Protection District:
Wildland Type III fire engine 169,850
- (d) ~~East County Fire Protection District:~~
~~fire rescue equipment 500,000~~
- (e) City of South San Francisco: San Mateo
County emergency shelter facility ~~500,000~~ 250,000
- (f) City and County of San Francisco Offices of Emergency
Services: Conversion of 911 Building into a community
resource computer learning center 700,000
- (g) City of Long Beach: Fire safety house and tow vehicle 63,000
- (h) City of Signal Hill: Emergency operation center 250,000
- (i) Walnut Grove Fire District: Fire truck 250,000
- (j) Ceres Fire Department: Breathing apparatus 40,000
- (k) City of Dinuba: Fire safety equipment 30,000”

Item 0750-001-0001--For support of the Office of the Lieutenant Governor. I reduce this item from \$2,571,000 to \$1,829,000.

I am deleting the \$532,000 legislative augmentation for the Commission for Economic Development. Funding for this commission was eliminated in 1995, and has not since been funded because other state agencies are now responsible for these activities.

I am reducing the legislative augmentation to establish a San Diego office by \$210,000 from \$265,000 to \$55,000. Currently, the Lt. Governor has three offices, which are located in Sacramento, Los Angeles, and Fresno. Although I believe the existing offices provide the Lt. Governor sufficient flexibility in accomplishing existing duties, I am sustaining \$55,000 for related operational needs.

Item 0845-001-0217--For support of Department of Insurance. I reduce this item from \$123,590,000 to \$122,399,000 by reducing:

(c) 20-Fraud Control from \$29,967,000 to \$28,776,000.

I am deleting the \$1,191,000 legislative augmentation for the Employment Misrepresentation Task Force. I believe there is insufficient justification for additional efforts by the Department of Insurance in this area at this time.

Item 0845-101-0217--For local assistance, Department of Insurance. I reduce this item from \$32,416,000 to \$31,903,000.

I am deleting the \$513,000 legislative augmentation for local assistance for the Employment Misrepresentation Task Force to conform to my previous action regarding Item 0845-001-0217. There is not sufficient justification for additional efforts by the Department of Insurance in this area at this time.

Item 1100-001-0001--For support of California Science Center. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would require the Secretary of State and Consumer Services to represent the state's interests in any lease negotiations for Exposition Park. This provision is unnecessarily restrictive and interferes with the Executive Branch's ability to manage its programs. I also note that the state's interests are already protected by Section 4102 of the Food and Agriculture Code which provides that the California Science Center may lease, let, or grant licenses for the use of a stadium or any arena, pavilion, or other building, with the approval of the State and Consumer Services Agency. Additionally, Provision 1 of this item protects the interests of the state since it requires (1) the Director of General Services to approve any contract, permit, or lease agreement that reduces state revenues or increases state costs by \$25,000 or more, and (2) a written, 30-day notification of the intent to approve such an agreement to the Chairperson of the Joint Legislative Budget Committee.

Item 1111-002-0960--For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs. I reduce this item from \$2,400,000 to \$400,000 by reducing:

(a) 27.30-Student Tuition Recovery Program from \$2,400,000 to \$400,000.

I am revising this item to conform to the action I have taken in Item 1111-003-0001.

Item 1111-003-0001--For transfer to the Student Tuition Recovery Fund. I delete this item and Provisions 1 and 2.

I am deleting the \$2,000,000 legislative augmentation. Existing law provides for a special assessment upon private post-secondary institutions for deposit in the Student Tuition Recovery Fund (STRF) to pay student tuition reimbursement claims in the event the STRF does not have

sufficient resources for payment of the claims. A General Fund augmentation to this fund would inappropriately relieve the institutions of their statutory responsibility to students and could set an undesirable precedent for General Fund payment of any future judgments against the STRF.

I am deleting Provisions 1 and 2, and revising Item 1111-002-0960 to conform to this action.

Item 1111-102-0001--For local assistance, Bureau of Automotive Repair, Department of Consumer Affairs. I delete this item.

I am deleting the \$2,000,000 legislative augmentation for smog check remote sensing. Smog check remote sensing is more appropriately funded by the Vehicle Inspection and Repair Fund, and the budget already provides sufficient funding from that source for those purposes.

Item 1760-001-0001--For support of Department of General Services. I reduce this item from \$24,690,000 to \$24,290,000 and delete Provision 3.

I am deleting the legislative augmentation of \$400,000 for the public school construction businesses process review. Chapter 401, Statutes of 1998, authorizing statute for the School Facilities Program, recently streamlined the cumbersome and complex Lease-Purchase School Construction Program in an effort to allow local districts more flexibility to build schools as efficiently as possible. It would be premature to initiate actions related to further program modifications until the program has been operational for a sufficient length of time to warrant effective evaluation.

I am deleting Provision 3 to conform to this action.

Item 1760-001-0666--For support of Department of General Services. I revise this item by reducing:

- (a) Program support from \$591,547,000 to \$591,147,000, and
- (c) Amount payable from the General Fund (Item 1760-001-0001) from -\$24,690,000 to -\$24,290,000.

I am revising this item to conform to the action taken in Item 1760-001-0001.

Item 1760-491--Reappropriation, Department of General Services. I delete Provision 1.

I am revising this Item by deleting Provision 1, which declares the intent of the Legislature not to reappropriate funding for the projects listed in this Item and states that the Department of General Services should identify new eligible projects for which any unexpended funds could be used. This language is an infringement on the Executive Branch's budget development process and restricts my authority to prepare a budget that reflects my spending priorities within available fiscal resources.

Item 2240-107-0001--For transfer by the Controller to the Housing Rehabilitation Loan Fund (0929). I reduce this item from \$288,000,000 to \$213,000,000 and revise Provision 1.

I am reducing the legislative augmentation for the Multifamily Housing Program by \$75,000,000, sustaining \$188,000,000 for the program and revising Provision 1 accordingly. This represents more than twice the amount of funding for multifamily housing than I proposed, even though the total for all housing augmentations now matches the \$500 million proposed in the May Revision. New multifamily housing funds will assist in the development of 5,200 to 7,200 rental units for low- and very low-income Californians.

I am deleting all but the first sentence of Provision 1 to eliminate \$19,000,000 that the Legislature set aside within the Multifamily Housing Program for low-income housing that is at risk of converting to market rate rents as federal loans or subsidies expire. This language is unnecessary since the multifamily housing funds can already be used to preserve such at-risk units.

~~“1. Of the amount transferred by this item \$263,000,000 \$188,000,000 shall be utilized for the purposes of the Multifamily Housing Program as set forth in Chapter 6.7 (commencing with Section 50675) of Part 2, Division 31 of the Health and Safety Code. \$19,000,000 of the funds identified in this provision shall be reserved for projects which are at risk of conversion to market rate rents as a result of prepayment of their federally insured or federally held mortgage or termination of their federal subsidy program, as those terms are set forth in paragraphs (4) and (5) of subdivision (a) of Section 65863.10 of the Government Code. In regard to the preservation funds, these may be used for innovative programs that leverage private funding and that result in the preservation of housing units at a relatively low cost per unit. The Legislature encourages the Department of Housing and Community Development to investigate methods of using the funds on a revolving basis.”~~

Item 2400-001-0933--For support of Department of Managed Care. I reduce this item from \$36,827,000 to \$33,017,000 by reducing:

(a) 30-Health Plan Program from \$36,827,000 to \$33,017,000;

and by deleting Provision 2.

I am reducing the legislative augmentation for consumer education and outreach by \$3,000,000, because it is premature to fund a large marketing campaign during the Department's first year of operations. I am sustaining \$2,000,000 of this augmentation to develop and begin implementing a targeted education program to inform health plan enrollees of the Department's existence and purpose and how to reach the Department. These activities will be evaluated to determine the level and types of educational efforts required for the next year and on an ongoing basis.

I am reducing by \$250,000 the legislative augmentation for consulting services to develop the report card for health care organizations required by Chapter 525, Statutes of 1999. I am sustaining \$500,000 of the augmentation to develop the report card structure and complete the initial report. This amount should be sufficient for the first year of this program.

I am also reducing by \$560,000 the legislative augmentation for consumer call center services and for consultants to assist with design and development of the Office of Patient Advocate. Consistent with my May Revision proposal, I am sustaining \$140,000 of the augmentation to handle any temporary surges in consumer calls during the Department's initial year. The Patient Advocate should take the lead in organizing the Office of Patient Advocate, in accordance with the legislation creating the office.

I am also signing AB 2877, the omnibus health care trailer bill, which includes sections addressing the industry assessments that fund the activities of the Department. However, these assessment provisions are inconsistent with what I proposed in the May Revision, because AB 2877 effectively eliminates any cap on assessments. Therefore, I request that the Legislature pass subsequent legislation to establish an assessment cap more consistent with my May Revision proposal. The assessment cap must allow the Department to provide increased consumer services without creating an unreasonable financial burden on the managed care system. I am also deleting Provision 2 of this item to conform to my signing AB 2877.

Item 2660-001-0042--For support of Department of Transportation. I reduce this item from \$1,994,470,000 to \$1,988,601,000 by reducing:

- (d) 20.40 Highway Transportation—Program Development from \$103,711,000 to \$102,842,000, and
- (f) 20.70 Highway Transportation—Operations from \$143,273,000 to \$138,273,000.

I am deleting the augmentation of \$869,000 and 10 positions for the Bicycle Transportation Program. In January, I proposed \$415,000 and 4 positions to centralize the operations that assist local agencies in the planning and construction of bicycle pathways. The Legislature augmented this program without a compelling rationale and also decentralized operations among the districts. In deleting this augmentation, I am returning the responsibility of this function to Caltrans' headquarters to coordinate new bicycle transportation planning efforts on a statewide basis.

I am deleting the augmentation of \$5,000,000 for the Freeway Service Patrol, which supports patrols of tow truck drivers that provide services free-of-charge to motorists along 1,200 miles of freeways in the more congested areas of the State. Although this increase is characterized as a one-time request, this augmentation may commit Caltrans to higher on-going service and funding levels. I agree that the current Freeway Service Patrol provides valuable assistance to motorists and helps reduce traffic congestion; however, the need for more funds at this time has not been demonstrated.

Item 2660-012-0001--For transfer by the Controller to the Abandoned Railroad Account, State Transportation Fund. I delete this item and Provision 1.

I am deleting the legislative augmentation of \$5,000,000 that would have provided a transfer from this item to the Abandoned Railroad Account within the State Transportation Fund. The Legislature's action would restrict the use of the funds to acquiring land for non-motorized

purposes (such as pedestrian or bicycle paths), while ignoring the original intent of the Account, which was to provide funding to acquire inactive railroad rights-of-way for public transit use. The State already provides \$1 million for bike trails in 2000-01, which is scheduled to increase in increments pursuant to Chapter 644, Statutes of 1997, to \$5 million by 2004-05. In addition, existing federal programs, such as the Transportation Enhancement Activities Program or the State's Environmental Enhancement and Mitigation Program, would be a more appropriate source of funding available to local agencies for bike paths or trails.

I am deleting Provision 1 to conform to this action.

Item 2660-101-0001--For local assistance of Department of Transportation. I reduce this item from \$77,992,500 to \$75,082,500 by reducing:

(a) 30-Mass Transportation from \$72,549,000 to \$71,249,000;

by deleting:

(6) Southern California Regional Rail Authority (\$400,000);

(8) San Francisco Muni Nextbus Program (\$300,000); and

(b) 20-Highway Transportation from \$1,633,500 to \$1,383,500;

by deleting:

(1) City of Rio Vista Traffic Signals (\$150,000);

(6) City of Isla Vista, Sidewalks (\$100,000); and

(bx) 10-Aeronautics from \$310,000 to \$200,000;

by reducing:

(1) Burbank-Glendale-Pasadena Airport Authority from (\$310,000) to (\$200,000)

(c) 500010-Special Projects from \$3,500,000 to \$2,250,000;

by deleting:

(3) City of Roseville Pedestrian/Bicycle Bridge (\$250,000);

(4) City of Lakewood Pavement Improvement Project (\$700,000);

and by reducing \$300,000 from the following subschedule:

- (5) Watsonville High School, Bridge from (\$1,500,000) to (\$1,200,000).

I am reducing this item by \$2,310,000 to fund higher competing priorities, including \$71,000,000 for transportation projects I proposed in the January Budget to assist two of the State's most congested areas—Los Angeles and the Silicon Valley. Additional high priority projects are proposed for funding through my Traffic Congestion Relief Plan.

As a technical correction to this item, I am reducing Program 30—Mass Transportation by an additional \$600,000 to record a legislative change not reflected in the program total. Program 30 initially contained \$600,000 for the Orinda School Safety Program. The Legislature decided that this issue was best budgeted within another department, and the issue was removed without adjusting the program funding total accordingly.

Item 2660-102-0001--For local assistance, Department of Transportation. I delete this item and Provision 1.

I am deleting the legislative augmentation of \$12 million from the General Fund for the Bay Area Water Transit Authority to fund the environmental impact reports and design functions specified in Chapter 1011, Statutes of 1999, to purchase ferries and appropriate infrastructure to establish a high-speed water transit system for San Francisco Bay. In signing this chapter, I stated that the General Fund should not be used for this project. For this reason, I proposed \$12 million for the Bay Area Water Transit Authority from the Public Transportation Account in my January Budget, and I continue to support this phase of the project from that source. Therefore, I request that the Legislature pass a bill this year that provides \$12 million for the Authority from the Public Transportation Account.

The Public Transportation Account will receive about \$45 million in new funds annually from the State Highway Account as I proposed in January and can clearly support the initial planning efforts of the Authority.

I am deleting Provision 1 to conform to this action.

Item 2720-001-0044--For support of Department of the California Highway Patrol. I reduce this item from \$914,917,000 to \$901,085,000 by reducing:

- (a) 10-Traffic Management from \$878,517,000 to \$867,486,000;
- (b) 20-Regulation and Inspection from \$98,812,000 to \$96,011,000;

and revising Provision 1.

I am reducing the \$14,500,000 legislative augmentation for 146 additional CHP motorcycle officers to address traffic congestion in urban areas by \$6,451,000 for 65 officers, and sustaining \$8,049,000 of the augmentation for 81 officers. In addition to these funds, the Budget provides

\$1,690,000 for an additional 15 motorcycle officers to provide concentrated congestion relief efforts. I believe a total of 96 additional CHP motorcycle officers will provide sufficient staffing to implement this program on the state's most congested highways.

I am revising Provision 1 to conform to this action.

“1. Of the funds appropriated in this item, ~~\$14,500,000~~ \$8,049,000 shall be used for the support of approximately ~~146~~ 81 motorcycle officers, including equipment and support staff, to improve freeway safety and efficiency in congested areas. The officers shall be deployed in 15 selected operational areas. The operational areas shall be selected, and may be modified as necessary, by the Commissioner of the Highway Patrol, who shall ensure that the areas reflect a geographically diverse group of the state's most congested freeways. The officers shall perform normal freeway patrol activities, but shall be deployed so as to maximize their patrol during normal commute hours. The Department of the California Highway Patrol shall monitor the impact of these additional officers on various safety and efficiency factors, including collision rates, the number of moving violations, average traffic speed, and other factors. The department shall provide an interim report by January 1, 2001, and a final report by January 1, 2002, to the Legislature on the project. The report shall (a) assess the impact of the additional officers on the various safety and efficiency factors and (b) provide recommendations as to whether and how the programs should be continued or expanded.”

I am reducing the \$10,433,000 legislative augmentation for 123 additional CHP officers to improve traffic safety, enhance motorist services, and provide additional assistance to allied agencies in rural areas by \$4,580,000 and 54 officers, and sustaining \$5,853,000 of the augmentation for 69 officers. I believe that 69 additional CHP officers will provide a substantial increase in service capacity in rural areas.

I am revising Provision 2 to conform to this action.

“2. Of the funds appropriated in this item, ~~\$10,400,000~~ \$5,853,000 shall be used for the support of approximately ~~123~~ 69 officers, including equipment, to improve traffic safety, enhance motorist services, and provide additional assistance to allied agencies. The officers shall be deployed on routes in unincorporated areas selected by the Commissioner of the Highway Patrol. The Department of the California Highway Patrol shall monitor the impact of these additional officers on traffic safety, including collision rates, motorist services, response times, allied agency services, and other factors. The department shall provide a report by January 1, 2003, to the Legislature on the project. The report shall (a) assess the impact of the additional officers on the various safety and efficiency factors and (b) provide recommendations as to whether and how the program should be continued or expanded.”

I am deleting the \$2,801,000 legislative augmentation for 20 additional CHP officers for farm labor vehicle inspections and safety enforcement. In my January Budget, I proposed \$1,750,000 and 10 officers for farm labor vehicle inspection and safety certification. CHP will use these officers in many areas of the state based on seasonal needs and will train other officers throughout the state to help in this program. This program has only been in operation a few months. The need for additional resources should be evaluated based on more experience with

this new program before staffing is expanded. I am directing the CHP to monitor the progress of this program and to reassess the need for additional staff.

Item 2720-101-0001--For local assistance, Department of the California Highway Patrol. I sustain this item.

I am sustaining the \$5,000,000 legislative augmentation for grants to local law enforcement agencies that collect racial profiling data. These funds are to encourage local agencies to report data to the Highway Patrol by offsetting some of the local agencies' costs, but not to establish an entitlement for any particular level of reimbursement. I am directing the CHP to allocate these funds to local agencies on a pro rata basis to offset a portion of their costs.

Item 2740-001-0044--For support of Department of Motor Vehicles. I delete Provision 1.

I am deleting Provision 1 that relates to preparations to procure a replacement of all the department's main database applications. The provision restricts the availability of \$988,000 for the project to no sooner than 30 days after the Legislature receives from the Department of Information Technology (DOIT) a report that evaluates the Department of Motor Vehicles' efforts to replace its occupational licensing, vehicle registration, and driver license database systems. DOIT has already reviewed this project; additional reviews at this stage of the project would result in unnecessary delays. This project is already scheduled to be reviewed again in the fall of 2000 and the fall of 2001 before any additional funding will be committed.

Item 2920-101-0001--For local assistance, Trade and Commerce Agency. I reduce this item from \$44,732,000 to \$43,432,000 by reducing:

- (a) 10.09-Economic Development (Office of Military Base Retention) from \$800,000 to \$400,000;
- (b) 10.30-Economic Development (Strategic Technology Program) from \$27,248,000 to \$26,598,000; and
- (d) 10.50-Economic Development (Small Business Development Centers) from \$3,434,000 to \$3,184,000.

I am deleting \$1,300,000 in legislative augmentations to this item to fund higher competing priorities. Specifically, I am deleting: \$200,000 for Project Sirius: China Lake Naval Air Station; \$200,000 to support the Southwest Defense Alliance; \$650,000 for the City of Clovis Research and Technology Park; and \$250,000 for the Central Valley Business Incubator.

Item 3340-001-0001--For support of California Conservation Corps. I reduce this item from \$37,071,000 to \$35,071,000 by reducing:

- (a) 10-Training and Work Program from \$44,944,000 to \$42,944,000.

I am deleting the \$2,000,000 legislative augmentation for emergency response training for corpsmembers. An augmentation of this nature should be considered in the future as a component of a multi-faceted approach to re-define the mission of the CCC.

Item 3340-102-0005--For local assistance, California Conservation Corps. I delete this item.

I am deleting this item because there is insufficient information about these projects to determine if they qualify under the provisions of the 2000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act. The project proponents are encouraged to participate in the California Conservation Corps' grant selection process and compete, along with the State's other local conservation corps groups, for bond funding.

Item 3340-301-0001--For capital outlay, California Conservation Corps. I reduce this item from \$1,335,000 to \$1,290,000 by reducing:

(4.6) 20.10.150-Delta Service District Relocation/Construction-Study from \$100,000 to \$55,000.

I am reducing the legislative augmentation to fund a site search and study for a residential facility at the Stockton Multi-Campus Regional Center by \$45,000. The Department of General Services has indicated that \$55,000 will be sufficient to perform the site search and study.

Item 3480-001-0001--For support of Department of Conservation. I delete Provision 4.

I am deleting Provision 4 because it prohibits the expenditure of funds for the North Coast Watershed Assessment unless Assembly Bill 717 or similar legislation is enacted during the 1999-00 Regular Session. Although I am deleting this language, I wish to express my commitment to work with the Legislature during the remainder of this Session on the development of a watershed proposal to address logging-related impacts to salmon and water quality.

I have taken conforming actions in Items 3540-001-0928, 3600-001-0001, 3860-001-0001, and 3940-001-0001.

Item 3480-101-0001--For local assistance, Department of Conservation. I revise this item by deleting Provision 2(d).

I am deleting Provision 2(d) which would require the Department to receive and evaluate grant applications for resource conservation district needs other than for watershed coordinators. The criteria used for the evaluation of grant applications and the award of watershed coordinator grants to resource conservation districts will be made available to the Legislature.

Item 3480-101-0005--For local assistance, Department of Conservation. I reduce this item from \$25,000,000 to \$5,000,000.

I am reducing the \$25,000,000 legislative augmentation for California Farmland Conservancy grants by \$20,000,000. This augmentation over allocates the fund and is premature. This reduction represents a more realistic rate of expenditure for this program in Fiscal Year 2000-01.

Item 3540-001-0001--For support of Forestry and Fire Protection. I reduce this item from \$335,288,000 to \$332,318,000 by reducing:

- (a) 100000-Personal Services from \$342,195,000 to \$340,114,000;
- (b) 300000-Operating Expenses and Equipment from \$202,662,000 to \$201,773,000;

and by deleting Provision 4.

I am sustaining the \$4,580,000 legislative augmentation to fund the reactivation of inmate conservation camps in those areas of the State that have the most critical need for expanded wildland fire suppression. I am directing the Department of Forestry and Fire Protection to develop a plan, to be approved by the Department of Finance, before these resources can be expended. I am also reducing the number of new positions related to this expansion to two positions.

I am deleting the \$750,000 legislative augmentation for new firefighter uniforms because it is not a priority at this time. I am also deleting the \$2,000,000 legislative augmentation to increase the Department's staffing level to four firefighters on 25 percent of the State's engines because a needs assessment and workload analysis have not been presented to justify this expansion. In addition, this appears to represent a significant policy expansion with emphasis on structural fire protection, which is not the main mission of the Department. Expanded staffing levels also could create significant capital outlay costs for training and housing of additional firefighters.

I am sustaining \$2,490,000 for additional staff for the Department's Training Academy on a limited-term basis to meet immediate needs. This augmentation is necessary to respond to a higher than normal number of retirements expected in the next few years. Because this situation is temporary, it is my intention to continue this level of funding only through 2002-03.

I am deleting the \$220,000 legislative augmentation to fund the reactivation of one fire crew at the Delta Conservation Camp. This item provides a \$4,580,000 augmentation for expansion of the conservation camp program statewide. Reactivation of a fire crew at the Delta Conservation Camp may be accomplished with this funding if the Department determines this to be a high priority wildland fire suppression need.

I am deleting Provision 4 to conform with this action.

Item 3540-001-0928--For support of Department of Forestry and Fire Protection. I delete Provision 3.

I am deleting Provision 3 because it prohibits the expenditure of funds for the North Coast Watershed Assessment unless Assembly Bill 717 or similar legislation is enacted during the

1999-00 Regular Session. Although I am deleting this language, I wish to express my commitment to work with the Legislature during the remainder of this Session on the development of a watershed assessment proposal to address logging-related impacts to salmon and water quality.

I have taken conforming actions in Items 3480-001-0001, 3600-001-0001, 3860-001-0001, and 3940-001-0001.

Item 3540-102-0005--For local assistance, Department of Forestry and Fire Protection. I reduce this item from \$9,308,000 to \$1,425,000 by reducing:

- (a) Grants from \$9,308,000 to \$1,425,000, by reducing \$7,383,000 from the following subschedules:
- (1) City and County of San Francisco: Tree Corps for planting and maintaining trees in San Francisco from (\$500,000) to (\$100,000);
 - (2) City and County of San Francisco: Friends of the Urban Forest from (\$500,000) to (\$100,000);
 - (3) City of Milpitas: Neighborhood and Streetscape beautification from (\$1,250,000) to (\$100,000);
 - (4) City of Los Angeles: Greening along Burbank-Chandler Bikeway, including trees, landscaping, irrigation, and fencing from (\$2,000,000) to (\$100,000);
 - (5) Sacramento County: Mather Urban Forest Tree Planting Project from (\$150,000) to (\$100,000);
 - (6) Los Angeles County: Fox Field Urban Forestry Project from (\$150,000) to (\$100,000);
 - (7) City of Palmdale: Urban Forestry Tree Planting Project from (\$200,000) to (\$100,000);
 - (8) City of Victorville: Urban Forestry Planting Project (\$200,000) to (\$100,000);
 - (9) City of San Jose: Urban Forestry Planting Project from (\$200,000) to (\$100,000);
 - (12) City of Tehachapi: Tree planting from (\$300,000) to (\$100,000);
 - (13) City of Calexico: Tree planting from (\$750,000) to (\$100,000);
 - (14) County of Stanislaus: Tree planting from (\$887,000) to (\$100,000);
 - (15) County of Orange: Tree planting from (\$1,000,000) to (\$100,000); and
 - (16) Merced County: O'Bannion Park in Dos Palos from (\$696,000) to (\$100,000);

and by deleting \$500,000 for the following subschedule:

- (10) City and County of San Francisco: Friends of the Urban Forest for tree planting (\$500,000).

I am deleting \$500,000 for the City and County of San Francisco: Friends of the Urban Forest for tree planting (subschedule (10)) because it appears to duplicate the project shown in subschedule (2) above. I am reducing each of the remaining projects to \$100,000 to reserve bond funds for other urban forestry proposals to be evaluated on a statewide basis based on merit

compared to other eligible projects. This reduction is necessary in order to keep faith with the voters to ensure that organizations throughout the state can compete for funding for this popular program.

Item 3540-302-0001--For capital outlay, Department of Forestry and Fire Protection. I sustain this item.

I am sustaining the \$500,000 legislative augmentation for the acquisition of land for the Alma Helitack Base. Notwithstanding the total amount available in this budget for acquisition of a site for this project, only the amount up to the appraised value of a site as approved by the Department of General Services may be expended. Any amount in excess of the appraised value would be considered a gift of public funds which is prohibited by Section 6 of Article XVI of the California Constitution.

Item 3600-001-0001--For support of Department of Fish and Game. I am reducing this item from \$88,670,000 to \$65,062,000 and deleting Provisions 2 and 3.

I am reducing the \$25,258,000 legislative augmentation to \$2,000,000 and eliminating 170.5 positions. My May Revision plan reflects a deliberative analysis of the critical base funding needs of the Department, which resulted in an augmentation of \$25 million. With the \$2,000,000 I am sustaining, General Fund resources for various baseline programs will have been increased by 75 percent.

I am also deleting the \$350,000 legislative augmentation to the Department's Marine Wildlife Veterinary Care and Research Center to expand its sea otter research. There is no analytical basis for the augmentation nor is it clear how this project is prioritized along with other competing needs within the Department. I am deleting Provision 3 to conform with my action.

Lastly, I am deleting Provision 2 because it prohibits the expenditure of funds for the North Coast Watershed Assessment unless AB 717 or similar legislation is enacted during the 1999-00 Regular Session. Although I am deleting the language, I wish to express my commitment to work with the Legislature during the remainder of this Session on the development of a watershed assessment proposal to address logging-related impacts to salmon and water quality.

I have taken conforming actions in Items 3480-001-0001, 3540-001-0928, 3860-001-0001, and 3940-001-0001.

Item 3600-001-0200--For support of Department of Fish and Game. I revise this item by reducing:

- (a) 20-Biodiversity Conservation Program from \$117,144,000 to \$109,798,000;
- (b) 25-Hunting, Fishing & Public Use from \$44,471,000 to \$44,452,000;
- (c) 30-Management of Department Lands and Facilities from \$39,513,000 to \$38,065,000;

- (d) 40-Conservation Education & Enforcement from \$66,081,000 to \$51,643,000;
- (e) 50-Spill Prevention and Response from \$23,480,000 to \$23,123,000;
- (f) 70.01-Administration from \$34,644,000 to \$34,144,000;
- (g) 70.02-Distributed Administration from -\$34,644,000 to -\$34,144,000; and
- (i) Amount payable from the General Fund (Item 3600-001-0001) from -\$88,670,000 to -\$65,062,000.

I am revising this item to conform to the actions I have taken in Item 3600-001-0001.

Item 3600-101-0001--For local assistance, Department of Fish and Game. I reduce this item from \$14,431,000 to \$13,481,000 by reducing:

- (b) Grants from \$1,450,000 to \$500,000 by deleting \$950,000 for the following subschedule:
 - (1) County of Orange: East Bluff Slopes Stabilization (\$350,000)
 - (3) Wetlands and Wildlife Care Center of Orange County: Improvements to Animal Hospital (\$600,000).

While these projects may be meritorious, I am reducing this item to fund higher competing priorities.

Item 3600-101-0005--For local assistance, Department of Fish and Game. I delete this item.

I am deleting the \$6,150,000 legislative augmentations because these projects would over subscribe the funding available to the Department of Fish and Game from the 2000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund. Additionally, most projects are not eligible for funding under the provisions of the 2000 Park Bond.

Item 3640-303-0001--For capital outlay, Wildlife Conservation Board. I reduce this item from \$2,600,000 to \$1,000,000 by reducing:

- (a) 80.10.600--Wildlife Conservation Board Projects from \$2,600,000 to \$1,000,000 and deleting the following projects:
 - (1) City of Laguna Niguel (\$600,000)
 - (3) Puente Hills landfill: Native habitat preservation (\$1,000,000)

I am deleting these projects to fund higher competing priorities.

Item 3640-304-0005--For capital outlay, Wildlife Conservation Board. I delete this item and Provisions 1 and 2.

I am deleting this legislative augmentation because it would over subscribe funding available to the Wildlife Conservation Board (WCB) from the 2000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund. I am also eliminating all of the specified projects included in this item. I believe that the Board should conduct a deliberative process to identify and negotiate projects that are in the best interest of the people and natural resources of this State. I encourage the proponents of these projects to participate in this process. Further, while many of these projects may be meritorious, I am unable to determine at this time whether all projects have been evaluated for their fish and wildlife values, whether appraisals have been completed, or whether there are willing sellers. I look forward to evaluating these projects through the WCB process.

I am also deleting Provisions 1 and 2 to conform to my action in this item.

Item 3680-001-0516--For support of Department of Boating and Waterways. I sustain this item.

I am sustaining the \$500,000 legislative augmentation for wave modeling equipment. However, none of these funds shall be encumbered or expended until the Scripps Institution of Oceanography completes a plan, to be approved by the Resources Agency and the Department of Finance, detailing how the equipment to be acquired with these funds will be used.

Item 3680-101-0001--For local assistance, Department of Boating and Waterways. I sustain this item.

I am sustaining the legislative augmentation of \$10,000,000 for beach erosion control project grants. The funds appropriated in this item shall be for one-time expenditures. A priority for use of the funds shall be research to determine what actions would prevent beach erosion.

Item 3680-102-0001--For local assistance, Department of Boating and Waterways. I reduce this item from \$580,000 to \$230,000 by reducing:

(1) Grants from \$580,000 to \$230,000 by deleting the following subschedule:

(b) City of Huntington Beach: Reconstruction of Warner Dock (\$350,000)

I am reducing this item to fund higher competing priorities.

Item 3720-001-0001--For support of California Coastal Commission. I reduce this item from \$11,517,000 to \$11,463,000 by reducing:

(a) 10--Coastal Management Program from \$14,307,000 to \$14,253,000

I am deleting the \$54,000 legislative augmentation to provide interpretation services to non-English speakers during the Commission's monthly public hearings. While this augmentation

may have merit, in the past the Commission has provided translation services within its existing resources on an as-needed basis. I believe this approach is appropriate.

Item 3720-101-0001--For local assistance, California Coastal Commission. I reduce this item from \$1,210,000 to \$650,000 by reducing:

(b) Grants from \$710,000 to \$150,000 by deleting \$560,000 for the following subschedules:

(2) Coastal Conservancy: Coastal Acquisition – Wetlands (\$160,000)

(3) City of Huntington Beach: Beach Maintenance Facility (\$400,000)

To the extent that additional funds are needed to acquire coastal wetlands, I believe such funds should be appropriated directly to the State Coastal Conservancy to fund its longstanding efforts in the acquisition of coastal wetlands.

Item 3760-301-0005--For capital outlay, State Coastal Conservancy. I delete Provision 3.

I am deleting Provision 3 because this language is unnecessarily restrictive in that it precludes the State Coastal Conservancy from expending newly appropriated funds for the Salmon Habitat Restoration Program prior to 20 days following submission of a report to the Legislature identifying criteria, priorities, and process by which the funds will be allocated. The State Coastal Conservancy and the Department of Fish and Game are working together on their salmon habitat restoration efforts; therefore, this language is unnecessary.

Item 3760-302-0001--For capital outlay, State Coastal Conservancy. I reduce this item from \$4,640,000 to \$4,050,000 by reducing:

(a) 80.97.030-Conservancy Programs \$4,640,000 to \$4,050,000, by reducing \$590,000 for the following subsections:

(3) City of Imperial Beach: Repay loan from State Coastal Conservancy for wetlands purchase from (\$140,000) to (\$50,000); and

(4) Rural/Coastal: Grants to rural, coastal communities to assist in their efforts to identify sources of river and stream sewage effluent, and to develop plans for the remediation of contamination problems from (\$1,500,000) to (\$1,000,000).

I am reducing the \$140,000 legislative augmentation to \$50,000 to the City of Imperial Beach. I believe this represents the appropriate level of state participation for this local agency obligation.

Although the rural/coastal grants may be meritorious, I am reducing the funding to a level that can be implemented in 2000-01.

Item 3760-302-0005--For capital outlay, State Coastal Conservancy. I reduce this item from \$154,882,000 to \$104,927,000 by reducing:

- (1) 80.00.023-San Francisco Bay Area Conservancy Program from \$6,160,000 to \$2,000,000, by deleting \$4,160,000 for the following subsections:
 - (B) San Francisco Bay Joint Venture: Bay Point restoration project (\$160,000);
 - (C) San Francisco Bay Joint Venture: Martinez Regional Shoreline-marsh restoration (\$2,000,000);
 - (D) San Francisco Bay Joint Venture: Lower Walnut Creek restoration-Walnut Creek (\$1,000,000);
 - (E) San Francisco Bay Joint Venture: Big Break Regional Shoreline-Oakley (\$1,000,000);
- (2) 80.97.030-Conservancy Programs from \$148,722,000 to \$102,927,000 by deleting \$42,795,000 for the following subsections:
 - (D) City of Mountain View: Stevens Creek Trail (\$550,000);
 - (E) City of San Jose: Coyote-Alamitos Trail-Planning, design, and environmental documentation (\$400,000);
 - (F) Midpeninsula Open Space District: To fund improvements to selected trail easements (\$450,000);
 - (G) Richardson Bay: Audubon Center-Trail Restoration (\$95,000);
 - (K) Muir Heritage Land Trust: Acquire land to link the Carquinez Strait Regional Shoreline Park to Briones Regional Park and the East Bay Municipal Utility District watershed lands (\$1,500,000);
 - (L) East Bay Regional Park District: Development of a rustic group camp and trail access for the Round Valley Regional Preserve (\$130,000);
 - (M) East Bay Regional Park District: Develop a trail connection for the Delta de Anza Regional Trail (\$1,820,000);
 - (N) East Bay Regional Park District: West Contra Costa Shoreline Trail-Completion of a major section of the San Francisco Bay Trail in West Contra Costa County connecting communities of Richmond, Pinole, Hercules and Rodeo (\$2,000,000);
 - (O) East Bay Regional Park District: Briones/Las Trampas Trail Corridor-To complete scenic trails and wildlife corridors on Lafayette and Burton Ridges (\$1,000,000);
 - (P) Muir Heritage Trust: Pacheco Marsh, 140 acres (Carquinez Straits), Burton Ridge 27 acres, Lafayette, Gustin 80 acres/Franklin Ridge in Martinez (\$750,000);
 - (V) Santa Barbara County: Bridle Ridge-conservation easement (\$3,000,000);
 - (X) Santa Barbara County: J.J. Hollister property acquisition of watershed (\$4,000,000);
 - (Y) Santa Barbara County: Elwood Bluffs-Acquisition (\$5,000,000);
 - (DX) City of Nipomo: Guadalupe Nipomo Dunes Preserve (\$10,000,000);
 - (FX) County of San Luis Obispo: Preservation of the Monterey Pine Forest in Cambria (\$3,000,000);
 - (GX) Solano County: Lynch Canyon (\$240,000);

- (JX) Port of San Diego, National City, City of Chula Vista: Sweetwater River Wetland Restoration-removal of riprap and reestablishment of wetland habitat (\$5,000,000);
- (KX) City of Seal Beach: Sand replenishment at Surfside-Sunset (\$3,700,000);
- (QX) State Coastal Conservancy: Coastal acquisition-wetlands (\$160,000);

and by reducing \$3,000,000 from the following subschedule:

- (U) State Coastal Conservancy: Gaviota Coast property and conservation easement acquisition from \$5,000,000 to \$2,000,000.

Although these projects may be meritorious, I am deleting and reducing the funding because this funding level over subscribes various allocations to the State Coastal Conservancy from the 2000 Safe Neighborhood, Clean Water, Clean Air, and Coastal Protection Bond Fund. Additionally, based on an evaluation by the Conservancy, these projects do not meet the Conservancy's criteria for funding.

Also, I am reducing the \$5,000,000 legislative augmentation for the Gaviota Coast property and conservation easement acquisition because substantial funds remain unspent from the \$5 million General Fund legislative augmentation that I sustained in the 1999 Budget Act. These funds, when combined with a reduced level of \$2 million as sustained in the 2000 Budget Act, reflect an appropriate level of state funding for the project.

Lastly, the Budget Bill contains a technical error in subschedule (TX); the project name is reflected as "San Francisco Bay *rail* Project." Therefore, I am including a statement that clarifies the intent of my action to sustain the \$7,500,000 legislative augmentation for the "San Francisco *Trail* Project."

Item 3780-001-0001--For support of Native American Heritage Commission. I reduce this item from \$393,000 to \$318,000.

I am reducing this item by a one-time \$75,000 legislative augmentation to study the Commission's ability to review, monitor, and track all relevant environmental documents. There is no analytical basis for the level of proposed augmentation, and it is unclear what would be achieved with these funds.

Item 3790-001-0001--For support of Department of Parks and Recreation. I reduce this item from \$145,589,000 to \$120,439,000:

I am reducing this item by the legislative augmentation of \$10,000,000 and 293 limited term, seasonal positions. When I announced my plan to reduce fees at state parks effective July 1, 2000, it was expected that attendance at all state parks would increase. In anticipation of increased attendance, my May Revision plan included \$10,600,000 and 101.5 positions. This level of funding was determined to be appropriate to accommodate the increased number of visitors while still maintaining facilities and protecting natural and cultural resources.

I am also reducing this item by the legislative augmentation of \$15,000,000 and 177 positions for ongoing maintenance. The Budget already includes a \$3,000,000 augmentation proposed in January which is the appropriate level of funding for this program at this time.

Lastly, I am deleting the \$150,000 legislative augmentation for portable bathroom facilities and staffing for Caspar State Beach. Although this project may be meritorious, I am deleting the funding for it at this time to fund competing projects with higher priorities.

Item 3790-001-0392--For support of Department of Parks and Recreation. I revise this item by reducing:

- (a) For support of the Department of Parks and Recreation from \$277,845,000 to \$252,695,000;
- (d) Amount payable from the General Fund (Item 3790-001-0001) from -\$145,589,000 to -\$120,439,000;

and by revising Provision 1.

I am revising the schedules in this item to conform to the actions taken in Item 3790-001-0001.

In addition, I am revising Provision 5 to conform to this action:

“5. Of the funds appropriated in Schedule (dx) of this item, ~~\$400,000~~ \$250,000 shall be used for the following projects: ~~(a) \$250,000 for oversight and maintenance of the California State Mining and Mineral Museum Association in Mariposa. (b) \$150,000 for portable bathroom facilities and staffing at Caspar State Beach.~~”

Item 3790-101-0001--For local assistance, Department of Parks and Recreation. I reduce this item from \$111,687,094 to \$75,290,000 by reducing:

- (a) Grants from \$111,687,094 to \$75,290,000 by deleting \$20,527,605 for the following subschedules:
 - (3) City of San Luis Obispo: Bob Jones bike trail (\$600,000);
 - (4) Rio Caledonia Adobe (\$500,000);
 - (9) City of Huntington Beach: Replace beach rail at Huntington Beach State Park (\$300,000);
 - (10) City of Pico Rivera: Summer Youth Employment and Training Program (\$40,000);
 - (48) City of Manhattan Beach: New playground equipment to replace old-Polliwog Regional Park (\$300,000);
 - (78) City of San Jose: Guadalupe River Parkway (\$240,000);
 - (79) City of Oakland: Studio One Recreation Center (\$500,000);
 - (83) City of San Diego: Old Town San Diego marketing plan (\$75,000);

- (91) Lakeport Senior Activity Center: Building purchase for program providing recreational activities for seniors (\$100,000);
- (103) City of Anaheim: Maxwell Park expansion (\$510,000);
- (109) Friends of San Leandro Creek Environmental Education Center and Natural History Museum: Funds for project (\$1,500,000);
- (121) City of San Diego: La Mirada Joint Use Facility/multipurpose field design (\$300,000);
- (136) City of Pomona: Creation of the Ralph Welch Park (\$200,000);
- (138) City of Chino: Expansion of the 7th Street Community Theater (\$350,000);
- (147) City of San Francisco: Restoration of the Tori Gate and Pagoda located in the Japanese Tea Garden (Golden Gate Park) (\$500,000);
- (165) The Bay Center Coalition: Construction of the Bay Center (Environmental learning resource center) (\$1,000,000);
- (167) San Francisco Beautification Fund: Creation of the “Lefty” Gordon Park on Ocean Avenue in San Francisco (\$300,000);
- (171) County of San Mateo: Fitzgerald marine reserve visitor center improvements (\$250,000);
- (182) San Mateo County: Police Activities League (\$160,000);
- (187) City of Los Alamitos: Improvements to the USA Water Polo National Aquatics Center (\$490,000);
- (190) Western Center for Archeology and Paleontology: Operation and maintenance costs (\$1,000,000);
- (191) City of Tehachapi: Rebuild Beekay Theater (\$250,000);
- (192) Barstow Parks and Recreation District: Swimming pool for Barstow Parks and Veterans Home (\$200,000);
- (193) Los Angeles County: Construction of community center in Lake Los Angeles (\$3,500,000);
- (194) Tehachapi Parks and Recreation District: Development of an aquatic facility (\$1,200,000);
- (198) Camarillo Ranch Foundation: Preserve, restore, and maintain the Camarillo Ranch (\$492,605);
- (203) Kern County: Boron Chamber of Commerce expansion project (\$100,000);
- (208) Inyo County: Pleasant Valley Campground Project (\$180,000);
- (209) Jurupa Area Recreation and Park District: Paramount Park Rehabilitation (\$180,000);
- (211) Inyo County: Diaz Lake Campground Project (\$200,000);
- (214) City of Lafayette: Pedestrian bridge (\$250,000);
- (215) City of Brentwood: PAL Program Building (\$250,000);
- (217) City of Yucaipa: Dunlap Park site (\$350,000);
- (218) City of Norco: Ingalls Regional Esquestrian Park (\$350,000);
- (222) City of Walnut: Community Sports Complex (\$1,000,000);
- (224) Tulare County: Auditorium restoration project (\$200,000);
- (238) City of Artesia: Artesia Youth Academy for after school enrichment programs for at risk youth (\$50,000);
- (241) Foothill Citizens for a Community College: Development of the Sierra Foothills Regional Educational Center (\$1,970,000);

- (244) Tehachapi Parks and Recreation District: Youth Center-Old Post Office (\$300,000);
- (247) Manila Dune Public Access (\$250,000);
- (249) Lakeport Senior Activity Center: Building purchase for program providing recreational activities for seniors (\$100,000);
- (250) Monterey Park: Expansion of Langley Senior Center (\$350,000); and
- (251) Martinez Police Activities League: purchase computer and a van (\$100,000)

and by reducing \$15,869,489 from the following schedules:

- (1) City of Whittier: The Greenway Trail from \$2,000,000 to \$500,000;
- (11) City of Whittier: Parnell Park restoration from \$250,000 to \$150,000;
- (49) Marjaree Mason Center: General repairs and maintenance from \$250,000 to \$150,000;
- (51) Rotary Playland at Roeding Park in Fresno: Repair and construct new rides for the park from \$250,000 to \$150,000;
- (52) Southeast Fresno: Construction costs for a park located in Kings Canyon and Huntington Avenue areas from \$447,360 to \$250,000;
- (53) City of Reedley: Second phase of the Reedley Rail Trail Parkway from \$400,000 to \$200,000;
- (55) City of San Gabriel: Expand Asian Youth Center with the addition of a second floor from \$500,000 to \$400,000;
- (58) East Los Angeles: Build a community facility in the City Terrace neighborhood of East LA for senior citizens, Creative Thinking Program and facility for community meetings and other events from \$250,000 to \$200,000;
- (64) Sacramento Boys and Girls Club from \$750,000 to \$350,000;
- (65) City of Sacramento: Construction of the Sacramento Youth Sports Complex from \$700,000 to \$500,000;
- (77) City of Los Angeles: Blythe Street Park Expansion from \$1,650,000 to \$1,000,000;
- (80) Mission Trails Regional Park Foundation: Mission Trails Regional Park-Equestrian and ranger station from \$1,550,000 to \$1,000,000;
- (85) City of San Diego: San Diego Maritime Museum from \$500,000 to \$450,000;
- (87) City of Carson: Del Amo Neighborhood Park from \$1,400,000 to \$900,000;
- (92) Greater Vallejo Recreation District: Children's Wonderland from \$500,000 to \$300,000;
- (93) City of Santa Rosa: Construction of 25,000 square feet youth center in Southwest Community Park from \$500,000 to \$400,000;
- (96) Greater Vallejo Recreation District: North Vallejo Community Center expansion from \$500,000 to \$300,000;
- (98) City of Bakersfield: Construction of the Greenfield Multipurpose public use facility from \$1,497,129 to \$1,000,000;
- (133) Langley Senior Center in Monterey Park: Expansion of the Langley Senior Center from \$350,000 to \$250,000;
- (137) City of Ontario: Expand the De Anza Community Center from \$900,000 to \$500,000;

- (140) City of San Bernardino: Refurbish an existing building in order to create a Multicultural Center from \$500,000 to \$300,000;
- (142) City of Pomona: Renovation of Washington Park Community Center and Pool from \$300,000 to \$150,000;
- (144) City of Daly City: Construction of Mid-Peninsula Boys and Girls Club from \$1,000,000 to \$750,000;
- (148) City of Pacifica: Supplement the cost of permanently repairing the historic Pacific Pier in Pacifica from \$650,000 to \$500,000;
- (185) City of Redding: Construct recreation and sports complex from \$10,000,000 to \$3,000,000;
- (204) Jurupa Area Recreation and Park District: Memorial Park Swimming Pool from \$100,000 to \$50,000;
- (206) Jurupa Area Recreation and Park District: Memorial Park Athletic Field from \$170,000 to \$85,000;
- (207) Jurupa Area Recreation and Park District: Memorial Park Community Center from \$175,000 to \$85,000;
- (216) Riverside Park and Recreation District: Janet Goeske Senior Center from \$300,000 to \$200,000;
- (219) City of Highland: Highland Community Park construction from \$400,000 to \$300,000;
- (220) City of San Diego: Rancho Bernardo Community Aquatic Center from \$500,000 to \$250,000;
- (221) City of Redlands: Redlands Sports Complex development from \$1,000,000 to \$750,000;
- (229) City of Lakewood: Mae Boyar Park improvements from \$750,000 to \$500,000;
- (230) Western Center for Archeology and Paleontology: Construction from \$3,000,000 to \$2,250,000.

Although these projects may be meritorious, I am deleting or reducing the funding to fund competing projects with higher priorities. Additionally, some of the local parks and recreation projects may qualify for funding through the various grant programs established in the 2000 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act. I encourage the project proponents to seek funding from those programs.

I am deleting the \$40,000 legislative augmentation in subsection (10) for the City of Pico Rivera: Summer Youth Employment and Training Program. While I am supportive of efforts in this area, I am sustaining part of a legislative augmentation in the Employment Development Department since the budgets in the Employment Development Department and the Department of Education provide substantial state and federal funds for youth employment programs. These programs provide training and services for economically disadvantaged youth to prepare them with the skills necessary to obtain unsubsidized employment, to complete secondary or post-secondary education, to gain entrance to military service, or to obtain qualified apprenticeship.

I am deleting the \$500,000 legislative augmentation in subsection (147) for the City of San Francisco: Restoration of the Torii Gate and Pagoda located in the Japanese Tea Garden (Golden Gate Park) because I believe it would be more appropriate for this project to be funded from the

Park Bond allocation set aside for projects located within Golden Gate Park. The 2000-01 Budget includes \$13.5 million in expenditure authority from the Golden Gate Park allocation.

I am deleting the legislative augmentation in subsection (241) Foothill Citizens for a Community College of \$1,970,000 for the acquisition of land, purchase of portable classrooms, computers, and infrastructure improvements for the Sierra Foothills Regional Education Center. This funding is intended to assist a non-profit organization in establishing a state regional community college center in the Sierra foothills. While I am committed to increasing access to all segments of higher education, this augmentation has been made by the Legislature without regard to the existing review process by the California Postsecondary Education Commission. Constructing or acquiring sites for higher education enrollment needs should be developed in the context of overall priorities, cost standards, guidelines, instructional purposes, enrollment related needs, and scope standards. Further, projects should secure the appropriate programmatic and site review and approval prior to receiving state funds, and funding should be allocated to the Chancellor's Office of the California Community Colleges rather than directly to non-profit organizations.

I am deleting the legislative augmentations in subsections (182), (249), (250), and (251) as technical vetoes because these appropriations duplicate appropriations made elsewhere in the Budget.

Item 3790-101-0005--For local assistance, Department of Parks and Recreation. I reduce this item from \$64,730,000 to \$64,085,000 by reducing:

- (a) 80.25-Recreational Grants from \$64,730,000 to \$64,085,000 by reducing \$645,000 from the following subschedule:
 - (10) City and County of San Francisco: Golden Gate Park from (\$14,169,000) to (\$13,524,000).

I have sustained three legislative augmentations in Item 3790-102-0005 (7) totaling \$645,000. I am reducing the appropriation in this item by \$645,000 to conform to my actions in Item 3790-102-0005 (7) and to prevent the 2000 Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund from being over subscribed.

Item 3790-102-0005--For local assistance, Department of Parks and Recreation. I reduce this item from \$211,760,000 to \$79,580,000 by reducing:

- (a) 80.25-Recreational Grants from \$211,760,000 to \$79,580,000:
 - (1) Competitive grants (non-project specific) from (\$80,005,000) to (\$1,740,000) by deleting \$77,865,000 for the following:
 - (a) California Heritage Program, State Office of Historic Preservation (\$10,000,000);
 - (b) Riparian habitat acquisition (\$10,000,000);

- (d) Murray-Hayden Urban Parks and Youth Service Program (\$50,000,000);
- (e) Museums and Wildlife Education Facilities (\$7,865,000);

and by reducing \$400,000 from the following:

- (c) Non-motorized Trails Grants from (\$2,140,000) to (\$1,740,000);
- (2) Specific Projects from (\$18,000,000) to (\$10,836,000) by deleting \$6,000,000 for the following:
- (a) State Beach restoration (\$1,000,000);
 - (b) Dinosaur Archaeological Site (\$5,000,000);

and by reducing \$1,164,000 from the following:

- (c) Folsom Zoo from (\$2,000,000) to (\$1,889,000);
 - (d) California Science Center-African-American Museum at Exposition Park from (\$3,000,000) to (\$2,834,000);
 - (e) California Science Center School from (\$7,000,000) to (\$6,113,000);
- (3) Local Agencies operating park units (\$26,400,000) by deleting the following:
- (a) East Bay Regional Park District: Planning for East Bay Shoreline Project (\$200,000);
 - (b) County of San Mateo: Restore the grassland and riparian area of the San Bruno Mountain State and County Park (\$200,000);
 - (c) Kenneth Hahn State Recreation Area, Ballona Creek: Acquisition and enhancement of land for Ballona Creek and surrounding wetlands (\$350,000);
 - (d) City of Albany: Albany Landfill-environmental and aquatic habitat restoration, Eastshore State Park (\$650,000);
 - (e) County of San Mateo: Construct visitor center at San Bruno Mountain State and County Park (\$1,600,000);
 - (f) Completion of Rim Trail in Kenneth Hahn State Recreation Area: Design landscaping along ridgeline and Five Point Visitor center (\$2,500,000);
 - (g) East Bay Regional Park District: Complete the community planning process, provide design services, and construct public park improvements in the East Bay Shoreline Project (\$7,400,000);
 - (h) East Bay Regional Park District: Robert Crown Beach: Lagoon improvement, dredging to prevent further siltation of the lagoon near the Crab Cove area of the State Beach (\$450,000);
 - (i) East Bay Regional Park District: Lake Del Valle State Recreation Area; Provide additional recreational vehicle hook-ups, upgrade the campground electrical system and renovate restrooms at the State Recreation Area (\$500,000);

- (j) East Bay Regional Park District: Robert Crown Beach: State Park Shoreline renovation at McKay Ave. in Alameda to remove and replace concrete rubble shoreline with rock along public shoreline pathway (\$800,000);
 - (k) East Bay Regional Park District: Robert Crown Beach: McKay Street: Paving renovation and improvements to public entry to the State Beach (\$850,000);
 - (l) East Bay Regional Park District: Robert Crown Beach: Beach sand replenishment and/or replacement to provide direct water access to the urban communities in the Alameda, Oakland and East Bay area (\$3,500,000);
 - (m) East Bay Regional Park District: Eastshore State Park: Complete community planning process, provide design services and construct public park improvements (\$7,400,000);
- (5) Murray-Hayden Grants from (\$50,016,000) to (\$47,233,000) by deleting \$80,000 for the following:
- (aa) City of Whittier (\$80,000);

and by reducing \$2,703,000 from the following:

- (a) City and County of San Francisco: Coleman Children and Youth Community Center in Excelsior District-capital outlay from (\$150,000) to (\$142,000);
- (b) City and County of San Francisco: Youth Mural Art Project in Bayview-Hunters Point and Youth Stewardship Program from (\$200,000) to (\$189,000);
- (c) City of Richmond: Richmond Natatorium, to enable seismic retrofit of the Natatorium from (\$400,000) to (\$378,000);
- (d) City of La Puente: Construction of the Youth Learning/Activity Center from (\$400,000) to (\$378,000);
- (e) City of Glendale: South Glendale mini-park development from (\$400,000) to (\$378,000);
- (f) City of Los Angeles: Ed Vincent Park from (\$400,000) to (\$378,000);
- (g) City of San Ysidro: Capital outlay for joint-use community activity park from (\$400,000) to (\$378,000);
- (h) Sacramento Boys and Girls club: Construction of Boys and Girls Club facility in South Sacramento from (\$500,000) to (\$473,000);
- (i) City of Huntington Park: Regional Community Youth Center from (\$520,000) to (\$492,000);
- (j) City of Los Angeles: Blythe Street Pocket Park from (\$550,000) to (\$520,000);
- (k) City of Fontana: Center city park acquisition from (\$750,000) to (\$709,000);
- (l) City of Fresno: Construction costs for a park located on Kings Canyon and Huntington Avenue Areas from (\$750,000) to (\$709,000);
- (m) City of Los Angeles: Renovation of Brand Park from (\$1,000,000) to (\$946,000);
- (n) Boys and Girls Club of Hayward: Construction of 20,000-square-foot facility from (\$1,000,000) to (\$946,000);

- (o) County of Los Angeles: San Pedro Park Improvement and Acquisition from (\$1,000,000) to (\$946,000);
- (p) City of Los Angeles: Juntos Park: outdoor development at a recently acquired parcel to serve as a new park from (\$1,500,000) to (\$1,419,000);
- (q) City of Los Angeles: Community Build Youth Center from (\$2,000,000) to (\$1,892,000);
- (r) City of Fresno: Acquisition of the Palm Lakes Golf Course for the operation of Fresno Junior Golf serving disadvantaged youth from (\$250,000) to (\$236,000);
- (s) City of Buena Park: Community park enhancements of deteriorated facilities from (\$250,000) to (\$236,000);
- (t) City of Garden Grove: Village Green Park improvements from (\$650,000) to (\$615,000);
- (u) City of Westminster: Youth Activity Center Program Expansions from (\$750,000) to (\$709,000);
- (v) City of La Puente: Youth Learning/Activity Center from (\$750,000) to (\$709,000);
- (w) City of Lancaster: Whit B. Carter Park Development Project from (\$1,000,000) to (\$946,000);
- (x) City of Anaheim: Maxwell Park Expansion Project from 15 to 21 acres from (\$1,100,000) to (\$1,041,000);
- (y) City of Los Angeles: Soccer Complex from (\$322,000) to (\$305,000);
- (z) City and County of San Francisco: India Basin: Shoreline Park from (\$400,000) to (\$378,000);
- (ax) City of Oakland: West Oakland Playgrounds from (\$600,000) to (\$568,000);
- (bx) City of Los Angeles: Hansen Dam Bluffs from (\$700,000) to (\$662,000);
- (cx) County of Los Angeles: Ted Watkins Park from (\$825,000) to (\$780,000);
- (dx) Santa Monica Mountains Conservancy: Compton-Slauson Natural Park from (\$1,000,000) to (\$946,000);
- (ex) City of Oakland: Sanborn Park from (\$1,500,000) to (\$1,419,000);
- (fx) City of Oakland: Union Point Park from (\$1,500,000) to (\$1,419,000);
- (gx) City of San Diego: North Chollas Park from (\$2,000,000) to (\$1,892,000);
- (hx) City of Maywood: Los Angeles River Parkway from (\$2,500,000) to (\$2,365,000);
- (ix) Santa Monica Mountains Conservancy: Arroyo Seco/Confluence Park from (\$5,000,000) to (\$4,730,000);
- (jx) City of San Diego: Paradise Park Project from (\$34,000) to (\$32,000);
- (kx) City of Lemon Grove: Berry Street Park from (\$40,000) to (\$38,000);
- (kx1) City of Imperial Beach Sports Park from (\$95,000) to (\$90,000);
- (lx) County of San Diego: Lamar Street Park from (\$225,000) to (\$213,000);
- (mx) City of East Palo Alto: Youth Center from (\$250,000) to (\$236,000);
- (mx1) City of San Diego: Boys and Girls Clubs of San Diego: Construction of Linda Vista Teen Center from (\$300,000) to (\$284,000);
- (nx) City of Chula Vista: Greg Rogers Park from (\$300,000) to (\$284,000);
- (ox) City of East Palo Alto: Bell Street Park from (\$350,000) to (\$331,000);

- (px) City of East Palo Alto: Martin Luther King-Jack Ferrell Park from (\$350,000) to (\$331,000);
 - (px1) City of Stanton: Stanton Park from (\$500,000) to (\$473,000);
 - (qx) City of Huntington Park: Bonelli Regional Youth Center from (\$400,000) to (\$378,000);
 - (rx) City of Huntington Park: Westside Park from (\$500,000) to (\$473,000);
 - (sx) City of Los Angeles: Tree People Two from (\$500,000) to (\$473,000);
 - (tx) City of San Diego: Bay Terrace School Joint Use Facility from (\$500,000) to (\$473,000);
 - (ux) County of San Diego: Bancroft Park acquisition from (\$500,000) to (\$473,000);
 - (vx) YMCA of San Diego County: Border View expansion from (\$500,000) to (\$473,000);
 - (wx) City of Oakland: Studio Recreational Center in North Oakland from (\$500,000) to (\$473,000);
 - (xx) City of Stockton: Van Buskirk Community Center: gymnasium construction from (\$750,000) to (\$709,000);
 - (yx) City of Fontana: Center City park acquisition from (\$750,000) to (\$709,000);
 - (yx1) Columbia Boys and Girls Club: Renovation of building in Tenderloin for after school programs from (\$850,000) to (\$804,000);
 - (zx) Cities of Bell and Cudahy: Bell Elementary Park from (\$1,000,000) to (\$946,000);
 - (ay) City of Pico Rivera: Rio Honda Park from (\$1,000,000) to (\$946,000);
 - (by) City of Los Angeles: Blythe Street expansion from (\$1,000,000) to (\$946,000);
 - (cy) City of Baldwin Park: Teen Center from (\$1,000,000) to (\$946,000);
 - (dy) City of Los Angeles: South Central Sports Center from (\$1,300,000) to (\$1,230,000);
 - (ey) City of Los Angeles: Antes Columbus Club Youth Center from (\$1,345,000) to (\$1,272,000);
 - (fy) Los Angeles Conservation Corps: Youth Center from (\$2,000,000) to (\$1,892,000);
 - (gy) City of Whittier: Children's wading pool reconstruction at Friends Park to comply with current standards from (\$80,000) to (\$76,000);
- (6a) Urban and cultural centers, zoos, museums (\$17,540,000) by deleting the following:
- (a) City of Los Angeles: Cabrillo Marine Aquarium (\$500,000);
 - (b) San Joaquin County: Micke Grove Zoo: east end exhibit: compliance with American Zoological Society Standards (\$500,000);
 - (c) City of Long Beach: Aquarium of the Pacific (\$1,400,000);
 - (d) City and County of San Francisco: San Francisco Zoo (\$1,000,000);
 - (e) Ararat Eskijian Museum: Project to preserve Armenian history and heritage (\$25,000);
 - (f) City of Laguna Hills: Display items of local paleontological importance (\$150,000);

- (g) City of Rocklin Historical Transportation and Granite Industry Museum (\$200,000);
 - (h) Central Sierra Historical Society Museum of the Central Valley (\$250,000);
 - (i) City of Morgan Hill: Construction of facilities for wildlife and education (\$500,000);
 - (j) Kern County: Build and equip the San Joaquin Valley Discovery Center in the Kern County Museum in Bakersfield (\$1,500,000);
 - (k) Western Center for Archeology and Paleontology: Construction of the Western Center for Archeology and Paleontology (\$2,015,000);
 - (l) Western Center for Archeology and Paleontology: Construction for the Western Center for Archeology and Paleontology (\$4,500,000);
 - (m) Kern County: Build and equip the San Joaquin Valley Discovery Center in the Kern County Museum in Bakersfield (\$5,000,000);
- (6b) Marine Sanctuary from (\$500,000) to (\$472,000) by reducing \$28,000 from the following:
- (n) Wildlife Conservation Board: O'Neill Sea Odyssey facilities improvements from (\$500,000) to (\$472,000).

I am deleting and reducing the funding for the above projects to ensure that the various allocations in the 2000 Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund are not over subscribed, and that the projects are consistent with the intent and provisions of the 2000 Park Bond.

Specifically, the legislative augmentations for various competitive grants in subschedule (1) are essentially reduced to the level in the May Revision because the Department of Parks and Recreation needs further opportunity to prepare for the implementation of these grant programs. I am sustaining, however \$1,740,000 for the non-motorized trails grant program, which the Department indicates can be implemented in 2000-01.

Legislative augmentations for subschedules (2a) and (2b) are being deleted because they are duplicative of my May Revision. Further, I am reducing subschedules (2c), (2d) and (2e) to ensure there are sufficient funds in those allocations to meet various bond and program costs.

I am deleting all legislative augmentations in subschedule (3) because those grants only provide funding to five of 40 locally operated State park units. I believe it is more appropriate for the Department to determine the priority use of those bond funds.

I am sustaining all legislative augmentations made from the non-competitive Murray-Hayden allocation of the 2000 Park Bond [subschedule (5)]. To ensure that there are sufficient funds in those allocations to meet various bond and program costs associated with this grant program, I am reducing each legislative augmentation by approximately 5.4 percent.

I am deleting subschedule (6a) because (1) this allocation of the bond is over subscribed, (2) there is insufficient information to determine the merits and benefits of these projects in comparison to other similar projects statewide, and (3) several of these projects do not qualify under this allocation.

I am reducing subschedule (6b) to ensure that there are sufficient funds in that allocation to meet various bond and program costs necessary to implement this grant.

Lastly, I am sustaining the legislative augmentations in subschedules (4) and (6c) with the understanding that the Department will determine if these projects are eligible for funding under the provisions of the 2000 Park Bond.

Item 3790-103-0005--For local assistance, Department of Parks and Recreation. I reduce this item from \$388,000,000 to \$366,522,000 by reducing:

Grants (per capita) from \$388,000,000 to \$366,522,000.

I am reducing this item by \$21,478,000 to ensure that there are sufficient funds in that allocation to meet various bond and program costs necessary to implement and administer this grant over a multiple number of years.

Item 3790-104-0005--For local assistance, Department of Parks and Recreation. I delete this item and Provision 1.

I am deleting the \$200,000,000 legislative augmentation for Roberti-Z'berg-Harris grants because it is premature. Funding will not be allocated until the results of the federal 2000 census are known. Moreover, program complexities warrant a more deliberative process. I am, however, sustaining the per capita bond grant program to begin the allocation of grants to local entities for park and recreation purposes.

I am deleting Provision 1 to conform to this action.

Item 3790-302-0001--For capital outlay, Department of Parks and Recreation. I reduce this item from \$2,350,000 to \$1,200,000 by deleting:

(1) 90.EC.401-Kenneth B. Hahn State Recreation Area: Expansion-Study (150,000),

and by deleting Provision 1;

and by reducing:

(2) 90.KX.100-Acquiring and restoring space to house the Office of Historic Preservation from \$2,200,000 to \$1,200,000.

I am deleting the \$150,000 legislative augmentation to fund additional study work on the Kenneth B. Hahn State Recreation Area Master Plan from funds that were appropriated by the

Budget Act of 1999. I direct the Department of Parks and Recreation to fund any additional and necessary study work out of its existing appropriation for master plan development of this State Recreational Area.

I am deleting Provision 1 to conform to this action.

I am reducing the \$2,200,000 legislative augmentation for the acquisition and restoration of office space to house the Office of Historic Preservation to \$1,200,000 to fund higher competing priorities.

Item 3790-302-0005--For capital outlay, Department of Parks and Recreation. I reduce this item from \$141,568,000 to \$25,594,000 by reducing:

- (20) 90.6L.100 –Tomales Bay State Park for acquisition and easements from \$5,000,000 to \$1,200,000;
- (43) 90.9H.121 – Colonel Allensworth SHP restoration from \$8,000,000 to \$4,000,000;

and by deleting \$108,174,000 for the following projects:

- (1) 90.6F.200 – Angel Island Immigration Facility (\$15,000,000);
- (2) 90.E4.200 – Chino Hills and Citrus State Historic Park Visitor Center (\$2,600,000);
- (3) 90.RS.200 – State Park Playground Upgrades (\$650,000);
- (4) 90.FK.200 – Poppy Reserve (\$250,000);
- (5) 90.AN.100 - Empire Mine (\$2,500,000);
- (6) 90.8J.100 – Colombia State Historic Park (\$250,000);
- (7) 90.RS.417 – Redwood Acquisition (\$10,000,000);
- (8) 90.CO.200 – Henry Coe State Park Trails and Access (\$500,000);
- (10) 90.6E.100 – Pacifica State Beach: Linda Mar State Beach (\$1,000,000);
- (12) 90.GL.100 – Verduga Mountains: Restroom, office, contact station, signs, fencing, trails (\$2,000,000);
- (14) 90.EC.103 – Improvements to the 5-mile Ballona Creek Trail and Bikeway: public access, staging areas, landscaping, fencing, lighting, and paving (\$2,100,000);
- (18) 90.KY.100 – Granite Rock acquisition, Monterey County at Fort Ord Dunes State Park (\$3,500,000);
- (19) 90.KV.103 – Los Angeles River: smaller Chinatown Yards project, 6 acres adjacent to river and contiguous to Elysian Park (\$3,770,000);
- (21) 90.FU.100 – California Citrus State Historic Park: Improvements project (\$154,000);
- (23) 90.SN.100 – Mount Diablo State Park: Rock City Picnic Area (\$275,000);
- (24) 90.HA.106 – Anza Borrego Desert State Park: Land Acquisition to expand and rehabilitate existing facilities (\$400,000);
- (26) 90.SN.403 – Mount Diablo State Park: Acquisition to preserve 46 acres of land adjacent to Mount Diablo with red-legged frog habitat (\$525,000);
- (27) 90.9J.100 – Kings Beach State Recreation Area: Facility Improvements Project (\$1,000,000);
- (28) 90.8U.103 – Folsom Lake SRA: Visitor Center Project (\$1,000,000);
- (29) 90.GI.100 – Red Rock Canyon State Park: Trail Rehabilitation Project (\$1,000,000);

- (30) 90.E4.100 – Providence Mountains SRA: Facility Rehabilitation Project (\$1,000,000);
- (31) 90.3I.100 – Shasta SHP: McGlaughlin House Visitor Center (\$1,230,000);
- (33) 90.CO.102 – Acquisition of Conservation Easements on the Silacci Ranch adjacent to Henry W. Coe State Park (\$1,500,000);
- (35) 90.H6.100 – Cuyamaca Rancho State Park: Green Valley Falls Campground Rehabilitation (\$2,000,000);
- (36) 90.GG.103 – Silverwood Lake SRA: Construct New Visitor Center (\$2,200,000);
- (37) 90.3V.100 – Bidwell Mansion SHP: Mansion Restoration Project (\$2,255,000);
- (38) 90.GG.102 – Silverwood Lake SRA: Rehabilitate Miller Canyon Day Use Area (\$2,500,000);
- (40) 90.CO.103 – Acquisition of Conservation Easements in Santa Clara and Stanislaus Counties adjacent to the Henry W. Coe State Park (\$8,000,000);
- (41) 90.GY.100 – Purchase Headlands Reserve adjacent to Doheny State Beach (\$18,000,000);
- (42) 90.FB.103 – Pio Pico SHP: Restoration Project to provide vital services and facilities for urban youth (\$1,500,000);
- (44) 90.93.100 – City of Woodland: Woodland Opera House SHP (\$75,000);
- (45) 90.68.100 – Solano County: Benicia State Recreation Area (\$205,000);
- (46) 90.68.100 – Solano County: Benicia State Recreation Area (\$205,000);
- (50) 90.5N.103 – Mt. Diablo State Park: Facilities Rehabilitation (\$2,000,000);
- (51) 90.GY.100 – Coal Canyon acquisition (\$9,000,000);
- (52) 90.5P.100 – San Bruno Mountain State Park – San Bruno Mountain, addition (\$405,000);
- (53) 90.G3.100 – Antelope Valley Indian Museum: Cultural Artifact Preservation Project (\$500,000);
- (54) 90.8G.100 – Marshall Gold Discovery SHP: Gold Discovery Museum (\$1,625,000);
- (55) 90.72.102 – John Marsh Home (\$5,000,000); and
- (56) 90.5Y.100 – Candlestick Point SRA Volunteer Building (\$500,000)

I am reducing the legislative augmentation for the Tomales Bay State Park acquisition and the Colonel Allensworth SHP restoration project to more accurately reflect the level of effort needed for these two projects.

While consistent with the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund, I am deleting subschedules 1 through 8 because these proposals are in need of further development and are not yet ready for implementation.

I am deleting the remaining projects because they have not been reviewed by the Department against other competing priority park system needs.

Item 3790-491--Reappropriation, Department of Parks and Recreation. I revise this item by deleting schedule (183) for City of Westminster (\$125,000).

I am deleting the reappropriation for the City of Westminster: Little Saigon Cultural Heritage Museum, Item 3790-101-0001, Budget Act of 1999. Although this project may be meritorious, I am deleting this reappropriation to fund higher competing priorities.

Item 3820-001-0001--For support of San Francisco Bay Conservation and Development Commission. I reduce this item from \$4,967,000 to \$3,807,000 by reducing:

- (a) 10--Bay Conservation and Development from \$5,676,000 to \$4,516,000

I am deleting the \$1,160,000 legislative augmentation, including eight positions and four temporary help personnel years, for the Commission's regulatory and planning programs. My proposed budget for the Commission included an augmentation of \$379,000 to expedite the review of the Bay Plan, augment the enforcement program, and enhance the review of permit applications based on workload information provided by the Commission.

Item 3860-001-0001--For support of Department of Water Resources. I reduce this item from \$194,860,000 to \$193,860,000 by reducing:

- (a) 10-Continuing Formulation of the California Water Plan from \$67,279,000 to \$66,279,000;

and by deleting Provision 5.

I am deleting the legislative augmentation of \$1,000,000 and 4.2 personnel years for a more extensive update of the Department's publication titled "California's Groundwater" Bulletin 118. The budget already includes \$1,000,000 for the second of three years' funding to complete this project.

I am deleting Provision 5 to conform to the actions taken in Items 3480-001-0001, 3540-001-0928, 3600-001-0001, and 3940-001-0001.

Item 3860-101-0001--For local assistance, Department of Water Resources. I reduce this item from \$79,360,000 to \$51,200,00 by reducing:

- (b) Flood Control Subventions from \$68,000,000 to \$40,300,000;
- (c) Grants from \$1,360,000 to \$900,000;

and by deleting \$460,000 for the following project:

- (1) City of Whittier: Flomar Drainage Project (460,000).

I am reducing the legislative augmentations to this item by \$28,160,000 to fund higher competing priorities. I am sustaining \$40,300,000 for local flood control subventions which will allow payment of all claims through June 30, 2001.

Item 3860-101-6006--For local assistance, Department of Water Resources. I delete Provision 1.

I delete Provision 1 which allocates \$300,000 to the Fresno Metropolitan Flood Control District. The proposed use of the allocation is not eligible for funding through the local flood control subvention program.

Item 3910-101-0005--For local assistance, California Integrated Waste Management Board. I reduce this item from \$10,635,000 to \$2,558,000 by reducing:

(1) 11-Waste Reduction and Management from \$10,635,000 to \$2,558,000,

by deleting:

(b) Special Projects (8,077,000)

- (1) County of Yolo, Town of Clarksburg: Restore and rehabilitate a playground (125,000);
- (2) City of San Diego: Ocean Beach Recreation Center Tot Lot upgrade for ADA compliance (175,000);
- (3) City of Glendale: Public parks ADA compliance (200,000);
- (4) City of San Francisco: Playground upgrades to meet ADA standards (500,000);
- (5) County of Plumas: Play area for youth and ADA compliance (150,000);
- (6) City of El Centro: City Parks playground equipment enhancements (125,000);
- (7) City of Orange: Replacement of tot lots and ADA compliance (75,000);
- (8) Fair Oaks Recreation and Park District: Bannister Park ADA compliance and improvements (50,000);
- (9) City of Willows: Play equipment pathway from recycled materials and ADA compliance (20,000);
- (10) County of Tuolumne: Patterson field play area for kids (25,000);
- (11) City of Anaheim: Play equipment replacement at Peter Marshall, Pearson, Boysen, and Rio Vista Parks (230,000);
- (12) City of Covina: Replace playground and ADA compliance (100,000);
- (13) Fulton-El Camino Recreation and Park District: District playground improvements and ADA compliance (50,000);
- (14) Elk Grove Community Services Center: Clarence Frank Baker Park playground equipment and ADA compliance (50,000);
- (15) Cordova Recreation and Park District: Play structure replacements and ground surface improvements at Larchmont-Roosmoor, Lincoln Village, Hensley and Rosswood Parks (50,000);
- (16) Fulton-El Camino Recreation and Park District: Improvements to area playgrounds and ADA compliance (50,000);
- (17) Elk Grove Community Services District: King Park Tot Lot improvements and ADA compliance (50,000);
- (18) Elk Grove Community Services District: Johnson Park Tot Lot improvements and ADA compliance (50,000);

- (19) Elk Grove Community Services District: Caterino Park Tot Lot and hardscape improvements (75,000);
- (20) City of Palmdale: Replacement of playground equipment at Courson, Manzanita and Pelona Vista Parks (100,000);
- (21) City of Santa Ana: Sand Point Park—Refurbish playground equipment (50,000);
- (22) City of Santa Ana: Santa Anita Park—Renovation and purchase playground equipment (75,000);
- (23) City of Santa Ana: Morrison Park equipment replacement (50,000);
- (24) National City: Installation of ADA approved playground for Kimball Park (50,000);
- (25) East Bay Regional Park District: Camp Ohloine ADA improvements (600,000);
- (26) City of Stockton: City park playground facility upgrade to meet current state requirements (300,000);
- (27) Manhattan Beach: Polliwog Regional Park—New playground equipment (300,000);
- (28) City of Reedley: Mueller Park—Repairs to damaged playground (20,000);
- (29) City of Fresno: Roeding Regional Park playground improvements (75,000);
- (30) City of Tulare: Cecil Berkeley activity center—construction of play structure (20,000);
- (31) City of Lakeport: Westside Community Park—Phase I improvements (250,000);
- (32) City of Watsonville: Playground upgrades and rehabilitation (500,000);
- (33) City of Salinas: Playground upgrades and rehabilitation (500,000);
- (34) City of Ceres: Playground upgrades (887,000);
- (35) City of Fresno: Tree planting (150,000);
- (36) City of San Bernardino: New children’s park construction (750,000);
- (37) City of San Bernardino: Purchase new equipment for children’s tot lots throughout city and install new tot lot (310,000);
- (38) City of Escondido: Construction of a regional, universal accessible playground in Kit Carson Park (250,000);
- (39) City of Tulare: Construction of a play structure adjacent to the Cecil Berkeley Activity Center (20,000);
- (40) Kern County: Bring Wofford Heights up to ADA standards (60,000);
- (41) Kern County: Bring Mountain Mesa up to ADA standards (60,000);
- (42) Kern County: Bring Scodie Parks up to ADA standards (60,000);
- (43) Livermore Area Recreation and Park District: Karl Wente Neighborhood Park—Renovation of playground equipment (120,000);
- (44) Livermore Area Recreation and Park District: Maitland Henry Neighborhood Park—Renovation of playground equipment (110,000);
- (45) Livermore Area Recreation and Park District: Watenburger Neighborhood Park—Renovation of playground equipment (60,000);
- (46) Livermore Area Recreation and Park District: Ravenswood Neighborhood Park—Renovation of playground equipment (100,000);

(47) Livermore Area Recreation and Park District: Summit Neighborhood Park—Renovation of playground equipment (100,000)

I am deleting the \$8,077,000 legislative augmentation to fund various projects for the purchase of safe playground equipment made from recycled materials. Because the Park Bond only provides \$7,000,000 for the grant program, this augmentation would significantly oversubscribe the program's allocation. Furthermore, it is unclear whether these projects would meet the program's 50 percent local matching requirement, and in the case of the Fresno tree planting project [subschedule (35)], the project is not related to the purchase of safe playground equipment made from recycled materials. Since the Budget already provides \$2,813,000 for the grant program, I believe that qualifying and meritorious projects should be funded through the competitive grant process to be established by the Integrated Waste Management Board.

Item 3930-001-0001--For support of Department of Pesticide Regulation. I reduce this item from \$19,441,000 to \$14,241,000 by reducing:

- (b) 17-Enforcement, Environmental Monitoring, and Data Management from \$36,963,000 to \$31,763,000,

and by deleting Provisions 2, 3, 4, 5, and 6.

I am deleting the \$5,200,000 legislative augmentation for the University of California Sustainable Agriculture Research Program. The Department already administers a \$1.5 million Pest Management Alliance Program, which funds alternative pest management strategies.

I am deleting Provisions 2, 3, 4, 5, and 6 to conform to this action.

Item 3940-001-0001--For support of State Water Resources Control Board. I reduce this item from \$103,347,000 to \$87,197,000 by reducing:

- (a) 10-Water Quality from \$405,339,000 to \$389,189,000;

and by deleting Provisions 3 and 4.

I am deleting the following legislative augmentations: \$7,500,000 for University of California total maximum daily load (TMDL) education and research programs, \$2,000,000 for organophosphate TMDL development, and \$2,500,000 for ambient water quality monitoring. I am also reducing the following legislative augmentations: \$1,000,000 of the \$5,000,000 for total maximum daily load development and \$2,500,000 of the \$7,500,000 for storm water management. I am sustaining over \$25,500,000 in the budget for these water quality activities, including \$13,900,000 in new funding. I believe that this significant increase in funding will ensure that the highest priority water quality issues are addressed.

I am deleting the \$500,000 legislative augmentation for storm drain pollutant research by the Southern California Water Research Project to fund higher competing water quality priorities.

I am deleting the \$150,000 legislative augmentation for a study of white croaker fish off the Palos Verdes Shelf. Since the State already has conducted a white croaker fish study, established fish closure boundaries, and received \$3,100,000 in federal funds to enforce the existing fish closure, there is no need for another study.

I am deleting Provision 3 to conform to this action.

I am deleting Provision 4 to conform to actions taken in Items 3480-001-0001, 3540-001-0928, 3600-001-0001, and 3860-001-0001. Although I am deleting this language, I wish to express my commitment to work with the Legislature during the remainder of this session on development of a watershed assessment proposal to address logging-related impacts to salmon and water quality.

Item 3940-101-0001--For local assistance, State Water Resources Control Board. I reduce this item from \$27,155,000 to \$13,365,000 by reducing:

(1.5) Special projects from \$27,155,000 to \$13,365,000;

by deleting \$5,890,000 for the following projects:

- (c) Yucaipa: Water recycling project development and implementation (\$4,000,000);
- (g) Orange County: Top Rate water quality laboratory establishment (\$1,240,000);
- (o) County of Amador: Newton Copper Mine Passivation Technology Pilot Project (\$250,000);
- (q) City of Los Angeles Department of Water and Power: Pacoima Community-based Watershed Management Plan (\$200,000); and
- (r) City of Seal Beach: Boardwalk and Flood Protection Wall Improvement Project (\$200,000);

and by reducing \$7,900,000 for the following projects:

- (a) San Diego: Rose and Tecolote Creek water quality improvement from (\$5,000,000) to (\$2,000,000);
- (b) County of Orange: Urban runoff action plan from (\$4,750,000) to (\$1,000,000);
- (e) County of Siskiyou: McCloud Sewer System replacement project from (\$2,000,000) to (\$1,000,000); and
- (n) City of Santa Rosa: Santa Rosa Creek restoration from (\$250,000) to (\$100,000).

I am deleting and reducing the funding for these projects because of the need to fund higher competing priorities, and in addition, in the case of Yucaipa: Water recycling project development and implementation [subschedule (c)], because this project should be addressed through the Water Resources Control Board's normal application, review, and selection process for funding water recycling and other water quality projects. This budget contains over \$50 million of General Fund augmentations for various water quality, coastal protection, and

urban runoff programs. Additional, there are special fund and Proposition 13 Water Bond resources available for these purposes.

Item 3980-001-0001--For support of Office of Environmental Health Hazard Assessment. I reduce this item from \$12,877,000 to \$12,777,000 by reducing:

(a) 10-Health Risk Assessment from \$17,163,000 to \$17,063,000.

I am deleting the \$100,000 legislative augmentation to evaluate the health and environmental risks of genetically modified organisms. The National Academy of Sciences already has evaluated genetic modification, and additional evaluation by the Office of Environmental Health Hazard Assessment is not an effective use of funds at this time.

Item 4110-001-0001--For support of Area Boards on Developmental Disabilities. I revise this item by reducing:

(a) 10-Area Board Services from \$7,725,000 to \$7,623,000; and

(b) Reimbursements from -\$7,585,000 to -\$7,483,000.

I am reducing by \$102,000 the \$283,000 legislative augmentation provided for the Client's Rights Advocacy program because the full amount of the augmentation is not needed to meet workload and contractual obligations.

Item 4120-101-0001--For local assistance, Emergency Medical Services Authority. I reduce this item from \$9,707,000 to \$7,207,000.

I am deleting the \$2,500,000 legislative augmentation for the California Poison Control System. The base budget of \$4,000,000 General Fund and existing federal matching funds fully support the Poison Control System. Consistent with Budget Act language, I am requesting the Director of the Emergency Medical Services Authority to continue to seek this federal fund match to the General Fund dollars appropriated for the California Poison Control System. Such a match was obtained in the current year and should be available again in the budget year. I also support continued efforts to seek support from stakeholders and others who benefit from the system, such as health plans, insurance companies, hospitals, and physicians' groups.

Item 4140-101-0001--For local assistance, Office of Statewide Health Planning and Development. I reduce this item from \$9,535,000 to \$8,235,000 by reducing:

(b) 30-Health Professions Development (Family Physician Training) from \$7,935,000 to \$6,635,000;

and by deleting provisions 2, 3, 4, and 5.

I am deleting the \$800,000 legislative augmentation for the proposed Physician Assistant Recruitment/Training Program for international medical graduates. I believe that such a program would be duplicative of programs already in place in the Office of Statewide Health Planning and Development, including the Song-Brown program. Existing physician assistant programs funded by Song-Brown currently accept international medical graduates on a competitive basis, and there is no demonstrated need for a separate program.

I am deleting the \$500,000 legislative augmentation for the proposed California Health Service Corps Loan Repayment Program that would provide the match required from medical care and dental service practice sites under an existing federal program, in response to claims that some sites are unable to afford this match. I believe that these sites should be required to make an investment in the health professionals they attract through this program by providing the local match required for participation. Additionally, there is currently insufficient information regarding the number of practice sites that are reportedly unable to provide the match and why these sites are not able to make the match.

Additionally, I am deleting Provisions 2, 3, 4, and 5 to conform to the actions in this item.

Item 4170-001-0001--For support of Department of Aging. I reduce this item from \$8,052,090 to \$7,297,090 by reducing:

- (c) 30-Supportive Services and Centers from \$6,312,000 to \$5,696,000;
- (d) 40-Special Projects from \$6,325,090 to \$6,103,090; and
- (g) Reimbursements from -\$3,060,000 to -\$2,977,000;

and by revising Provision 4.

For community-based programs for seniors, I am sustaining the legislative augmentations of \$371,090 for the Multipurpose Senior Services Program and \$75,000 for the Health Insurance Counseling and Advocacy Program to meet the increased demand for these worthwhile services. I am, however, deleting the augmentations of \$216,000 and 3.8 personnel years for the Ombudsman Program, \$61,000 and 0.9 personnel years for the Linkages Program, and \$161,000 (\$78,000 General Fund and \$83,000 reimbursements) and 1.9 personnel years for the Adult Day Health Care Program. This conforms with action taken in Item 4170-101-0001.

I am also reducing, by \$400,000, the legislative augmentation of \$750,000 for support of my Long-Term Care Innovation Grants Initiative. Of that \$750,000, \$375,000 was for program evaluation and \$375,000 was for technical assistance. I am reducing the amount for the evaluation by \$275,000 since many of the programs will not start until late in the fiscal year. I am reducing the amount for technical assistance by \$125,000, leaving a more appropriate level of funding for the anticipated workload.

Finally, I am revising Provision 4 to conform to the action in this item.

“4. Of the funds appropriated in this item, up to ~~\$375,000~~ \$100,000 shall be used to contract for an evaluation of the programs funded through the Long-Term Care Innovation Grants Program funded by this act. At a minimum, the evaluation shall assess the effectiveness of the grantees at enabling program participants to remain in their homes rather than enter long-term care facilities, with an emphasis on the programs’ ability to provide a good quality of life outside of an institutionalized setting. The department shall provide copies of the report to the fiscal and policy committees of the Legislature by March 1, 2002. In addition, ~~\$375,000~~ \$250,000 shall be used to fund technical assistance, distribution of information, and support of regional conferences to assist in proposal and grant planning and information sharing about effective grant programs.”

Item 4170-101-0001--For local assistance, Department of Aging. I reduce this item from \$66,352,000 to \$55,377,000 by reducing:

- (a) 10-Nutrition from \$69,393,000 to \$68,814,000;
- (c) 30-Supportive Services and Centers from \$59,192,000 to \$55,389,000; and
- (d) 40-Special Projects from \$34,140,000 to \$27,547,000;

and by deleting Provisions 3, 5, 8, and 10, and revising Provision 12.

I am sustaining the legislative augmentations of \$3,321,000 for the Multipurpose Senior Services Program and \$1,190,000 for the Health Insurance Counseling and Advocacy Program. Of the \$4,105,000 augmentation for the Linkages program, I am sustaining \$1,499,000 and deleting \$2,606,000. Additionally, I am deleting a total of \$7,369,000, which the legislature augmented for community-based programs for seniors. These reductions include: \$2,803,000 for the Long-Term Care Ombudsman Program, \$1,644,000 for the Adult Day Health Care Planning and Development Grants Program, \$781,000 for the Foster Grandparent Program, \$781,000 for the Senior Companion Program, \$781,000 for the Information and Assistance Program, and \$579,000 for the Home-Delivered Meals Program.

I am also deleting the legislative augmentation of \$1,000,000 for the construction of a new senior center in the City of Laguna Beach in order to fund higher competing priorities.

This budget includes significant augmentations I have proposed for seniors' programs. My Aging with Dignity Initiative, which includes augmentations for community-based programs for seniors as well as long-term care facilities, was adopted by the Legislature and contains over \$270 million in new General Fund monies. Of this amount, \$15.2 million of one-time funding is in the Department of Aging to support Long-Term Care Innovation Grants to implement and expand community-based adult care alternatives to nursing homes. I am challenging private foundations to sustain these grants at much higher levels for the next 10 years.

I am deleting Provisions 3, 5, 8, and 10 to conform to this action.

I am also revising Provision 12 to conform to the action in this item.

“12. Of the funds appropriated in this item, ~~\$4,105,000~~ \$1,499,000 shall be used to expand the Linkages Program, ~~\$2,803,000 shall be used to expand the Ombudsman Program, \$781,000 shall be used to expand the Foster Grandparent Program, \$781,000 shall be used to expand the Senior Companion Program, \$579,000 shall be used to expand the Home-Delivered Meals Program, and \$781,000 shall be used to expand the Information and Assistance Program.~~ Included in this funding are administrative costs for participating Area Agencies on Aging.”

Item 4180-001-0001--For support of Commission on Aging. I delete this item.

I am deleting the legislative augmentation of \$235,000 and 2.8 personnel years for the Commission on Aging. I believe that the current budget for the Commission is sufficient for the accomplishment of its mandated tasks. Further, I continue to believe that the varied non-General Fund sources that contribute to the Commission are the appropriate funding sources.

Item 4200-101-0001--For local assistance, Department of Alcohol and Drug Programs. I reduce this item from \$63,428,000 to \$56,828,000 by reducing:

(a) 15-Alcohol and Other Drug Services Program from \$384,893,000 to \$378,293,000;

and by deleting Provision 3.

I am deleting the \$4,300,000 legislative augmentation to expand the Adolescent Treatment Program begun under Chapter 866, Statutes of 1998 (AB 1784). The Budget contains over \$420 million in state and federal funds for local drug and alcohol treatment programs including approximately \$20 million for youth treatment and prevention services. Of this amount, \$20.9 million in federal carryover funds has been reserved for youth substance abuse prevention and treatment. I am also sustaining \$5,700,000 for discretionary substance abuse treatment services for youth. Given the existing base budget and the augmentations I am sustaining, which represent more than a doubling of funding for youth services, I am deleting this \$4,300,000.

I am also deleting Provision 3 to conform to this action.

I am reducing by \$2,300,000 the \$10,000,000 legislative augmentation for expansion of alcohol and drug treatment programs for adults. While I am supportive of efforts in this area, I cannot support all of this augmentation as the Budget includes \$420 million for substance abuse and treatment, the majority of which is already used for adult prevention, intervention, and treatment services. I am sustaining the \$7,700,000 to allow the counties to expand services based on local priorities and needs.

Item 4260-001-0001--For support of Department of Health Services. I reduce this item from \$260,472,000 to \$253,233,000 by reducing:

(1) 10-Public and Environmental Health from \$306,172,000 to \$300,872,000;

(2) 20-Health Care Services from \$466,633,320 to \$464,139,000; and

(43) Amount payable from the Federal Trust Fund (Item 4260-001-0890)
from -\$296,294,320 to -\$295,739,000.

I am deleting the \$113,000 legislative augmentation and three positions to develop rate models for disabled and elderly persons who are eligible for Medicare and Medi-Cal. This proposal is overly prescriptive as it requires commitment of rate development staff to a narrowly defined, specialized area which may not represent the highest priority at any given point in time. I am also deleting \$113,000 from the Federal Trust Fund, Item 4260-001-0890, to conform with this action.

I am deleting the \$547,000 legislative augmentation and six positions for unannounced hospital inspections. The Budget includes \$47.6 million (General Fund) for the licensing and certification of health facilities, including hospitals. The Department of Health Services (DHS) already investigates complaints involving serious threat of imminent danger of death or serious bodily harm, and is currently developing criteria for evaluation of nurse-patient ratios as required by AB 394, Chapter 945, Statutes of 1999. It is premature to require additional inspection staff at this time.

I am deleting the \$2,000,000 legislative augmentation for the California Health Interview Survey. The 1999-00 Budget Act contained language specifying that no more than \$2,000,000, including federal funds, was to be used for this purpose. The Department of Health Services was also directed to seek any additional funding required for this survey from other non-state sources. Therefore, it is current policy that funding from other sources, including foundations, is to be sought. The initial General Fund augmentation provided in 1999-00 was intended as start-up to be used to match outside sources of funding.

I am deleting the \$239,000 legislative augmentation and five positions for California Children's Services credentialing and increased county and provider site reviews. The Department of Health Services is currently staffed to provide oversight and enforcement of this program. In addition, the department currently performs site reviews and is clearing an existing backlog. Therefore, the additional positions are not necessary.

I am also deleting the \$222,000 from the Federal Trust Fund, Item 4260-001-0890 to conform with this action.

I am deleting the \$3,000,000 legislative augmentation and 11 positions for asthma intervention grants, education, and technical assistance. The Budget contains a \$2.1 million augmentation to provide treatment to asthmatic children under age 6. In addition, recent significantly increased local resources from health account realignment funds, Proposition 10 and the Master Tobacco Settlement should provide the resources for this program to be funded at the local level, if deemed a priority. Lastly, expansions in the Medi-Cal and Healthy Families Programs should provide increased access to care for all children, including those with asthma.

I am also deleting the \$6,000,000 legislative augmentation in Item 4260-111-0001 to conform with this action.

While I am sustaining the \$2,550,000 legislative augmentation to the California Cancer Registry, I am deleting the six positions added by the Legislature for this purpose. The current staffing level is sufficient to continue thorough and accurate cancer data collection.

I am deleting the \$103,000 legislative augmentation and one position to expand the American Indian Infant Health Initiative. The Budget currently includes \$424,000 to promote the health of American Indian infants. The proposed General Fund augmentation would constitute a 94.3 percent increase and would establish a precedent of providing General Fund for a program that has been funded exclusively by federal funds.

I am also deleting \$297,000 legislative augmentation in Item 4260-111-0001 to conform with this action.

I am deleting the \$238,000 legislative augmentation and six positions for California Children's Services treatment authorization requests and case management assistance. The Budget contains a \$567,000 augmentation and nine positions for this purpose. This augmentation and additional positions are commensurate with the increase in workload, and will provide effective case management and service delivery.

I am also deleting the \$220,320 from the Federal Trust Fund, in Item 4260-001-0890 to conform with this action.

I am deleting the \$180,000 legislative augmentation and two positions to expand the Children's Dental Disease Prevention Program, to conform to the action taken in Item 4260-111-0001.

I am deleting the \$169,000 legislative augmentation and two positions for administrative activities associated with the community-based clinic programs, to conform with the action taken in Item 4260-111-0001.

I am deleting the one-time \$300,000 legislative augmentation for compliance and enforcement of the Safe Needle Law (Chapter 999, Statutes of 1998 [AB 1208]). The Safe Needle Law requires the DHS to compile and make available a list of needle-less systems and needles with engineered needle stick protection. The DHS has complied with the law by compiling a list of these devices. This augmentation is for an educational component to advise health practitioners on better practices. Educational materials on needle-less systems and needles engineered with needle stick protection are currently available. The Administration has not seen workload data to justify this effort. Additionally, while the appropriation was provided on a one-time basis, DHS advises that the need to educate health practitioners would be ongoing. Thus, ongoing General Fund costs would result.

I am deleting the \$150,000 legislative augmentation for a baby abandonment study. Although this program may have merit, considerable research has been conducted in this area, and further research should be considered as part of legislative efforts currently being developed.

I am deleting the \$200,000 legislative augmentation to the Granada Hills Community Hospital for the Maternity Services Expansion Program. While I am supportive of maternity health services, the Medi-Cal, Healthy Families, and Access for Infants and Mothers (AIM) programs already provide comprehensive prenatal and perinatal care to low-income California residents.

Item 4260-001-0890--For support of Department of Health Services. I reduce this item from \$296,294,320 to \$295,739,000.

I am reducing this item by \$555,320 to conform with actions taken in Item 4260-001-0001.

Item 4260-101-0001--For local assistance, Department of Health Services. I reduce this item from \$9,236,793,000 to \$9,193,054,000 by reducing:

- (a) 20.10.030-Benefits (Medical Care and Services) from \$21,004,224,000 to \$20,934,334,000;
- (b) 20.10.010-Eligibility (County Administration) from \$1,223,185,000 to \$1,205,185,000;
- (e) Amount payable from the Federal Trust Fund (Item 4260-101-0890) from -\$13,213,096,000 to -\$13,168,945,000;

and by deleting Provisions 13,15,16, 18 and 19.

I am deleting the \$5,359,000 General Fund legislative augmentation for long-term care rate increases for intermediate care facilities for the developmentally disabled. I am supportive of the services provided by these facilities; however, the budget already contains \$13,424,000 General Fund for an 8.9 percent average rate increase for these facilities. In addition, I am deleting \$5,359,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am deleting the \$2,950,000 legislative augmentation for transfer to the Emergency Services and Supplemental Payments Fund to be allocated by the California Medical Assistance Commission for the first year of a two-year pediatric nurse intern program. Although I have sustained a one-time \$12,000,000 General Fund appropriation for equipment and capital improvements for Children's Hospitals, I do not support appropriations to this fund that are not of a one-time nature. Contributions to this special fund, which are then matched by federal funds, should continue to be made by the public hospitals themselves, not by the State. In addition, I am deleting \$2,950,000 from the Federal Trust Fund, Item 4260-101-0890, and am deleting Provision 13, to conform to this action.

I am deleting the \$1,000,000 legislative augmentation for increased Medi-Cal outpatient rates for hospitals qualifying for federally defined critical access hospital status. The intent is to enable Medi-Cal to match the higher Medicare reimbursement rate for those hospitals. The May Revision includes \$2,000,000 to double the funding of the existing program of supplemental payments to small and rural hospitals, many of which are the same hospitals intended to benefit from this legislative augmentation. Further, any attempt to tie Medi-Cal rates to those under the Medicare program would reduce the State's rate-setting flexibility and create a General Fund

pressure to provide increased rates to all other providers. In addition, I am deleting \$1,000,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by \$2,630,000 the \$5,542,000 legislative augmentation to increase reimbursement rates for Medi-Cal pap smears. Rate increases included in the May Revision already provide a 53 percent increase, which is sufficient to maintain access to these important services. I am deleting \$2,630,000 from the Federal Trust Fund, Item 4260-101-0890, to conform with this action.

I am deleting the \$9,347,000 legislative augmentation to increase Medi-Cal dental rates. These rates have increased significantly more than other Medi-Cal rates as a result of the Clark lawsuit. Therefore, the average 6.8 percent rate increase included in the May Revision is sufficient. I am also deleting \$9,347,000 from the Federal Trust Fund, Item 4260-101-0890, to conform with this action.

I am deleting the \$9,000,000 legislative augmentation for processing Healthy Families and Medi-Cal applications through a single point-of-entry. Although I support processes that will simplify these two programs and contribute to increased enrollment, this proposal is the most costly and complex means possible of interpreting the Medi-Cal mail-in application requirement, and would add a new and unnecessary layer of state administration and contracted services. Further, this proposal would actually delay the Healthy Families Program application approval. I am also deleting \$9,000,000 from the Federal Trust Fund, Item 4260-101-0890 and deleting Provision 19 to conform with this action.

I am deleting the \$7,500,000 legislative augmentation to provide a \$25 facility fee for each special care center visit provided to Medi-Cal eligible children under the California Children's Services (CCS) program. The budget includes \$5 million to increase rates for services provided to CCS children receiving care in these centers, including those who are Medi-Cal eligible. In addition, I am sustaining augmentations which result in a 39 percent CCS physician rate increase. I am deleting \$7,500,000 from the Federal Trust Fund, Item 4260-101-0890, to conform with this action.

I am reducing by \$5,193,000 the \$13,519,000 legislative augmentation to conform to actions taken in Item 4300-101-0001 related to In-Home Respite and Day Programs in the Department of Developmental Services. In addition, I am reducing \$5,482,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by \$760,000 the \$2,584,000 legislative augmentation to conform to the action taken in Item 4300-101-0001 related to supported living services rates. In addition, I am reducing \$800,000 from the Federal Trust Fund, Item 4260-101-0890, to conform with this action.

I am deleting the \$83,000 legislative augmentation of the Federal Trust Fund, Item 4260-101-0890, to conform to the action taken in Item 4170-001-0001 regarding increased administrative costs associated with the Adult Day Health Care program in the Department of Aging.

I am deleting Provision 15 which would require the Department of Health Services (DHS) to implement a simplified appeals system for denied emergency room Medi-Cal claims. This language is unnecessary as DHS has already begun the process of implementing a simplified claims appeals process.

I am deleting Provision 16 which would require DHS to conduct a second, more comprehensive evaluation of the Transitional Inpatient Care Program. The first evaluation of this program was completed in January 2000. A second evaluation of this program would result in unnecessary administrative costs to DHS. It is already proven that this program allows Medi-Cal to purchase this level of care from hospitals at a savings of over \$15 million General Fund annually.

I am sustaining the \$10,700,000 General Fund one-time legislative augmentation for distinct part nursing facilities, but am deleting Provision 18 because it would require a significant and unacceptable departure from existing rate methodology, a public notice process, a change in the state's Medicaid plan, and approval by the federal government of that change. Instead, I am directing the Department of Health Services (DHS) to allocate these funds, not as a change in the rate of payment, but as a one-time, lump-sum supplemental payment, on or about February 1, 2001, to each distinct part nursing facility which receives the maximum rate for the 2000-01 rate year, distributed in proportion to each such facility's 1999 distinct part nursing facility Medi-Cal patient days.

Item 4260-101-0890--For local assistance, Department of Health Services. I reduce this item from \$13,213,096,000 to \$13,168,945,000.

I am reducing this item to conform to the action I have taken in Item 4260-101-0001.

Item 4260-111-0001--For local assistance, Department of Health Services. I reduce this item from \$498,973,000 to \$450,978,000 by reducing:

- (4) 10.30.030-Childhood Lead Poison Prevention from \$8,500,000 to \$2,500,000;
- (5) 10.30.040-Chronic Diseases from \$139,486,000 to \$139,466,000;
- (6) 10.30.050-Communicable Disease Control from \$67,984,000 to \$66,604,000;
- (7) 10.30.060-AIDS from \$252,537,000 to \$245,537,000;
- (8) 20.30-County Health Services from \$130,399,000 to \$95,318,000;
- (9) 20.40-Primary Care and Family Health from \$1,480,882,000 to \$1,448,965,000;
- (15) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232) from -\$79,680,000 to -\$70,665,000;
- (16) Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233) from -\$9,166,000 to -\$6,838,000;

(17) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236) from -\$67,517,000 to -\$45,457,000;

and by deleting Provisions 7 and 9.

I am deleting the \$350,000 legislative augmentation for continuation and expansion of the California Children's Services Assistance to Children At Home Demonstration Project. Although preliminary outcomes of this program have been positive, I cannot support expansion of the pilot project until a complete evaluation of the program can be conducted and its cost effectiveness demonstrated.

I am deleting the \$440,000 legislative augmentation to provide the varicella vaccine to public health clinics for children not eligible under state-funded health care programs. Although I recognize the importance of disease prevention, the State currently provides the varicella vaccine to children enrolled in Medi-Cal and the Healthy Families Program. In addition, recent increased local funding in excess of \$1.1 billion from the Children and Families Commission, local realignment health account funds, and the Master Tobacco Settlement should provide resources to fund this program at the local level.

I am deleting the \$340,000 legislative augmentation to assist county health departments to monitor parolees with tuberculosis. This augmentation could be funded using local resources. In 2000-01, local realignment funds are estimated to increase by \$93.6 million. In addition, the Master Tobacco Settlement awards local government in California an additional \$389 million. These funds may be used for any public health purpose deemed a local priority. Further, the Medi-Cal program has been expanded and will improve access to care.

I am deleting the \$1,000,000 legislative augmentation for an expansion of the HIV/AIDS partner counseling and referral pilot program. The Budget provides \$1.4 million for continuation of the five-county pilot program begun in 1999-00. While I am supportive of the pilot programs, expansion of this program should be delayed until an analysis of the existing pilot is available and the effectiveness of the program is determined.

I am reducing \$6,000,000 of the \$8,000,000 legislative augmentation for HIV/AIDS health outreach, education, and prevention for communities of color. The Budget currently includes \$3.6 million for these activities. This \$2,000,000 augmentation, when combined with all other HIV/AIDS augmentations, results in a Budget which contains increases of \$12.7 million. These augmentations and the existing base level of funding result in total HIV/AIDS program expenditures in excess of \$325 million. This provides significant resources to fight the spread of the disease.

I am deleting the \$600,000 legislative augmentation to provide the Hepatitis A vaccine to public health clinics for individuals not eligible under state-funded programs. The State currently provides the Hepatitis A vaccine to individuals enrolled in Medi-Cal and the Healthy Families Program. In addition, recent increased local funding in excess of \$1.1 billion from varied fund sources provide the resources for this program to be funded at the local level.

I am also deleting Provision 9 to conform with this action.

I am deleting the \$6,000,000 legislative augmentation for asthma intervention grants, education, and technical assistance to conform with actions taken in Item 4260-001-0001.

I am deleting the \$297,000 legislative augmentation to expand the American Indian Infant Health Initiative to conform with actions taken in Item 4260-001-0001.

I am deleting the \$9,528,000 legislative augmentation for local public health subvention. The 2000-01 Budget provides \$1.6 million for this purpose. In 2000-01, local realignment health education funds are estimated to increase by \$93.6 million. In addition, the 1998 Master Tobacco Settlement awards local governments in California an additional \$389 million. These funds may be used for any public health purpose deemed a local priority. Further, the Medi-Cal and Healthy Families programs have been expanded and will improve access to care, and reduce the demand on local public health programs.

I am also deleting Provision 7 to conform with this action.

I am reducing this item by \$24,803,000. My January Budget proposal directed this augmentation to emergency room physicians and hospital services. Because the Legislature did not adopt the proposed enabling trailer bill language, I am deleting the augmentation. However, I am reserving these funds and will sign legislation authorizing their expenditure for emergency services as originally proposed.

To conform with this action, I am also reducing Item 4260-111-0232 by \$9,015,000; Item 4260-111-0233 by \$2,328,000; and Item 4260-111-0236 by \$13,460,000.

I am deleting the \$15,000,000 one-time legislative augmentation for community-based clinic dental infrastructure grants. These grants are to be allocated specifically for the purchase of dental equipment and to renovate or expand dental facilities. For each of the last three years, the budget included \$3 million for the Rural Demonstration Project. These funds were provided for local infrastructure, including equipment. In addition, I have sustained a \$50 million legislative augmentation for the California Health Facilities Financing Authority. These funds will provide grants for capital outlay needs including those of dental programs of local community and free clinics. Additionally, this proposal could be funded using local resources if deemed a local priority.

I am deleting the \$1,500,000 legislative augmentation for the Indian Health Clinic Program. The Budget Act of 1999 provided a \$2 million General Fund augmentation to Indian Health Clinics, increasing the base from \$3.8 million to \$5.8 million. The May Revision provides an additional 10 percent increase (\$587,000 General Fund). Including the amount provided in the May Revision, the program has increased by 65 percent since 1998. In addition, expanded Medi-Cal and Healthy Families services will improve access to health care for all Californians, including Native Americans, and mitigate the need for further categorical program expansion.

I am reducing by \$1,750,000 the \$3,400,000 legislative augmentation for the Children's Dental Disease Prevention Program. This augmentation would provide dental sealants, increase reimbursements to providers from \$4.50 to \$10 per child in the program, and would expand the program from its current 300,000 to 475,000 children. I am sustaining \$1,650,000 which would provide funding for increased rates at the current caseload of 300,000 children. However, the remaining \$1,750,000 would constitute a state-funded program expansion that could be funded using local resources including increased local realignment health account funds of \$93.6 million, the recent Master Tobacco Settlement awards of \$389 million, and Proposition 10 funds of \$573 million.

I am also deleting \$180,000 in Item 4260-001-0001 to conform with this action.

I am deleting the \$3,000,000 legislative augmentation for community-based clinic programs. The Legislature accepted my proposal of a ten percent rate increase for community-based clinics, and provided funding for a caseload expansion of 27.2 percent. Expanded Medi-Cal and Healthy Families services will improve access to health care for all Californians, and mitigates the need for further program expansion. In addition, in 2000-01, local realignment health account funds are estimated to increase by \$93.6 million and the recent Master Tobacco Settlement awards local government in California an additional \$389 million. These funds may be used for any public health purpose deemed a local priority.

I am also deleting the legislative augmentation of \$169,000 and two positions in Item 4260-001-0001 to conform to this action.

I am also deleting the legislative augmentation of \$8,600,000 in Item 4260-111-0236 to conform to this action.

I am deleting the \$10,000 legislative augmentation for the San Diego County Alzheimer's Association Program and the \$10,000 legislative augmentation for the Orange County Alzheimer's Association Program. I am supportive of additional Alzheimer's education efforts, and the Budget includes \$2.4 million for a one-time public education campaign on state-of-the-art best practices in the clinical care of Alzheimer's disease.

I am deleting the \$100,000 legislative augmentation for the Vietnamese Community of Orange County, Inc. Although this project is meritorious, I am vetoing this legislative augmentation in order to fund higher competing priorities.

I am deleting the \$50,000 legislative augmentation for the Maternal Outreach Management System, Santa Ana. I am supportive of outreach, education, and support for soon-to-be mothers; however, the Medi-Cal, Healthy Families, and Access for Infants and Mothers (AIM) programs already provide comprehensive prenatal and perinatal care to California residents.

I am deleting the \$250,000 legislative augmentation to the Santa Barbara County Public Health Department for dental clinic equipment. In this budget, I have sustained a \$50 million legislative augmentation for the California Health Facilities Financing Authority. These funds will provide

grants for capital outlay needs of local community and free clinics, including dental programs. Additionally, this proposal could be funded using local resources if deemed a local priority.

I am deleting the \$750,000 legislative augmentation to the Southern Inyo Hospital for seismic retrofitting. I am deleting this legislative augmentation to fund higher competing priorities.

I am deleting the \$20,000 legislative augmentation to La Clinica de la Raza for community outreach. While community outreach for clinical services may have merit, expanded Medi-Cal and Healthy Families services already include substantial outreach efforts.

I am deleting the \$1,000,000 legislative augmentation to the County of San Mateo for the establishment of the East Palo Alto Family Clinic. While this program may have merit, expanded Medi-Cal and Healthy Families services will improve access to care for low-income Californians, including family clinical services. I am sustaining \$50 million in this budget for a new primary care clinic grant program under the California Health Facilities Financing Authority.

Item 4260-111-0232--For local assistance, Department of Health Services. I reduce this item from \$79,680,000 to \$70,665,000.

I am reducing this item by \$9,015,000 to conform to the actions taken in Item 4260-111-0001.

Item 4260-111-0233--For local assistance, Department of Health Services. I reduce this item from \$9,166,000 to \$6,838,000.

I am reducing this item by \$2,328,000 to conform with the action taken in Item 4260-111-0233.

Item 4260-111-0236--For local assistance, Department of Health Services. I reduce this item from \$67,517,000 to \$45,457,000.

I am reducing this item by \$22,060,000 to conform with actions taken in Item 4260-111-0001.

Item 4260-117-0001--For transfer by the Controller from the General Fund to the Human Leukocyte Antigen Testing Fund (1002). I delete this item.

I am deleting the \$1,500,000 legislative augmentation for transfer to a newly established fund for blood collection and human leukocyte antigen typing for use in bone marrow transplantation. Human leukocyte antigen typing is currently available through some blood banks or donor centers. In addition, some health plans cover human leukocyte antigen testing for use in bone marrow transplantation. Also, providing widespread coverage of human leukocyte antigen typing may not be warranted, as bone marrow treatments are considered experimental in some cases. Lastly, providing one-time General Fund resources for this program could create pressure for ongoing General Fund resources when the initial funds are depleted.

Item 4260-117-1002--For local assistance, Department of Health Services. I delete this item.

I am deleting the \$1,500,000 legislative augmentation for blood collection and human leukocyte antigen typing to conform with the action taken in Item 4260-117-0001.

Item 4280-112-0236--For transfer by the Controller upon notification from the Department of Finance from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund to the Major Risk Medical Insurance Fund. I reduce this item from (\$10,000,000) to (\$5,000,000) and delete Provision 1.

I am reducing the one-time legislative augmentation for the Major Risk Medical Insurance Program to maintain its current enrollment level and to partially fund coverage of persons on the waiting list. As Proposition 99 is a declining revenue source, reserves will be needed for other high priority programs, including the growing Access for Infants and Mothers program. Further, the Legislature and the insurance industry should work together over the next year to develop market-based solutions to providing coverage to persons with resources but reduced access to private health insurance.

I am deleting Provision 1 to conform to this action.

Item 4300-003-0001--For support of Department of Developmental Services, for Developmental Centers. I delete Provisions 5 and 6 and sustain Provisions 7 and 8.

I am deleting Provision 5, which would require the Department of Developmental Services (DDS) to terminate the janitorial contracts currently in effect at the five developmental centers and rebid the contracts to include health benefits for the contract janitorial workers. The language for this item also requires DDS to use \$2 million of its existing developmental center funding to provide these health benefits. The language in Provision 5 is unnecessary because the department already has authority to amend existing contracts to add health benefits for janitors. Further, the language requires DDS to use its existing funding to provide health benefits to its developmental center janitors. This Budget provides a total of \$6 million, to be allocated by the Department of Finance, to fund health benefits for contract janitorial services on a statewide basis. Language is also included which authorizes augmentation of the amounts appropriated for this purpose. Thus, Provision 5 is unnecessary.

I am also deleting Provision 6, which would require the Department of Developmental Services to rescind the Mitigated Negative Declaration it approved on February 9, 1999, for the project known as the Facility and Security Improvements to Accommodate New Forensic and Specialized Behavior Programs at Lanterman Developmental Center. This rescission, related to facility and security improvements at Lanterman, would negate the ruling of the court in the State's favor regarding the placement of specific client categories at this facility and expose the state to attorneys' fees.

I am sustaining Provision 7, which prohibits placement of forensic clients at Lanterman Developmental Center, as the State does not intend to place any forensic patients at Lanterman Developmental Center.

I am also sustaining Provision 8, which limits the type and number of behaviorally disturbed developmentally disabled clients that may be housed at Lanterman Developmental Center and is consistent with the type and number of clients associated with this project.

Item 4300-101-0001--For local assistance, Department of Developmental Services, for Regional Centers. I reduce this item from \$999,955,000 to \$980,834,000 by reducing:

- (b) 10.10.020-purchase of Services from \$1,523,639,000 to \$1,489,483,000;
- (f) Reimbursements from -\$856,393,000 to -\$844,158,000; and
- (h) Amount payable from Developmental Disabilities Services Account (Item 4300-101-0496) from -\$3,800,000 to -\$1,000,000.

I am reducing the legislative augmentation of \$41,918,000 by \$27,546,000 (\$16,871,000 General Fund and \$10,675,000 reimbursements) for rate increases for day program and in-home respite care providers. The 2000-01 Budget provides \$66,300,000 (\$33,800,000 General Fund) for a 10 percent increase in wages for Day Program and In-Home Respite Care workers. In addition, my proposal included a 5 percent rate increase for the administrative cost of wage increases, which was omitted by the Legislature. Thus, this Budget provides for an approximate overall 8.5 percent rate increase. Funding for the administrative cost is necessary to ensure that the wages are increased as authorized, and to ensure that services are not reduced to fund the administrative costs of increased wages.

I am reducing the \$12,954,000 legislative augmentation for rate increases for supported living services (SLS) providers by \$3,810,000 (\$2,250,000 General Fund and \$1,560,000 reimbursements) to bring the rate increases for these caregivers into parity with increases provided to caregivers providing similar services to developmentally disabled clients, such as Day Program and In-Home Respite providers. The remaining augmentation, combined with the 3 percent increase for SLS providers included in the 2000-01 budget, will provide a rate increase for SLS providers commensurate with increases for other caregivers which average 10 percent for salaries and wages and 5 percent for the administrative cost of the increases.

I am deleting the \$2,800,000 Developmental Disabilities Services Account legislative augmentation provided for Affordable Housing Projects. Although this project may be meritorious, I am deleting the legislative augmentation for the program because it would deplete the fund. Further, this augmentation was not provided on a one-time basis, and no future source of funding has been identified to continue the project beyond 2000-01. The level of funding proposed in my Budget would allow the program to continue to provide eligible services to the developmentally disabled for approximately five years.

Item 4300-101-0496--For local assistance, Department of Developmental Services. I reduce this item from \$3,800,000 to \$1,000,000.

I am reducing this item by \$2,800,000 to conform to actions taken in Item 4300-101-0001.

Item 4300-490--Reappropriation, Department of Developmental Services. I revise this item by deleting Provision 2.

I am deleting Provision 2. I believe this language is unnecessarily restrictive and would have required that \$4,000,000 in unexpended funds for the purchase of services for regional center clients be reappropriated and transferred to the Department of Health Services for the California Birth Defects Monitoring Program to research causes of autism, cerebral palsy, and mental retardation. Typically, this item is used to reappropriate unexpended purchase of service funds for use in the following year to expand the services available for regional center clients. This transfer would make less money available for the developmentally disabled. Although the proposed research is meritorious, I do not concur with the means adopted by the Legislature to fund the research. I have sustained a \$30 million augmentation in the budget for the University of California (UC) Medical Investigation Neurodevelopmental Disorder (MIND) Institute, which provides research into brain development and genetic causes of developmental disorders. I am requesting the UC to use \$4,000,000 of this \$30 million augmentation to contract with an appropriate organization to continue the research started regarding the causes of autism, cerebral palsy, and mental retardation.

Item 4440-001-0001--For support of Department of Mental Health. I reduce this item from \$31,943,000 to \$29,925,000 by reducing:

- (a) 10-Community Services from \$34,465,000 to \$31,714,000;
- (e) Reimbursements from -\$11,039,000 to -\$10,306,000;

and by deleting Provision 4.

I am deleting the \$150,000 General Fund legislative augmentation related to the Early Intervention Program to conform to my action taken in Item 4440-101-0001.

I am deleting the \$70,000 (\$35,000 General Fund and \$35,000 reimbursements) legislative augmentation and one position for Early and Periodic Screening, Diagnosis, and Treatment Technical Assistance; \$2,092,000 (\$1,394,000 General Fund and \$698,000 reimbursements) legislative augmentation and six positions for mental health managed care accountability and oversight; and \$139,000 General Fund legislative augmentation and two positions for state oversight of county Children's System of Care programs. Given the high vacancy rates, which led to a reduction of 50 positions in the Department of Mental Health, additional positions are not needed. The department is already charged with oversight responsibility and the provision of technical assistance for all mental health programs. The department may also redirect positions if necessary.

I am deleting the \$300,000 General Fund legislative augmentation for an independent evaluation of the Mental Health Rehabilitation Center (MHRC) model. The Department of Mental Health is already required to complete an evaluation of the MHRC model. In addition, the department has the necessary expertise and sufficient resources to complete the required evaluation. Therefore, this augmentation is unnecessary and would duplicate current efforts.

I am deleting Provision 4 because it directs the Departments of Mental Health and Health Services to establish a long-term care mental health innovation workgroup to develop options and recommendations for improving existing models of community-based long-term care without providing any resources with which to accomplish this task. More importantly, county mental health directors are free to seek input regarding program improvements as needed.

Item 4440-011-0001--For support of State Hospitals, Department of Mental Health. I reduce this item from \$400,789,000 to \$400,066,000 by reducing:

- (b) 20.20-Long-Term Care Services-Penal Code and Judicially Committed
from \$401,897,000 to \$401,174,000.

I am reducing this item by \$723,000 to adjust for State Hospital population changes. These funds are not needed because the number of State-supported patients is lower than the estimated level. This reduction corrects an error in the level of funding provided for State Hospital population.

Item 4440-101-0001--For local assistance, Department of Mental Health. I reduce this item from \$181,210,000 to \$144,960,000 by reducing:

- (a) 10.25 Community Services – Other Treatment from \$829,760,000 to \$793,510,000;

and by deleting Provision 5.

The Budget sent to me included a Mental Health Initiative totaling approximately \$214 million (\$201 million General Fund) of which \$123 million (\$111 million General Fund) was proposed in the May Revision of my budget. I am sustaining \$155 million (\$151 million General Fund) of this amount for new and/or expanded programs which are included in the budget to meet specific over-arching mental health goals. Priority for funding has been given to programs that have proven effective in preventing institutionalization and hospitalization, and in reducing crime and meeting other goals and objectives these programs are designed to achieve. I am sustaining \$155 million for the establishment and expansion of various programs, including: Mentally Ill Offender Crime Reduction Grants (\$50 million in the Board of Corrections); Integrated Services to Homeless Adults (\$35 million); Supportive Housing programs (\$25.1 million); statewide expansion and full funding for the Children's System of Care (\$15.5 million); expansion and enhancement of substance abuse prevention and treatment services to youth and adults (\$13.4 million in the Department of Alcohol and Drug Programs); establishment of local crisis intervention and stabilization assistance services (\$6 million); Caregiver Resource Centers (\$3 million); and dual diagnosis programs for underserved populations (\$2 million).

Including the base budget of approximately \$863 million for these programs, a total of over \$1 billion is provided in the 2000-01 Budget. This represents an overall increase of 19 percent. However, the increases provided are significant and vary by program, as follows: 15 percent overall increase for programs within the Department of Alcohol and Drug Programs, with youth programs receiving a 43 percent increase; a 28 percent increase for programs within the Department of Mental Health; and a 122 percent increase for crime reduction programs within

the Board of Corrections. I am sustaining the augmentations described above; I am vetoing \$50 million General Fund as indicated below.

I am deleting the \$2,850,000 legislative augmentation to establish an Early Intervention Program. This new program would provide mental health services for infants and toddlers from birth to age three. Counties are charged with providing mental health services to residents and have been provided funding for these services through Realignment. To the extent new categorical programs are established, the responsibility for funding such programs shifts back to the State. The establishment of new categorical programs and the shift of funding responsibility back to the State for these categorical programs, circumvents the basic principles underlying Realignment, complicates program operations and administration, and reduces the counties' flexibility and responsibility to prioritize programs and determine appropriate funding levels to best meet the needs of individual local jurisdictions. Further, under my mental health proposal, the Children's System of Care (CSOC) is now fully funded statewide. If counties desire to provide these services to children from birth to age three, these services can be provided through existing Realignment or CSOC funding. Therefore, I am deleting this augmentation.

I am deleting the \$8,000,000 legislative augmentation for Alternative Residential Treatment Models for Adults. Currently, counties are fiscally responsible for clients placed in Institutes for Mental Disease and Mental Health Rehabilitation Centers. Although the Legislature included funding for these pilot projects, implementing alternative residential models would create an expectation of funding for such programs on a statewide basis, likely costing significantly more than the amount provided. Therefore, I am deleting this augmentation.

I am deleting the \$3,000,000 legislative augmentation for Community Treatment Facilities (CTFs). This augmentation would fund, as a State-only cost, a CTF supplemental rate of up to \$2,500 per child per month in addition to the amounts paid monthly per child as determined by the Department of Social Services' rate classification level (RCL) system. The RCL system is used to determine the amount paid to a facility based on numerous factors including basic sustenance costs plus the costs for services provided by the facility such as various therapeutic services.

Potential CTF providers are seeking an additional amount, \$2,500 per child per month, in addition to the RCL payment. Until a CTF is activated and actually serving clients, no basis will exist to ascertain whether the additional payment is necessary to meet the needs of the child. Therefore, I am deleting this augmentation.

I am reducing by \$6,900,000 the \$42,500,000 legislative augmentation for Integrated Services for Homeless Adults. I proposed \$6,900,000 in Substance Abuse and Mental Health Services Administration (SAMHSA) federal block grant funds for this program. The Legislature replaced the federal funds with \$6,900,000 from the General Fund. I am supportive of efforts in this area, but I believe that federal funds should also be used when available for this purpose. Therefore, I am deleting the General Fund augmentation, which replaced the federal funding I proposed, and am directing the Department of Mental Health to submit a Section 28.00 application to request federal funding reduced from other programs to be used for this program. This action conforms to my action taken on the related federal funds in Item 4440-101-0890.

I am deleting the \$5,500,000 legislative augmentation for suicide prevention, education, and gatekeeper training. This augmentation would establish a new program to provide local suicide prevention services. Counties are charged with providing mental health services to residents and have been provided funding for these services through Realignment. To the extent new categorical programs are established, the responsibility for funding such programs reverts to the State. The creation of new categorical programs and the shift of funding responsibility back to the State for these categorical programs, circumvents the basic principles underlying Realignment, complicates program operations and administration, and reduces the counties' flexibility and responsibility to prioritize programs and determine appropriate funding levels to best meet the needs of individual local jurisdictions. If counties desire to provide this training, the program can be implemented and supported through existing resources. Therefore, I am deleting this augmentation.

I am deleting the \$10,000,000 legislative augmentation for the Respite Assistance Program. This augmentation would provide resources for local respite assistance services and could constitute a new state-funded entitlement program. Counties are charged with providing mental health services to residents and have been provided funding for these services through Realignment. To the extent new categorical programs are established, the responsibility for funding such programs reverts to the State. The creation of new categorical programs and the shift of funding responsibility back to the State for these categorical programs, circumvents the basic principles underlying Realignment, complicates program operations and administration, and reduces the counties' flexibility and responsibility to prioritize programs and determine appropriate funding levels to best meet the needs of individual local jurisdictions. If counties desire to provide respite assistance programs, such programs can be implemented and supported through existing resources

I am deleting Provision 5, which would require development of a plan for mental health program quality improvement to conform to action taken in Item 4440-001-0001.

I am sustaining \$30,000 for the Armenian Relief Society psychological outreach program. However, I am sustaining this augmentation on a one-time basis, to fund the program only through June 30, 2001.

Item 4440-101-0890--For local assistance, Department of Mental Health. I reduce this item from \$48,114,000 to \$40,214,000 by reducing:

(a) 10.25-Community Services-Other Treatment from \$44,264,000 to \$36,364,000.

I am deleting the \$4,900,000 legislative augmentation for Client and Family Empowerment Challenge Grants. I proposed to use these Substance Abuse and Mental Health Services Administration (SAMHSA) federal funds to augment integrated services for homeless adults, a program that has proven to be successful and cost-effective. The Legislature, instead, used the federal funds to establish Client and Family Empowerment Challenge Grants, a new program without specific details and goals. This program would fund local services and could create an expectation of establishing a new statewide, State-funded program. Counties are charged with providing mental health services to residents and have been provided funding for these services

through Realignment. Counties currently have funding and the authority to create local programs, such as this, at county discretion. Further, under my mental health proposal, the Children's System of Care, which also provides services to children and their families, is fully funded. If counties desire to provide these services, such services can be implemented and supported through existing resources. Therefore, I am deleting this augmentation and setting aside the funds for other purposes, as noted below.

I am also deleting the \$3,000,000 legislative augmentation for the Older Adult Pilot Program. I proposed \$2,015,000 for this purpose based on my assessment of what would be reasonable for a new pilot program, given planning and contracting lead times. I believe the \$2,015,000 I proposed is reasonable; therefore, I am deleting this augmentation and setting aside the funds for other purposes.

I am directing the Department of Mental Health to submit a Section 28.00 application to request that the entire \$7,900,000 in federal funds, made available by the above deletions, be used for integrated services for homeless adults.

Item 4440-102-0001--For local assistance, Department of Mental Health (Proposition 98) for early mental health services. I reduce this item from \$20,000,000 to \$15,000,000 and delete Provision 1.

I am deleting the \$5,000,000 legislative augmentation for the Early Mental Health Initiative. There is currently \$15,000,000 for this program allocated to public elementary schools. While this augmentation would serve to expand the program, this increase would cause a permanent increase in the Proposition 98 base. Therefore, I am deleting the augmentation.

Consistent with the funding reduction, I am also deleting Provision 1, which would have expanded the program to 4th through 6th grade.

Item 4700-101-0001--For local assistance, Department of Community Services and Development. I reduce this item from \$13,450,000 to \$13,000,000 by reducing:

(b) 47-Naturalization Services from \$7,450,000 to \$7,000,000.

I am deleting the \$400,000 legislative augmentation for the Los Angeles County Department of Community Senior Services and the \$50,000 legislative augmentation for the Coastside Opportunity Center in San Mateo County. Both of these programs provide naturalization services to legal immigrants. The department's base budget, however, already includes \$7,000,000 General Fund for assistance to organizations that provide naturalization services. In addition, the California Department of Education budget includes federal funding of \$12.3 million for adult education literacy classes, including English as a Second Language, which provide citizenship and naturalization services for legal immigrants. Lastly, school districts have the flexibility to use a portion of the \$574 million in Proposition 98 funds available for adult education programs to provide English and citizenship classes, consistent with local needs and priorities.

Item 5100-001-0001--For support of Employment Development Department. I reduce this item from \$30,776,000 to \$30,585,000 and delete Provision 2.

I am reducing this item by \$25,000 to conform to the action I have taken in Item 5100-001-0870 relating to the North American Free Trade Agreement and Trade Adjustment Assistance programs.

I am also reducing this item by \$166,000 and deleting Provision 2 to conform to the action I have taken in Item 5100-001-0870 relating to Operation Youth Educational Services in Los Angeles County.

Item 5100-001-0869--For support of state programs under the Job Training Partnership Act and the Workforce Investment Act, Employment Development Department. I delete Provision 4.

I am deleting Provision 4, which would allocate \$10 million of Workforce Investment Act discretionary funds to local Workforce Investment Boards for summer youth programs. I believe this Provision interferes with the Administration's ability to target funds for needed planning or local employment activities, and it is my intent that the California Workforce Investment Board have maximum input over the use of discretionary Workforce Investment Act funds.

Furthermore, since 2000-01 will be the first year under the Workforce Investment Act, I have a heightened concern that it may be premature to establish uses of these discretionary funds until the Board can determine how the funds can best serve the State workforce. Lastly, California will receive \$8.5 million more for California youth programs in 2000-01 under the Workforce Investment Act than it did in 1999-00 under the Job Training Partnership Act.

Item 5100-001-0870--For support of Employment Development Department. I revise this item by reducing:

- (a) 10-Employment and Employment Related Services from \$211,537,000 to \$211,346,000; and
- (h) Amount payable from the General Fund (Item 5100-001-0001) from -\$30,776,000 to -\$30,585,000;

and by revising Provision 3.

I am sustaining \$75,000 of the \$100,000 General Fund legislative augmentation for support of the Employment Development Department to evaluate the North American Free Trade Agreement and Trade Adjustment Assistance programs. The evaluation may be useful to the federal government in improving these programs.

I am, however, deleting \$25,000 of this \$100,000 General Fund augmentation requiring new state initiatives concerning trade-related worker training and job placement. This language is an infringement on the Executive Branch's budget development process and restricts my authority to prepare a budget which reflects my spending priorities within available fiscal resources.

I am also deleting the \$166,000 General Fund legislative augmentation for Operation Youth Educational Services in Los Angeles County because this organization could seek funding from its local Workforce Investment Board. That Board can provide U.S. Department of Labor Welfare-to-Work grants and federal Workforce Investment Act funding for local employment programs such as this.

I am also deleting position authority for two positions added by the Legislature for use in implementing the Caregiver Training Initiative that I proposed. I believe that sufficient salary savings exists within the department's budget so that additional position authority is not needed. Therefore, I am deleting the new position authorizations and sustaining the \$140,000 required to fund two positions elsewhere in the department that are currently vacant and unfunded and which can be transferred to support this program. By taking this action, the legislative augmentation will enhance the success of this Administration initiative without adding new position authority to the department's budget.

I am revising Provision 3 to conform to this action.

“3. The Department shall submit to the Legislature, on or before April 1, 2001, a report that evaluates the state's current North American Free Trade Agreement and trade assistance programs and that appraises the Legislature of opportunities relative to new strategic partnerships, improving measurement of program outcomes and tracking of program beneficiaries, improving identification and mapping of populations and sectors of the state economy that are impacted by trade, and improving outreach and services to those populations and sectors of the state economy. ~~This report shall also propose new state initiatives that build local capacity for the identification of trade impacted communities, worker training, and on-the-job training, and job placement.~~”

Item 5100-101-0001--For local assistance, Employment Development Department. I reduce this item from \$2,360,000 to \$1,000,000 by reducing:

- (1) 67-At-Risk Youth Demonstration Project from \$2,000,000 to \$1,000,000;

and by deleting:

- (2) 70-Employment Programs (\$360,000).

I am sustaining \$1,000,000 of the \$2,000,000 legislative augmentation for the California Youthbuild Program on a one-time basis only. While I am supportive of efforts in this area, I am sustaining only a portion of this augmentation because the budgets of the Employment Development Department and the California Department of Education provide substantial state and federal funds for youth employment programs. These programs provide training and services for economically disadvantaged youth to prepare them with the skills necessary to obtain unsubsidized employment, to complete secondary or post-secondary education, to gain entrance to military service, or to obtain qualified apprenticeship.

I am deleting the \$250,000 legislative augmentation for the Los Angeles Opportunities Industrialization Center. I believe that this project should continue to be funded at the local, rather than the state, level.

I am also deleting the \$110,000 legislative augmentation for the Sacramento County Blind Jobs Initiative. The Department of Rehabilitation currently offers programs such as the Vocational Rehabilitation Services Program, the Orientation Center for the Blind, and the Business Enterprise Program, which provide funding to enable the visually impaired to take advantage of employment opportunities throughout the state, including Sacramento County. Furthermore, the Department of Rehabilitation is a mandatory participant in federal Workforce Investment Act One-Stop Centers, including a Center in Sacramento, where visually impaired job applicants can receive additional employment services.

Item 5100-102-0001--For local assistance, Employment Development Department. I sustain this item.

I am sustaining the \$2,000,000 legislative augmentation for employment programs for seasonal farm workers. Prior to the expenditure of any of these funds, however, the Director of the Employment Development Department must review all existing or newly available funding sources for employment services programs and all discretionary funding sources and determine whether these funds could be used for this effort. If so, these non-General Fund resources must be used prior to the expenditure of any General Fund resources. The General Fund may only be used after the Health and Human Services Agency demonstrates to the Director of Finance that no other funding is available.

Item 5120-001-0001--For support of California Workforce Investment Board. I delete this item and Provision 1.

I am deleting the \$700,000 legislative augmentation for the performance-based accountability system for California workforce preparation programs. Currently, these costs are reimbursed by participating entities through Interagency Agreements with the Employment Development Department. The \$700,000 General Fund augmentation, in lieu of using Interagency Agreements and reimbursements from participating agencies, creates a new General Fund cost without completing additional tasks. Consequently, I am deleting this augmentation.

I am deleting Provision 1 to conform to this action.

Item 5160-001-0001--For support of Department of Rehabilitation. I reduce this item from \$47,037,000 to \$46,682,000 by reducing:

- (a) 10-Vocational Rehabilitation Services from \$317,135,000 to \$315,469,000; and
- (h) Amount payable from the Federal Trust Fund (Item 5160-001-0890) from -\$267,370,000 to -\$266,059,000.

I am deleting \$1,666,000 (\$355,000 General Fund and \$1,311,000 Federal Trust Fund) of the \$1,811,000 (\$386,000 General Fund and \$1,425,000 Federal Trust Fund) legislative augmentation in this item for a 20 percent wage pass-through for the Work Activity Program, because the budget already includes the required 4.4 percent statutory rate increase for this program. However, I am sustaining \$145,000 (\$31,000 General Fund and \$114,000 Federal Trust Fund) of the augmentation to provide for an overall 6.0 percent increase.

A conforming reduction is made to Item 5160-101-0001, which contains a local assistance augmentation for this same purpose.

Item 5160-001-0890--For support of Department of Rehabilitation. I reduce this item from \$267,370,000 to \$266,059,000.

I am reducing this item by \$1,311,000 to conform to the action taken in Item 5160-001-0001.

Item 5160-101-0001--For local assistance, Department of Rehabilitation. I reduce this item from \$105,542,000 to \$100,098,000 by reducing:

- (b) 20-Habilitation Services from \$112,955,000 to \$107,422,000;
- (c) 30-Support of Community Facilities from \$13,508,000 to \$12,758,000; and
- (d) Reimbursements from-\$13,246,000 to-\$12,407,000.

I am deleting \$5,533,000 (\$4,694,000 General Fund and \$839,000 reimbursements) of the \$6,014,000 (\$5,102,000 General Fund and \$912,000 reimbursements) legislative augmentation in this item for a wage pass-through for the Work Activity Program. This conforms to my action in Item 5160-001-0001.

I am also deleting \$750,000 of the \$3,000,000 General Fund legislative augmentation for Independent Living Centers (ILCs) to provide assistive technology services. This augmentation is related to Chapter 493, Statutes of 1999 (AB 873), which I signed with the understanding that it simply added assistive technology services to the list of services that ILCs shall provide to clients when those services are necessary and that assessments would first have to be conducted to determine that necessity. As the ILCs must first assess clients, the entire augmentation to provide services will not be needed during 2000-01. Therefore, I am sustaining \$2,250,000 in one-time funding to allow ILCs to perform these assistive technology assessments of their clients and to begin providing services as they are found necessary, with future funding to be determined following the conclusion of the assessments.

Item 5180-001-0001--For support of Department of Social Services. I reduce this item from \$97,905,000 to \$95,532,000 by reducing:

- (a) 16-Welfare Programs from \$72,486,000 to \$71,316,000;
- (b) 25-Social Services and Licensing from \$140,734,000 to \$139,446,000;

- (h) Amount payable from the Federal Trust Fund (Item 5180-001-0890) from -\$307,512,000 to -\$307,427,000;

and by revising Provision 7 and by deleting Provision 8.

I am sustaining \$1,000,000 of the \$2,000,000 one-time General Fund legislative augmentation for the Emergency Food Assistance Program for local food bank programs. This will provide one-year funding for the expansion of refrigeration space and the purchase of vehicles and other equipment that would be used directly for the purchase, delivery, or distribution of food.

I am revising provision 7 to conform to this action.

“7. Of the amount appropriated in this item, ~~\$2,000,000~~ \$1,000,000 shall be allocated on a one-time basis to local food bank programs to expand refrigeration space, purchase vehicles, or purchase other equipment that would be directly used for the purchase, delivery, or distribution of food products or for other uses that would allow food banks to increase the amount of food they can receive and distribute. The allocation process for this funding shall be developed by the Department of Social Services. It is the intent of the Legislature that the department formulate guidelines for allowing food banks to use funds over two fiscal years, under appropriate circumstances. To achieve this, the funds in this provision shall be available for expenditure by the department until June 30, 2002.”

I am deleting the \$1,288,000 General Fund legislative augmentation to provide more frequent licensing visits to family child care homes. I am taking this action because no analysis has been done to determine the need for or impact of increased visits, and therefore this proposal is premature. Furthermore, the Department of Social Services reports it cannot perform these duties without new positions.

I am deleting Provision 8 to conform to this action.

I am deleting the legislative augmentation of \$85,000 General Fund and \$85,000 Federal Trust Fund and one position to provide administrative support and an evaluation of a pilot program that would provide supplemental child care payments to relative and foster care providers to conform to actions taken in Item 5180-101-0001.

Item 5180-001-0890--For support of Department of Social Services. I reduce this item from \$307,512,000 to \$307,427,000.

I am reducing this item to conform to the actions taken in Item 5180-001-0001.

Item 5180-101-0001--For local assistance, Department of Social Services. I reduce this item from \$2,591,719,000 to \$2,588,995,000 by reducing:

- (a) 16.30-CalWORKs from \$5,392,314,000 to \$5,356,898,000;
 - (1) 16.30.010-Assistance from \$3,188,040,000 to \$3,170,624,000;
 - (2) 16.30.020-Services from \$1,085,150,000 to \$1,067,150,000;
- (b) 16.40-Foster Care from \$907,165,000 to \$904,441,000;
- (i) Amount payable from the Federal Trust Fund (Item 5180-101-0890) from -\$3,961,398,000 to -\$3,925,982,000;

I am deleting the \$2,724,000 General Fund legislative augmentation for supplemental child care payments to relative and foster care providers and directing that the Department of Social Services not select sites to implement a pilot program to provide those payments. Foster care providers are paid a monthly rate for the care and supervision of the child placed with them. Given that a portion of the foster care rate is for the purpose of providing daily supervision of the foster child, the proposed child care supplement is duplicative.

I am deleting the \$18,000,000 Federal Trust Fund legislative augmentation to provide a \$50 monthly work expense supplement to wage-based community service employment participants. Providing work expense supplements to this population would reduce their incentive to move from community service employment to non-subsidized employment. In addition, counties currently may use performance incentive funds or their services allocation to pay work specific expenses for wage-based community service employment participants or other CalWORKs recipients if they determine that these reimbursements are needed to assist CalWORKs recipients move from welfare to work. The Budget already includes \$1.0 billion for CalWORKs county performance incentives and employment services.

I am deleting the \$17,416,000 Federal Trust Fund legislative augmentation to exempt the value of one automobile from consideration under the CalWORKs asset limit. This exemption would expand CalWORKs program eligibility and result in additional grant and county administration costs. The Budget already includes \$5.6 billion to provide CalWORKs grants and services in the Department of Social Services and other state agencies.

Item 5180-101-0890--For local assistance, Department of Social Services. I reduce this item from \$3,961,398,000 to \$3,925,982,000.

I am reducing this item to conform to actions taken in Item 5180-101-0001.

Item 5180-151-0001--For local assistance, Department of Social Services. I reduce this item from \$709,678,000 to \$699,776,000 by reducing:

- (a) 25.25-Children's Services from \$1,667,750,000 to \$1,653,973,000;
 - (1) 25.25.010-Child Welfare Services from \$1,534,146,000 to \$1,523,735,000;

- (3) 25.25.030-Child Abuse Prevention from \$34,790,000 to \$31,424,000;
- (b) 25.35-Special Programs from \$145,885,000 to \$145,711,000;
- (2) 25.35.020-Access Assistance for the Deaf from \$5,978,000 to \$5,804,000;
- (c) 25.45-Community Care Licensing from \$19,397,000 to \$19,185,000;
- (f) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from -\$1,057,320,000 to -\$1,053,059,000;

and by revising Provision 7 and by deleting Provision 13.

I am deleting a \$5,700,000 General Fund and \$3,961,000 Federal Trust Fund legislative augmentation to increase the number of social workers, pending a review of the child welfare services budget methodology. I am supportive of efforts in this area and already have included in the Budget \$221.1 million (\$108.6 million General Fund) in augmentations above the level supported by the current workload standards. Given this significant investment above the base program, and as it is unlikely that counties will be able to recruit additional social workers above this funding level, an additional augmentation is unnecessary. The amount of funding I proposed in the May Revision Child Welfare Services Initiative will allow counties statewide to hire an additional 500 social workers.

I am revising Provision 7 to conform to this action.

“7. Of the amount appropriated in this item, ~~\$135,593,000~~ \$125,932,000 shall be provided to counties to fund additional child welfare service activities and shall be allocated based on child welfare services caseload and county unit costs. However no county shall receive less than \$100,000. These funds shall be expressly targeted for emergency response, family reunification, family maintenance and permanent placement services and shall be used to supplement, and shall not be used to supplant, child welfare services funds. A county is not required to provide a match of the funds received pursuant to this provision if the county appropriates the required full match for the county’s child welfare services program exclusive of the funds received pursuant to this provision. These funds are available only to counties that have certified that they are fully utilizing the Child Welfare Services/Case Management System (CWS/CMS) or have entered into an agreed upon plan with the State Department of Social Services outlining the steps that will be taken to achieve full utilization. [The] department shall reallocate any funds that counties choose not to accept under this provision, to other counties based on the allocation formula specified in this provision.

The department, in collaboration with the County Welfare Directors Association and representatives from labor groups representing social workers, shall develop the definition of full utilization of the CWS/CMS, the method for measuring full utilization, the process for the state and counties to work together to move counties toward full utilization, and measurements of progress toward full utilization.”

I am deleting the \$450,000 General Fund legislative augmentation for the Grandparent Respite Program pilot. This proposal seeks to establish an ongoing program with funds that are available only on a one-time basis. Further, counties already may fund respite care services either from their child welfare services program or from one of the existing specialized care programs. Therefore, establishing a pilot program for this purpose is unnecessary.

I am deleting the \$3,366,000 General Fund legislative augmentation to expand the Juvenile Crime Prevention Program. If counties wish to start up new program sites, they could undertake this effort using existing base funding such as Comprehensive Youth Services Act funding, as established by Chapter 270, Statutes of 1997. Counties have approximately \$168 million of this funding available for similar purposes. Further, for new program sites that meet the requirements for Temporary Assistance for Needy Families funding, counties collectively have approximately \$1.1 billion in unspent discretionary incentive funding that has been appropriated through 1999-00, and will receive an additional \$250 million in performance incentives in 2000-01.

I am deleting the \$174,000 General Fund augmentation for a three percent cost-of-living adjustment for Access Assistance for the Deaf. This augmentation represents a general three percent program augmentation, rather than a true provider rate increase. In the Budget Act of 1998, the program received a \$2.5 million augmentation to expand services to all 58 counties for a total program funding level of \$5.8 million. This represented a 75 percent baseline increase over prior year funding levels.

I am deleting the \$212,000 General Fund legislative augmentation to provide more frequent licensing visits to family child care homes and Provision 13, which specifies the use of the funds, to conform to the action taken in Item 5180-001-0001.

I am sustaining a \$200,000 legislative redirection of county Independent Living Program (ILP) funds for support of the current activities of the California Youth Connection (CYC); however, there is no justification to support additional funding. Therefore, I am deleting \$300,000 Federal Trust Fund, which the Legislature redirected for support of an expanded CYC. Further, in consultation with stakeholders, the department currently is developing statewide ILP standards to be followed by county programs. This redirection for CYC expansion would foreclose options for the counties in implementing and/or expanding their programs based on the new standards.

Item 5180-151-0890--For local assistance, Department of Social Services. I reduce this item from \$1,057,320,000 to \$1,053,059,000 and delete Provision 2.

I am reducing this item by \$4,261,000 to conform to the action taken in Item 5180-151-0001.

I am deleting Provision 2, which would have required the Department of Social Services to redirect \$560,000 from county allocations for the Independent Living Program (ILP) to establish a financial assistance program to facilitate the educational goals of former foster youth. I am supportive of efforts in this area and provided \$3.5 million General Fund to establish the Stipends for Emancipated Youth program. This program will provide stipends to ILP youth for additional one-time needs such as assisting with finding affordable housing, college textbooks,

employment searches, emergency personal needs, and transportation vouchers. Further, in consultation with stakeholders, the department currently is developing statewide ILP standards to be followed by county programs. This redirection would foreclose options for the counties in implementing and/or expanding their programs based on the new standards.

Item 5240-001-0001--For support of Department of Corrections. I reduce this item from \$3,994,703,000 to \$3,984,093,000 by reducing:

- (a) 21-Institution Program from \$2,980,012,000 to \$2,979,762,000;
- (b) 22-Health Care Services Program from \$585,480,000 to \$585,080,000;
- (c) 31-Community Correctional Program from \$525,856,000 to \$515,896,000;

and by deleting Provisions 11, 12, 13, 14, 15, 17, 18, 19, 21, 23, and 25, and by revising Provision 24.

I am deleting \$400,000 included to contract for a study of the performance of the Department's health care delivery system and associated information technology system needs, to be submitted to the Legislature by March 1, 2001. The Department is currently undertaking various evaluations and studies focused on different aspects of the health care program. This study would potentially overlap with these efforts. Also, it is not clear that a study as comprehensive as proposed could be successfully accomplished within the level of resources provided, potentially undermining the helpfulness of any findings and recommendations.

I am deleting Provision 11 to conform to this action.

I am deleting Provision 12, which prohibits the Department of Corrections from adopting regulations that require individuals to send packages to inmates via the services of third-party vendors. I believe this provision is unduly restrictive. Furthermore, this provision would hinder the Department's ability to make administrative decisions necessary to reduce the flow of drugs and other illegal contraband in mailed packages to prison inmates in an efficient and economical fashion, and may negatively effect the security and safety of inmates and staff.

I am deleting Provision 13, which requires the Department of Corrections to ensure that all posted first and second supervisory positions are fully staffed. I believe this provision may have an adverse affect on the Department's flexibility to manage its personnel and programs.

I am deleting the \$960,000 legislative augmentation to provide funding to increase the daily rate paid for 500 contracted re-entry work furlough beds. The Department of Corrections currently contracts for re-entry work furlough beds with different vendors and at varied rates that have been determined through a competitive bid process. There is no evidence to indicate that the current funding level is insufficient to attract qualified bidders or that there is a need to increase the daily rate for this 500-bed re-entry work furlough program expansion. Therefore, I believe the legislative augmentation is unnecessary at this time.

I am deleting Provision 14 to conform to this action.

I am deleting Provision 15, which requires the Department of Corrections to notify the Chairperson of the Joint Legislative Budget Committee and both fiscal committees, on a quarterly basis, of any payment over \$100,000 made to an individual or organization to settle a lawsuit or satisfy a legal judgment. I believe this provision is unnecessary because I have already directed state agencies to provide this type of information to the Legislature.

I am deleting Provision 17, which requires the Department of Corrections to revert any unexpended special repair project funds. I believe this provision would unduly impede the flexibility of the Department in managing its facilities in a manner that best protects the safety of staff and inmates.

I am deleting the \$250,000 legislative augmentation for conducting psychological evaluations of correctional officers promoting to supervisory positions. I believe that the benefits of the proposed augmentation do not justify the cost.

I am deleting Provision 18 to conform to this action.

I am deleting Provision 19, which requires the Department of Corrections to report, in consultation with the Department of Health Services, to the Legislature within 60 days of the enactment of the 2000 Budget Act regarding the safety of using the Secure 1000 technology. This provision would also require the Department to suspend its use of the Secure 1000 technology during this 60-day period. Suspending the use of the Secure 1000 technology could allow the passage of contraband into prisons, which could pose a public safety and security risk for visitors, staff, and inmates. I will, however, direct the Department to evaluate the potential impact of the Secure 1000 technology on the health of those exposed to the equipment.

I am deleting the \$1,000,000 legislative augmentation for a Global Positioning System pilot project. While I am supportive of efforts to increase public safety through increased supervision of parolees, the benefits of this technology in enhancing public safety are unknown.

I am deleting Provision 21 to conform to this action.

I am deleting the \$2,200,000 legislative augmentation to provide enhanced services for parolees assisted through the Transitional Case Management Program for mentally disordered offenders. This augmentation represents partial funding for a significantly more costly program that would provide mental health services for the duration of the period the offender is under state parole supervision. The budget I submitted already includes \$2,600,000 to provide up to 90 days of case management and mental health services for mentally ill parolees. After 90 days, case management efforts are transitioned to a long-term case manager in the community. Since appropriate care and treatment efforts for mentally ill parolees are transitioned to community caregivers, this augmentation is unnecessary and duplicative. In addition to the funding noted above, the budget includes \$50,000,000 for Mentally Ill Offender Crime Reduction grants for award to local governments to expand or establish programs that reduce crime and criminal justice costs related to mentally ill offenders.

I am deleting Provision 23 to conform to this action.

I am also deleting \$2,800,000 of the \$4,800,000 legislative augmentation for an expansion of the Preventing Parolee Crime Program. This action will leave an adequate level of funding for parolee services to protect the public's safety and reduce recidivism.

I am revising Provision 24 as follows to conform to this action:

- “24. (a) Of the funds appropriated in this item, ~~\$4,400,000~~ \$1,900,000 shall be available to expand the Preventing Parolee Crime Program. For the purpose of reducing recidivism, priority for services provided through these funds shall be given to parolees who have two serious or violent felony convictions.
- (b) Of the funds appropriated in this item, ~~\$400,000~~ \$100,000 shall be available for administration and evaluation of targeting Preventing Parolee Crime Program funds for parolees who have two serious or violent felony convictions. The Department of Corrections shall report to the Legislature, by January 1, 2003 on the effectiveness of this program.”

I am deleting the \$3,000,000 legislative augmentation to increase funding for parole casework services to assist parolees in transitioning back into the community. While I am supportive of such efforts to assist parolees, the Department of Corrections budget already includes sufficient funding to expand parole services in the budget year.

I am deleting Provision 25 to conform to this action.

As part of this budget, I am approving \$10,000,000 in funding for expanding the Department's basic correctional officer academy from 10 weeks to 16 weeks consistent with the Commission on Correctional Peace Officer Standards and Training report. However, I am directing the Department to prepare a plan outlining how the funds will be used to expand the academy. Specifically, this plan shall identify the resources needed to provide adequate support for the expansion as well as any capital improvements necessary to accommodate additional correctional officer cadets attending the academy. This plan shall be submitted to the Department of Finance for review and approval prior to any expenditure of funds for this purpose.

Item 5240-005-0001--For support of Department of Corrections. I am revising this item by deleting Provision 1.

I am deleting Provision 1, which authorizes the transfer of \$19,582,000 to Item 5240-001-0001, only after the Director of Corrections provides documentation outlining the proposed reductions contained in the Department's initial administrative restructuring plan. The information being requested represents working documents for use in preparing the Administration's budget and, as such, is privileged.

Item 5240-102-0001--For local assistance, Department of Corrections. I delete this item and Provision 1.

I am deleting the \$300,000 legislative augmentation provided to Tulare County for the purpose of funding portable inmate housing units. I am vetoing this item to fund higher competing priorities.

I am deleting Provision 1 to conform to this action.

Item 5240-301-0001--For capital outlay, Department of Corrections. I reduce this item from \$98,763,000 to \$98,638,000 by deleting:

(18.5) 61.09.512-CMF, Vacaville: New Medical Exam Facility-preliminary plans and working drawings (\$125,000);

and by deleting Provisions 4 and 5.

I am deleting the \$125,000 legislative augmentation for the New Medical Exam Facility at California Medical Facility, Vacaville. While this project may be meritorious, I am deleting the funding because it is premature. I understand that the department has not yet completed an evaluation of solutions for this facility.

I am deleting Provision 4 of this item, which limits the future cost of construction on the Folsom State Prison Pretreatment system to the current estimated construction cost, because the language is unnecessarily restrictive.

I am also deleting Provision 5 of this item, which restricts the use of Inmate Day Labor on major capital outlay projects because the language is also unnecessarily restrictive. It limits the Administration's ability to select the fastest or most cost-effective construction delivery method. In addition, I do not support limiting the department's ability to keep inmates employed in productive jobs.

Item 5430-001-0001--For support of Board of Corrections. I reduce this item from \$2,306,000 to \$2,056,000 by reducing:

(a) 11-Corrections Planning and Programs from \$784,000 to \$534,000;

and by deleting Provision 1.

I am deleting the \$250,000 legislative augmentation for a statewide Global Positioning System pilot project. While I am supportive of efforts to enhance public safety through increased supervision of probationers, the benefits of this technology in improving public safety are unproven.

I am deleting Provision 1 to conform to this action.

Item 5430-103-0001--For local assistance, Board of Corrections. I revise this item by deleting Provision 5.

I am deleting Provision 5, which would require the Board of Corrections to give priority for grant awards to counties that would have received funding, had an additional \$10,000,000 been available, under the Budget Act of 1999. I am deleting this provision because it would unduly impinge upon the ability of the Board of Corrections to award grants for the most meritorious proposals. Deleting this provision will allow the Board of Corrections to award grants for those proposals that have the most beneficial impact upon reducing the involvement of mentally ill offenders in the criminal justice system.

Item 5430-117-0001--For local assistance, Board of Corrections. I delete this item and Provision 1.

I am deleting the \$7,500,000 legislative augmentation to fund the DISARM (Developing Increased Safety through Arms Recovery Management) program, which would provide local assistance funding to local law enforcement agencies to more actively enforce compliance with court-ordered conditions of probation prohibiting the possession of weapons. I am deleting the funds because this is a new and not well-defined program. However, I am supportive of the basic concept. Therefore, I am directing the Board of Corrections to evaluate the effectiveness of similar programs in other states and make recommendations relating to the potential implementation of such a program in California, including the appropriate funding level.

I am deleting Provision 1 to conform to this action.

Item 5430-122-0001--For local assistance, Board of Corrections. I reduce this item from \$1,000,000 to \$200,000.

I am reducing this legislative augmentation for the City of Lodi Police for remodeling a police station by \$800,000. I am reducing this item to fund higher competing priorities.

Item 5430-123-0001--For local assistance, Board of Corrections. I delete this item and Provision 1.

I am deleting the \$1,000,000 legislative augmentation provided to the Galt Police Department to remodel a police station. I am deleting this item to fund higher competing priorities.

I am deleting Provision 1 to conform to this action.

Item 5430-125-0001--For local assistance, Board of Corrections. I reduce this item from \$1,200,000 to \$500,000.

I am reducing this legislative augmentation for the City of Citrus Heights Police Service Center by \$700,000. I am reducing this item to fund higher competing priorities.

Item 5440-002-0001--For support of the Board of Prison Terms. I delete this item and Provision 1.

I am deleting the \$1,250,000 legislative augmentation and Provision 1 that specifies that this funding is only available to provide services for parolees with developmental disabilities, serious mental illnesses, or substance abuse problems. Funding for this purpose is already included within the funding appropriated to the Department of Corrections. This augmentation, consequently, is unnecessary.

I am directing the Youth and Adult Correctional Agency to coordinate efforts between the Board of Prison Terms and the Department of Corrections to ensure that individual parolees identified by the Board as being suitable for treatment or other services, and subsequent to a determination that such parolees do not constitute a likely danger to the public, receive such treatment or services within the financial resources appropriated to the Department of Corrections for such purposes.

Item 5460-001-0001--For support of Department of the Youth Authority. I reduce this item from \$287,088,000 to \$280,099,000 by reducing:

- (a) 20-Institutions and Camps from \$305,671,000 to \$300,182,000;
- (b) 30-Parole Services from \$48,242,000 to \$46,957,000;
- (c) 40-Education Services from \$12,383,000 to \$12,318,000;
- (d) 50.01-Administration from \$26,997,000 to \$26,197,000;
- (e) 50.02-Distributed Administration from -\$24,783,000 to -\$24,133,000;

and by deleting Provisions 4, 5, 6, 7, 8 and 9.

The Legislature augmented this item by \$1,000,000 and 12.0 personnel years to lengthen the basic cadet academy from 10 weeks to 16 weeks, consistent with the Commission on Correctional Peace Officers' Standards and Training report. I believe there is a need for additional training of Youth Authority personnel. However, I am reducing the \$1,000,000 legislative augmentation by \$650,000 and 12.0 personnel years to reflect the actual level of resources required to accomplish the academy expansion by March 1, 2001.

I am deleting the \$2,764,000 legislative augmentation and 25.2 personnel years to provide additional mental health, sex offender, and drug treatment services to Youth Authority wards and parolees. The need for the level of services assumed in the augmentation is unclear. In addition, the ongoing costs of the programs as proposed will be significant. I will, however, consider signing legislation that clearly identifies treatment needs, authorizes effective programs scaled to address the actual level of need, and provides the level of resources necessary to fund a more finely-tuned and cost-effective program.

I am deleting Provisions 5, 6, 7, 8, and 9 to conform to this action.

The Legislature augmented this item by \$3,575,000 and 50.2 personnel years to enhance institution and parole staffing levels. I support adequate staffing for these functions. However, the need for these increases is unclear at this time. I am, therefore, deleting this augmentation. I am directing the new Director of the Youth Authority to evaluate the Department's staffing during the course of reviewing its operations and programs.

I am deleting Provision 4 which requires the Youth Authority to develop an analysis of the Ombudsperson Program in a report to be submitted to the Legislature on or before March 1, 2001. Because the Ombudsperson Program will not be implemented until the fiscal year 2000-01, an analysis of program results by March 1, 2001, would be premature.

Item 6110-001-0001--For support of Department of Education. I reduce this item from 47,682,000 to 46,246,000 by reducing:

- (a) 10-Instruction from \$54,104,320 to \$52,484,000;
- (b) 20-Instructional Support from \$66,935,000 to \$65,599,000;
- (c) 30-Special Programs from \$40,493,680 to \$40,427,000;
- (i) Amount payable from Federal Trust Fund (Item 6110-001-0890) from -\$107,564,000 to -\$105,977,000;

and by revising Provision 18 and deleting Provision 31.

I am reducing Schedule (a) by \$133,320, Schedule (c) by \$66,680, and three positions to conform to my action to delete the local assistance augmentation for the Migrant Education Even Start Program. The effect of these reductions is to eliminate the legislative augmentation of \$200,000 and three positions to support the expansion of the program.

I am reducing Schedule (b) by \$500,000 to eliminate the legislative augmentation for establishment of a clearinghouse for digital audio and other accessible products and services at the Department of Education, and provide referral services for pupils who are visually impaired. The Superintendent of Public Instruction is already required by statute to make certain materials and information available throughout the State, and to provide specific services to various student populations. This augmentation appears to be for this same purpose, which should be a higher priority for the Superintendent's existing resources than other, more discretionary programs. Additionally, this augmentation would result in pressure on the General Fund in future years to support this activity. I am also deleting Provision 31 to conform to this action.

I am reducing Schedule (b) by \$100,000 and two positions. My action would sustain a \$50,000 augmentation in the Budget Act for the purpose of distributing funding pursuant to the Education Block Grants established in the 2000 Omnibus Education Trailer Bill (SB 1667, Alpert).

I am reducing Schedule (b) by \$496,000 and three positions to eliminate the legislative augmentation for the Department of Education to develop an Environmental Education Unit.

The budget I proposed contains funding from the Environmental License Plate Fund and one position to address environmental education issues at the Department of Education.

I am reducing Schedule (b) by \$75,000 for the \$145,000 in legislative augmentations for charter school workloads in the School Fiscal Services Division to \$70,000. The Legislature approved one position for increased workload due to the augmentation of the Charter School Revolving Loan Fund, and a second position for increased workload regarding charter school apportionments. My budget already includes two new positions for apportionment unit workload increases, including those related to the increased number of charter schools. The workload prescribed for the two additional positions does not justify both augmentations. Therefore, I am sustaining only one additional position, which should be sufficient to address the activities contemplated in both of the augmentations.

I am reducing Schedule (b) for the \$215,000 General Fund legislative augmentation provided for the Department of Education by \$65,000 because the implementation of school district reporting of expulsions and suspensions related to hate crimes would create a state mandate. I am sustaining \$150,000 to contract for training programs to assist school personnel in identifying school violence. As the Tolerance Education Program is not currently established in statute, I am willing to sign legislation to establish the program provided such legislation does not create a reimbursable state mandate. This augmentation, in conjunction with the legislative augmentation of \$2,000,000 for Tolerance Education in Item 6110-485, which I have also sustained, is to be used to reduce hate crimes and increase tolerance of diverse populations.

I am reducing both Schedule (b) and Schedule (i) by \$100,000 to conform to my reduction of federal funding for an expanded evaluation of the Public Schools Accountability Act in Item 6110-001-0890. I am also revising Provision 18 of this item as follows to conform to these actions:

~~“18. Of the amount appropriated in this item, \$250,000 is provided for the purpose of contracting with an independent consultant for an evaluation of the implementation of the Public Schools Accountability Act, as established by Chapter 3, First Extraordinary Session, Statutes of 1999. This evaluation shall also include an assessment of the following: (1) The extent to which enrollment in alternative schools, as defined in Chapter 3X of the First Extraordinary Session of 1999, has increased since the enactment of the Public Schools Accountability Act, (2) the extent to which any enrollment increases were a result of the act and the schools’ attempts to improve their performance by encouraging low performing pupils to attend alternative schools, and (3) the growth in school achievement in alternative schools as measured by the alternative accountability system, compared to the regular schools these pupils would have otherwise attended. The reporting and delivery deadlines for the evaluation of these questions shall be the same as for the overall evaluation of the Public Schools Accountability Act.~~

I am reducing Schedules (a) and (i) by \$1,487,000 to conform to the actions taken in Item 6110-001-0890.

Item 6110-001-0890--For support of Department of Education. I reduce this item from \$107,564,000 to \$105,977,000 and revising Provision 7.

I am reducing the legislative augmentation of \$1,756,000 and 25 positions by \$1,487,000 and 22 positions. The effect of this action is to approve \$269,000 and 3 positions which, in addition to the \$1,649,000 and 19 positions I previously proposed, provide sufficient additional staff in the Department of Education's Special Education Division to monitor school districts and bring the State into compliance with federal law. This reduction is consistent with justifiable workload received from the department to complete the additional verification reviews required as part of its monitoring activities.

I am revising Provision 7 to reflect two technical revisions. The first corrects the total in this provision from \$4,790,000 to \$4,623,000, and the second deletes the language in subdivision (g). This language for the parental involvement programs established by Chapter 734 of the Statutes of 1999 was inadvertently maintained in the Budget Bill after the funding was redirected by the Legislature.

I am deleting the \$100,000 legislative augmentation to expand the evaluation of the Public Schools Accountability Act to include the effects of that act on alternative schools. The implementation of the alternative accountability system required by the Public Schools Accountability Act makes a study of this issue irrelevant. I am revising subdivision (i) of Provision 7 to conform to this action, as follows:

~~“(i) Of the funds appropriated in this item, \$250,000 in prior year carryover funds shall be available on a one-time basis to the State Department of Education, as follows:~~
~~1) \$100,000 for the purpose of contracting with an independent consultant for an evaluation for the implementation of the Public Schools Accountability Act, as established by Chapter 3 of the First Extraordinary Session of the Statutes of 1999. These funds are to be used in conjunction with the funds referenced in Provision 18 of Item 6110-001-0001.~~
~~2) \$150,000 is for the purpose of providing evaluation reports to the Legislature concerning categorical flexibility pilot projects, pursuant to legislation in the 1999-2000 Regular Session, enacted on or before January 1, 2001.”~~

Item 6110-105-0001--For local assistance, Department of Education. I revise this item by deleting Provision 5.5.

I am deleting Provision 5.5 as a technical correction to conform with action taken by the budget conference committee, which eliminated funding for equalization and rate increases from the final budget.

Item 6110-115-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$150,089,000 to \$148,741,000 by reducing:

(kkk) 10.10.019.097-Visalia Unified School District from \$2,000,000 to \$1,352,000;

and by deleting:

(jjj) 10.10.019.094-Alameda Unified School District from (\$700,000).

I am reducing this item by \$1,348,000. A deletion of \$700,000 is at the request of the Alameda Unified School District. The district has withdrawn its proposal to participate in the program. The remaining reduction of \$648,000 is a technical adjustment for the Visalia Unified School District to account for the elimination of one-time program costs beginning in 2000-01.

Item 6110-123-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$156,700,000 to \$156,699,000 by reducing:

(b) 20.60.030.032-High Achieving/Improving School Program from \$131,150,000 to \$131,149,000,

and by deleting Provision 3.

I am reducing \$1,000 from this item to reflect savings that will result from my action to delete Provision 3 of this item. The English Language Development test is designed as a diagnostic tool to gauge the progress of pupils in their acquisition of English language skills, and to facilitate their proper placement in instructional programs. Because it is not a comparative measure of academic achievement, the inclusion of this test in the Academic Performance Index would be inappropriate. Further, redesigning and developing this test for the proposed purpose would result in multi-million dollar test development costs, is duplicative of the uses of the Standardized Testing and Reporting (STAR) and SABE2 examinations, and could undermine the results of those exams.

Item 6110-134-0001--For local assistance, Department of Education (Proposition 98). I delete Provision 1.

I am deleting Provision 1 of this Item, which requires the Department of Education to compute alternative Academic Performance Index scores for schools that lack such scores for the purpose of determining their eligibility to receive funds from the Teaching As A Priority Block Grant.

This provision conflicts with existing law, which stipulates that the Superintendent of Public Instruction, with the approval of the State Board of Education, shall develop a methodology by which to calculate alternative Academic Performance Index scores for all schools that lack such scores, including those with fewer than 100 students.

Item 6110-141-0001--For local assistance, Department of Education (Proposition 98). I delete this item and Provision 1.

I am deleting the \$2,500,000 General Fund legislative augmentation provided in this item for the Migrant Education Even Start Program. This program will remain funded with \$5,000,000 in federal funds. While I believe this program is meritorious, the State should not provide General Fund for the expansion of a federally funded program. Instead, I am setting these funds aside to

provide resources for subsequent legislation that will appropriate one-time funds for facilities to support the expansion of general child care and migrant centers.

Item 6110-141-0890--For local assistance, Department of Education. I reduce this item from \$112,448,000 to \$109,448,000 by reducing the legislative augmentation for federal funds carryover to the Migrant Education Mini-Corps Program from \$5,000,000 to \$2,000,000. The remaining \$2,000,000 augmentation, when combined with the funding I provided in my budget, will provide 16 percent more program funding than is provided in the current year.

I am revising Provision 1 as follows to conform to this action:

“1. Of the funds appropriated in this item, ~~\$10,100,000~~ \$7,100,000 is for the California Mini-Corps Program. That amount includes ~~\$5,000,000~~ \$2,000,000 from current year carryover funds, which are to be allocated on a one-time basis.”

Item 6110-151-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$7,269,000 to \$3,469,000.

I am reducing \$3,800,000 of the \$4,000,000 legislative augmentation for this program. AB 1746 in the current legislative session would expand the responsibility of Indian Education Centers to include recovery programs for pupils that have dropped out of comprehensive schools. The Budget Act already includes significant funding for remedial education for all pupils. Doubling the existing funding provided to these Centers in order to enable them to provide the proposed service would result in significant ongoing General Fund pressure in future years. However, this meritorious program warrants a modest expansion.

Item 6110-178-0001--For local assistance, Department of Education (Proposition 98). I delete this item and Provision 1.

I am deleting the \$3,000,000 legislative augmentation and Provision 1 of this item for the Outdoor Science Programs authorized by Chapter 958, Statutes of 1999. When I signed the bill authorizing this program last year, I noted in the signing message that the funding for this program authorized by Chapter 78, Statutes of 1999, was one-time in nature. I also requested districts to present a plan for alternate funding sources for this program; however no plan for alternative funding has been provided.

Item 6110-196-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$1,179,706,000 to \$1,140,205,000 by reducing:

(b) 30.10.020-Child Care Services from \$1,613,182,000 to \$1,573,681,000,

and by reducing the following subschedules:

- (1) 30.10.020.001-Special Program, Child Development, General Child Development Programs from \$559,640,000 to \$524,640,000;

- (3) 30.10.020.004-Special Program, Child Development, Migrant Day Care from \$31,280,000 to \$26,780,000;
- (4) 30.10.020.007-Special Program, Child Development, Alternative Payment Program from \$194,253,000 to \$194,252,000;

and by deleting Provision 11(b) and revising Provisions 1(b) and 15.

I am reducing the \$75,000,000 legislative augmentation for general child care provided in Schedule (b) (1) to \$40,000,000 and the \$7,500,000 provided in schedule (b)(3) for migrant day care services to \$3,000,000, for a total reduction of \$39,500,000. I am setting these funds aside, along with \$2.5 million vetoed from item 6110-141-0001, for subsequent legislation to fund one-time child care programs.

I am revising Provision 1(b) and 15 as follows to conform to the reductions in half-year expansions noted above with the intention of funding full-year annualized costs of \$86 million for these program in the subsequent budget. Together with the other sustained augmentations in this item, including the \$33 million additional rate increase for direct-contracted programs and the \$15 million augmentation noted below, this budget will reflect my objective of sustaining a \$134 million General Fund increase for assisting non-CalWORKS, low income families' access to high quality child care without creating higher ongoing costs in the subsequent budget.

"1.(b) Of the amount appropriated in Schedule (b)(1) of this item, ~~\$75,000,000~~ \$40,000,000 is for the purpose of providing half-year expansion of full-day, general child care for children ages 0-five years old."

"15. Of the amount appropriated in Schedule (b)(3) of this item, ~~\$7,500,000~~ \$3,000,000 is for the half-year costs of expansion of migrant day care services. ~~The amount must be used in conjunction with the \$2,500,000 for the Migrant Education Even Start (MEES) program appropriated in Item 6110-141-0001. The State Department of Education shall develop a Request for Applications that will combine the requirements of the two programs into a single program that shall be called the Migrant Even Start Child Development Program.~~"

I am sustaining the \$15,000,000 legislative augmentation in schedule (b)(11) related to the retention of child care workers in order to make this funding available for subsequent legislation to be negotiated between the Legislature and the Administration that I will be able to sign. I have previously stated my concerns with the introduction of state subsidies into a profession that is subject to local market forces, and with the creation of a costly new state responsibility that would grow over time.

I am deleting Provision 11(b) and reducing schedule (b)4 of this item by \$1,000 to reflect the state savings that would result by not performing the survey of Alternative Payment Providers (APPs) required by this provision. This provision fails to set forth any remedy that would protect the state's fiscal interests in cases where APPs are directing a significant number of children into state contracted centers. The requirement to quantify the extent of duplicated activities is not meaningful; the substantive issue is that the rates paid to both the APP and the

state funded center include the cost of each entity providing many of the same services. I would not expect the services to be duplicated. Rather, APPs would receive a windfall of administrative funds in these cases. Absent any requirement to redirect the duplicative administrative funding to increase child care slots, this provision conflicts with my priorities for use of state funds. I am directing my Administration to look more closely at this issue as part of the current child care policy review effort, and I plan to adjust future child care funding as appropriate, based on the findings of the review. In the meantime, I encourage the Department to determine the frequency of occurrence as contemplated by the provision and use its administrative discretion to reduce funding to APPs engaging in this practice to the extent the savings would allow access to additional children. Alternatively, I would support shifting the slots from APP administration to direct contracting so that the state's limited child care funding assures maximum access by needy families.

I am retaining Provision 18 with the understanding that the 25% non-subsidized child rule applies without exception to all Alternative Payment Providers (APPs), including those participating in CalWORKs child care programs, and that the regulations required to be developed by this provision be promulgated on an expedited basis. This rule has not been applied consistently to all programs for which reimbursements are tied to private child care market rates. Absent any obligation to establish rates within the reach of non-subsidized families, the state could be subject to price gouging. In order to assure the state's fiscal interests are not compromised, I expect the State Department of Education to enforce the rule for all APPs and to promulgate the regulations required by Provision 18 as soon as possible, including submission to Department of Finance for certification of fiscal impact, pursuant to the Administrative Procedures Act.

Item 6110-199-0001--For local assistance, Department of Education (Proposition 98). I delete this item and Provision 1.

I am deleting the \$5,000,000 legislative augmentation and Provision 1 of this item for the Beginning Administrator/Beginning Counselor Training Programs. This new program may be meritorious, and I will consider it in the future. However, I am deleting this item at this time to focus on improving the quality of classroom teachers.

Item 6110-201-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$2,000,000 to \$1,000,000 by reducing:

(a) 30.20-Child Nutrition from \$2,800,000 to 1,800,000,

and deleting Provision 2.

I am deleting the \$1,000,000 General Fund legislative augmentation for the provision of start-up grants for the Summer Food Service Program and the After School Snack Program. The funding previously provided for Start-up grants has been underutilized. Further, the Summer Food Service Program is currently eligible for start-up grants. While the After School Snack Program is a worthwhile effort, the need for startup grants and the eligibility criteria should be carefully

examined. This issue should be reviewed through the normal budget and legislative processes and considered next year. I am deleting Provision 2 to conform to this action.

Item 6110-228-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$133,287,000 to \$72,087,000 and delete Provision 4.

I am deleting the \$61,200,000 legislative augmentation for the provision of school safety block grants to elementary, middle, and junior high schools. I am concerned about the well being and safety of California children of all ages, and signed legislation last year that requires schools to develop safety plans. This budget includes \$1.8 billion to increase discretionary funding beyond the statutory COLA and \$425 million for block grants; these resources are all available for K-12 school safety purposes based on local school district priorities. Therefore, this augmentation is unnecessary.

I am deleting Provision 4 to conform to this action.

Item 6110-240-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$12,583,000 to \$12,550,000 by reducing:

(c) 20.70-Instructional Support: Assessments from \$1,083,000 to \$1,050,000.

I am deleting the \$33,000 legislative augmentation for a cost-of-living adjustment (COLA) for the International Baccalaureate program. This program provides start-up grants to facilitate the establishment of new International Baccalaureate programs within schools. Providing a COLA for a one-time grant program is inappropriate. In addition, the funding provided for this program has been underutilized; thus, an augmentation for this program appears to be unwarranted.

Item 6110-242-0001--For local assistance, Department of Education (Proposition 98). I reduce this item from \$125,000 to \$33,000.

I am reducing this legislative augmentation by \$92,000. The Budget Act already provides \$117,000 for student leadership activities through the California Association of Student Councils. The effect of my action is to increase funding for this program in the 2000-01 fiscal year to a total of \$150,000.

Item 6110-485--Reappropriation, (Proposition 98) Department of Education. I revise this item by Item from \$257,135,000 to \$232,835,000 by reducing Schedule (a) of this item by \$3,700,000 and deleting Schedule (p).

I am reducing Schedule (a) by \$3,700,000 for voluntary desegregation claims because the Alameda Unified and Delano Unified School Districts have withdrawn their proposals for program participation in the current-year. I am eliminating Schedule (p) and the reappropriations of \$20,600,000 for Adult Education and Regional Occupational Centers and Programs. The budget provides an increase of \$48.3 million (\$31.3 million for adult education and \$17.0 million for Regional Occupational Centers and Programs) for growth and COLA for these programs, as well as a \$425 million block grant that is available to these programs. Furthermore, adequate

justification for the proposal has not been provided, particularly since Adult Education has not historically fully expended its existing budget.

I am revising the Schedule (a) and deleting Schedule (p) to conform to these actions.

“(a) ~~\$5,700,000~~ 2,000,000 for transfer to Section A of the State School Fund for reimbursement by the Controller of voluntary desegregation claims from ~~Alameda Unified School District (\$700,000), Delano Unified School District (\$3,000,000), and~~ Visalia Unified School District (\$2,000,000) to provide one-time funding for 1999-00 costs received pursuant to Sections 42247 and 42249 of the Education Code.”

Item 6120-011-0001--For support of California State Library. I reduce this item from \$18,051,000 to \$17,857,000 by reducing:

(a) 10-State Library Services from \$16,264,000 to \$16,070,000,

and by deleting Provision 1.

I am reducing this item by eliminating the legislative augmentations for the California Research Bureau of \$69,000 to perform a study (pursuant to pending legislation) of women in prison who have children, and \$125,000 to provide support to the Joint Committee on the Education Masterplan.

However, I am sustaining the legislative augmentation of \$250,000 for the California Research Bureau for a contract with outside researchers to address public policy issues. Additionally, the budget provides a \$500,000 increase and 6 positions for the bureau, which will enable it to address the highest priority research objectives statewide. These funds could be used for the above proposed activities if deemed a high priority.

Item 6120-140-0001--For local assistance, California State Library. I reduce this item from \$2,005,000 to \$1,005,000 and revising Provision 1.

I am reducing \$1,000,000 of the \$2,005,000 legislative augmentation for local library projects in order to fund higher competing priorities. Additionally, state funding for the Yuba County Library project, the City of Folsom Library site acquisition, the Canyon Country Library Project, and the City of Downey Library expansion project may be eligible for funding from the Library Construction and Renovation Bond Act of 2000 (Proposition 14).

I am revising Provision 1 to conform to this action:

“1. Funds appropriated in this item are for the purpose of funding local assistance projects at local public libraries. These funds are to be allocated on a one-time basis only, as follows:

(a) ~~Of the funds appropriated in this item, \$200,000 is for the purpose of funding renovation and improvements at Yuba County Library.~~

- (b) Of the funds appropriated in this item, \$69,000 is for the purpose of funding various items at Ventura County Library.
- (c) Of the funds appropriated in this item \$18,000 is for the purpose of funding Spanish language children's books at Ojai Valley Library.
- (d) Of the funds appropriated in this item, \$50,000 is for the purpose of funding an internet library catalog website at El Segundo Library.
- ~~(e) Of the funds appropriated in this item, \$500,000 is for the purpose of funding library site acquisition for the City of Folsom.~~
- (f) Of the funds appropriated in this item \$15,000 is for the purpose of funding the public library in the City of Covina.
- ~~(g) Of the funds appropriated in this item, \$200,000 is for the purpose of funding the Canyon Country Library Project in Santa Clarita.~~
- (h) Of the funds appropriated in this item, \$18,000 is for the purpose of funding a roof replacement for the Dinuba Library in Tulare County.
- ~~(i) Of the funds appropriated in this item, \$100,000 is for the purpose of funding the City of Downey Library expansion.~~
- (j) Of the funds appropriated in this item \$600,000 is for the purpose of funding three bookmobiles at the Los Angeles County Library.
- (k) Of the funds appropriated in this item \$185,000 is for local grants for local library access programs for telephonic reading systems for deaf and print disabled people.
- (l) Of the funds appropriated in this item, \$50,000 is for publicizing the Fred Korematsu Film Project through the use of a direct outreach and education program.

Item 6120-221-0001--For local assistance, California State Library. I reduce this item from \$72,170,000 to \$56,870,000.

I am deleting the \$15,300,000 legislative augmentation provided for the Public Library Foundation. I am very supportive of funding for local public libraries and see them as a key component to increasing literacy, which is why base funding for the program increased by 46 percent last year. Moreover, the budget provides increased funding of approximately \$17,700,000 for the California State Library. The total includes \$10,000,000 to increase literacy by local libraries through the English Language and Literacy Intensive Program, \$4,500,000 to support priority local assistance projects (expansions totaling \$2,600,000 for the Transaction Based Reimbursement and Families for Literacy Program(s), and California Newspaper Project), staffing and equipment (totaling \$1,900,000 for California Research Bureau staffing, manuscript handling, modular furniture, and more), and \$3,200,000 for competitive local assistance literacy grants targeted to reach children up to age 5 and their caregivers. Lastly, the voters recently authorized a \$350 million bond for the construction of new public libraries or the renovation of existing public libraries (Proposition 14). These funds will all greatly expand access to quality library services in California.

Item 6360-001-0407--For support of the California Commission on Teacher Credentialing. I reduce this item from \$17,157,395 to \$17,042,665 by reducing:

(a) 10-Standards for Preparation and Licensing of Teachers from \$17,157,395 to \$17,042,665, and by deleting Provision 4.

I am deleting the \$114,730 legislative augmentation for two positions to assist with the additional workload associated with reducing from 75 days to 30 days the timeframe in which the Commission must process teacher credential applications and renewals.

I am deleting Provision 4, which requires the Commission to reduce from 75 days the 30 days the timeframe in which teacher credential applications and renewals are processed. I am taking this action because I believe the current 75-day timeframe is sufficient, and because I do not believe that two additional positions will be sufficient to allow the Commission to reduce credential application and renewal processing times to 30 days.

Item 6360-001-0408--For support of the California Commission on Teacher Credentialing. I reduce this item from \$10,164,000 to \$10,159,000 by reducing:

(a) 10-Standards for Preparation and Licensing of Teachers from \$10,164,000 to \$10,159,000.

I am deleting the \$5,000 legislative augmentation for one new position to compile reports detailing the number and types of teaching credentials issued each year.

These funds are unnecessary, as the additional \$85,000 in proposed funding for this position that was contained in Item 6360-001-0407 was eliminated by the Legislature.

Item 6360-003-0001--For transfer by the Controller to the Test Development and Administration Account (0408). I delete this item and Provision 1.

I am deleting this item, which would provide \$4,000,000 General Fund for the Commission to absorb the cost of not charging applicants to take the California Basic Educational Skills Test. While I appreciate the rationale behind this proposal, I do not believe this represents a sufficiently high priority for the use of General Fund monies among all competing priorities. Additionally, this Budget includes \$1,650,000 General Fund to pay the \$55 cost of a teaching credential for 30,000 first-time teaching credential applicants.

Item 6360-003-0408--For support of the California Commission on Teacher Credentialing. I delete this item and Provision 1.

I am deleting this item to conform to the action taken in 6360-003-0001.

Item 6440-001-0001--For support of University of California. I reduce this item from \$3,054,876,000 to \$3,040,866,000 by reducing:

(a) Support from \$2,924,026,000 to \$2,910,016,000,

and revising Provision 40 and deleting Provisions 23, 27, 29, 36, 37, 38, 42, and 43.

I am deleting the \$1,000,000 legislative augmentation for UC San Francisco-Fresno Leukemia research. Although this additional augmentation may be meritorious, I believe the University can utilize other fund sources for this research if it is a high priority. I am deleting Provision 23 to conform to this action.

I am deleting the \$250,000 legislative augmentation to complement UC Riverside's American Indian History Program. Although this additional augmentation may be meritorious, I am deleting the funding because I believe there are other fund sources UC Riverside could utilize for this purpose if it is a high priority. I am deleting Provision 27 to conform to this action.

I am deleting the \$1,000,000 augmentation for the University to perform an evaluation of the statutory responsibilities of the Resources Agency. I am deleting this augmentation because these funds were restored to the Agency's budget by the Legislature. I am deleting Provision 29 to conform to this action.

I am deleting the \$380,000 legislative augmentation for undergraduate outreach for Latino students at UCLA Medical School. Targeted outreach, of the form proposed here, is currently under review by the California Supreme Court. UC has indicated that it would be inappropriate to implement this program prior to a Supreme Court decision as to whether such programs are legally permissible. I am deleting Provision 36 to conform to this action.

I am deleting the \$380,000 legislative augmentation for the Policy and International Affairs Outreach and Graduate Fellowship Program. Although this additional augmentation may be meritorious, I believe the University can utilize other fund sources for this purpose if it is a high priority. I am deleting Provision 37 to conform to this action.

I am deleting the \$1,000,000 legislative augmentation for the UCLA Ocean Discovery Center. Although this additional augmentation may be meritorious, I believe the University can use other fund sources for this Center if it is a high priority. I am deleting Provision 38 to conform to this action.

I am reducing the \$36,000,000 legislative augmentation for the M.I.N.D. Institute by \$6,000,000. Of the sustained \$30,000,000, \$28,000,000 is one-time funds. I am requesting the University to use \$4,000,000 of this augmentation for the M.I.N.D. Institute to contract with an appropriate organization to continue the research begun by the March of Dimes to identify genetic markers for autism and mental retardation that can lead to diagnosis and prevention of these conditions prior to birth. I am revising Provision 40 to conform to this action.

"40. Of the amount appropriated in Schedule (a), ~~\$40,000,000~~ \$34,000,000 is to fund the Medical Investigation of Neurodevelopmental Disorders (MIND) Institute, including \$28,000,000 in one-time funds."

I am deleting the \$200,000 legislative augmentation for research through the California Policy Research Center. Although this additional augmentation may be meritorious, I believe the

University can utilize other fund sources for this research if it is a high priority. I am deleting Provision 42 to conform to this action.

I am reducing the \$22,800,000 legislative augmentation to provide an additional two percent employee compensation pool for non-senate academic employees and other non-faculty employees by \$3,800,000. The sustained \$19,000,000 should be sufficient to increase this pool by approximately 1.5 percent. I am revising Provision 43 to conform to this action.

“43. Of the amount appropriated in Schedule (a), ~~\$22,800,000~~ \$19,000,000 is for the University to provide an additional ~~2~~ 1.5 percent employee compensation pool for nonsenate academic employees and other nonfaculty employees.”

Item 6440-301-0001--For capital outlay, University of California. I revise this item by deleting Provision 4.

I am sustaining the \$4,000,000 augmentation for the preliminary plans for the Veterinary Medicine Alterations and Replacement Facility project that was added by the Legislature. The Davis campus has requested this project based on accreditation problems for the veterinary medicine program that are specifically related to deficient facilities. As such, I am directing the Department of Finance to ensure that these funds are used for a project that addresses accreditation requirements and not for other program enhancements.

I am deleting Provision 4, which expresses legislative intent that the Board of Regents of the University of California (UC) accept a proposed gift of 1,100 acres of land for the potential development of a campus at Chula Vista. This language would impose ongoing liability on the University and the State for maintaining and securing this site. In the absence of any established programmatic need for the site, any determination that an additional UC campus is necessary in this area or any other area of the state, and without the requisite approval of the California Postsecondary Education Commission for a new campus, acceptance of this land would not be appropriate.

Item 6440-301-0574--For capital outlay, University of California. I revise this item by deleting Provision 6.

I am deleting Provision 6, which requires the University of California (UC) to give priority to proposals from developers with labor peace agreements when choosing a developer for the hotel and conference center project at the UC Davis campus. This provision is inappropriately placed in state budget language because this center is not a state-funded project. In addition, this language is unnecessary because UC has resolved the underlying labor issues for the center.

Item 6440-302-0574--For capital outlay, University of California. I revise this item by deleting Provision 7.

I am deleting Provision 7, which prohibits the expenditure of \$15,723,000 in construction funds for the Seismic Replacement Building 1 project on the Berkeley campus prior to January 1, 2001 unless the University of California (UC) amends a Memorandum of Understanding (MOU) held

between UC and the City of Berkeley to include an agreement to minimize community impacts from the project. The decision to not sustain this language has been difficult. While I am supportive of addressing local community concerns related to State construction projects, my primary concern is to ensure the safety of the UC students, faculty, and the public.

Item 6610-001-0001--For support of California State University. I reduce this item from \$2,404,639,000 to \$2,398,139,000 by reducing:

(a) Support from \$3,185,735,000 to \$3,179,235,000,

and revising Provision 21 and deleting Provisions 22, 26, and 27.

I am reducing the \$5,000,000 legislative augmentation to fund the CSU Los Angeles Performing Arts Center by \$1,000,000. The sustained \$4,000,000 will provide the state share of this project. Any additional funding needed must be provided by local entities that would benefit from the use of this facility. I am revising Provision 21 to conform to this action.

“21. Of the amount appropriated in Schedule (a), ~~\$5,000,000~~ \$4,000,000 in one-time funds shall be used to fund the CSU Los Angeles Performing Arts Center.”

I am reducing the \$15,000,000 legislative augmentation to increase capacity in various academic programs by \$5,000,000. Although I am very supportive of increasing enrollment in the programs targeted by this augmentation, I believe that it is the responsibility of the California State University to fund the types of activities outlined in the provisional language. I am, therefore, requesting the California State University to use the sustained \$10,000,000 for one-time expenditures, such as instructional equipment, that will enhance the effectiveness and, therefore, the enrollment in these programs. I am deleting Provision 22 to conform to this action.

I am deleting the \$200,000 legislative augmentation for CSU San Jose to plan an Education Collaborative. Although this additional augmentation may be meritorious, I believe the University can redirect resources for this project if it is a high priority. I am deleting Provision 26 to conform to this action.

I am deleting the \$300,000 legislative augmentation to establish a Central American Studies Research Institute at CSU Northridge. Although this additional augmentation may be meritorious, I believe the University can redirect resources for this purpose if it is a high priority. I am deleting Provision 27 to conform to this action.

Item 6610-301-0001--For capital outlay, California State University. I reduce this item from \$27,034,000 to \$22,034,000 by reducing:

(4.1) 06.80.153-San Diego: Otay Mesa Off-Campus Center—Acquisition from \$3,000,000 to \$1,000,000;

- (6) 06.98.104-Pomona: Center for Animal and Veterinary Science Education, Phase 1A—Preliminary plans, working drawings, construction and equipment from \$5,000,000 to \$2,000,000.

I am reducing the \$5,000,000 legislative augmentation to \$2,000,000 for Phase 1A of the Center for Animal and Veterinary Science Education at CSU, Pomona. These funds will only be available for expenditure if the CSU Board of Trustees approve the project and a project proposal is submitted to and approved by the Department of Finance. The project proposal submitted to the Department of Finance must identify and demonstrate the programmatic need for the project. The project proposal must include, but not be limited to, annual program enrollment information and full time equivalents served, the deficiencies in current space that preclude program activities, project cost, and scope.

While I am sustaining \$1,000,000 for the Otay Mesa Off-Campus Center acquisition, these funds will only be available for expenditure if both the CSU and the California Community Colleges (CCC) receive approval for the joint off-campus center from the California Postsecondary Education Commission (CPEC) and if a joint off-campus center proposal is approved by the Department of Finance (DOF) following the CPEC approval of a needs study. The proposal submitted to the DOF must identify and demonstrate the programmatic need for the campus center, the annual enrollment and full time equivalents served, the costs of the center both during development and once fully developed, and the full scope and cost of the acquisition and construction proposal for the center. The submittal to DOF must demonstrate that the center will meet the programmatic needs of both segments and additionally substantiate that the space needs for the new center cannot be accommodated at existing campuses in the San Diego area.

Item 6870-001-0001--For support of Board of Governor's of the California Community Colleges. I reduce this item from \$13,207,000 to \$12,451,000 by reducing:

- (b) 20-Special Services and Operations from \$18,050,000 to 17,294,000.

I am deleting the legislative augmentation of \$666,000 and eliminating nine new positions to support the proposed Noncredit Courses (\$136,000), Human Resource Infrastructure Program (\$372,000), and High Cost Programs (\$158,000) to conform to actions taken by the Legislature or me to remove related funding from the Community Colleges' local assistance item.

I am deleting the legislative augmentation of \$90,000 for one new position in the Telecommunication and Technology Infrastructure Program. Although I am supportive of enhancing technology within the community colleges, and the budget provides \$16.3 million for that purpose, the budget also provides an increase of approximately \$1 million for the Chancellor's office to adequately meet increased workload demands.

Item 6870-101-0001--For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I reduce this item from \$2,706,014,000 to \$2,608,731,000 by reducing:

- (a) 10.10.010-Appportionments from \$1,648,654,000 to \$1,603,654,000;
- (b) 10.10.020-Basic Skills, CalWORKs, and Apprenticeships from \$41,606,000 to \$41,342,000;
- (c) 10.10.030-Growth for Appportionments from \$135,871,000 to \$116,263,000;
- (e) 20.10.005-Student Financial Aid Administration from \$7,356,000 to \$7,273,000;
- (f) 20.10.010-Extended Opportunity Program and Services and Special Services from \$86,258,000 to \$85,467,000;
- (g) 20.10.020-Disabled Students from \$76,049,000 to \$75,370,000;
- (h) 20.10.040-Fund for Student Success from \$18,518,000 to \$16,218,000;
- (m) 20.10.070-Matriculation from \$72,066,000 to \$71,308,000;
- (q) 20.20.055-Part-Time Faculty Office Hours from \$7,500,000 to \$2,500,000;

and by deleting

(ux) 20.30.040-High Cost Programs (\$10,000,000);

(wx) 20.30.091-Noncredit Courses (\$12,800,000);

and by revising Provisions 2, 3, 8, and 10 and by deleting Provision 19.5.

I am deleting the legislative augmentation of \$12,800,000 in schedule (wx) for noncredit courses. While sequencing noncredit courses and providing additional support for noncredit students may have merit, the budget already includes an increase of over \$10 million for growth and COLA in noncredit programs. Furthermore, the \$155 million augmentation for the Partnership for Excellence provides resources for districts to expand any program deemed to most effectively increase student outcomes.

I am deleting Provision 19.5 and the legislative augmentation of \$10,000,000 in schedule (ux) for High Cost Programs. I am supportive of high-demand programs, including nursing, and the budget includes \$45 million, an increase of \$11 million, for the Economic Development Program. Colleges can use these funds at local discretion to best meet health care and other industry workforce needs.

I am deleting the legislative augmentation of \$45,000,000 in schedule (a) for equalization, as the proposal does not appear to be the most cost-effective means for improving student outcomes. Furthermore, funding equalization as proposed on an FTES and program improvement basis would have an inverse relationship, resulting in limited effectiveness at achieving the intended purpose.

I am revising Provision 2 as follows:

- “2. Of the funds appropriated in Schedule (a), Apportionments, up to \$100,000 is for a maintenance allowance, pursuant to regulations adopted by the board of governors. Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date. ~~\$37,500,000 is to provide equalization of district apportionments on a FTES basis and \$7,500,000 is to provide equalization of district apportionments on a program improvement basis.~~

I am deleting the legislative augmentation of \$2,300,000 in schedule (h) for the Puente Project. My proposed budget included an increase of \$1,000,000, which more than doubles this very worthwhile program and provides sufficient funding to increase access to services at 35 additional colleges.

I am revising Provision 10(c) as follows:

- “(c) Up to ~~\$4,244,000~~ \$1,944,000 is for the Puente Project. \$944,000 continues the 1999-2000 level of funding to support 40 colleges and is available if these funds are matched by \$100,000 of private funds and the participating community colleges and University of California campuses maintain their 1995-96 support level for the Puente Project. \$1,000,000 shall be used to expand the Puente Project to at least an additional 35 colleges. These funds will be subject to the same local match agreement as existing programs. These funds are not required to be allocated on a temporary basis and may be allocated on a permanent basis to support a Puente Project that meets the conditions of the Puente Project contract agreement. All funding shall be allocated directly to participating districts in accordance with their participation agreement.”

I am reducing the \$38,700,000 legislative augmentation for growth in schedules (b), (c), (e), (f), (g) and (m) by \$22,183,000, thereby retaining a total of 3.5% growth in apportionments. Data indicate that funding growth at 3.5% will provide sufficient resources to ensure that students have access to community colleges.

I am revising Provisions 3 and 8 to conform to this action as follows (the revised language also includes a technical correction to strike reference to two augmentations, \$5,400,000 for books and \$2,400,000 for discretionary program expansion, previously proposed by the Legislature, but not included in the enrolled budget bill, for Extended Opportunity Programs and Services):

- “3. Notwithstanding any other provision of law, ~~\$25,017,000~~ \$24,753,000 of the funds appropriated in Schedule (b) shall be for allocation to community college districts in the 2000-01 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language courses and work force preparation courses for newly legalized immigrants, to the extent the total FTES claimed by a district for the 2000-01 fiscal year exceeds the level of total FTES funded for that district in the 2000-01 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.”

“8. Of the funds appropriated in Schedule (f), ~~\$82,933,000~~ \$74,461,000 is for Extended Opportunity Programs and Services in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of the Education Code. Of this amount \$6 million represents an augmentation and may only be allocated to serve 10,000 additional students over the number served in the 1999-2000 fiscal year. Funds provided in this item for Extended Opportunity Programs and Services (EOPs) shall be available to students on all campuses within the California Community College system, including those students on new campuses or in new districts. ~~\$11,125,000~~ \$11,006,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of the Education Code. The board of governors shall allocate funds on a priority basis and to local programs on the basis of need for student services.”

I am deleting the \$5,000,000 legislative augmentation for the part-time faculty office hours program. The budget contains a \$2,500,000 base budget for this program approved last year. While I am supportive of fair wages and employment conditions for part-time faculty, I am concerned that this augmentation does not contain any assurance of improvements in the quality of instruction or student outcomes. Additionally, I am not supportive of the reduced local match requirement contained in the education trailer bill. Furthermore, any action pertaining to faculty office hours may be premature until the completion of a study of the CCC’s part-time faculty employment, salary, and compensation patterns, as required by Chapter 738/99 (AB 420).

Item 6870-301-0574--For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from \$307,277,000 to \$304,342,000 by deleting:

Long Beach Community College District
Long Beach City College (Liberal Arts College)
(29) 40.25.116-Child Development Center—Construction (\$2,935,000)

I am deleting funding for this project to provide the Chancellor’s Office of the California Community Colleges and the Long Beach Community College District the opportunity to redesign the project in accordance with State guidelines that were developed and implemented shortly after the project had been initiated. Compliance with these guidelines will ensure the completion of a facility that will fully address programmatic needs.

Item 7980-001-0001--For support of Student Aid Commission. I reduce this item from \$10,797,000 to \$10,547,000 by reducing:

(a) 15-Financial Aid Grants Program from \$10,843,000 to \$10,593,000.

I am deleting the \$250,000 legislative augmentation for first-year administrative costs of providing financial aid incentives for students to attend public colleges and universities during the summer session. I am deleting this augmentation because there is no indication that the Commission would incur additional workload as a result of students attending summer session.

Item 7980-101-0001--For local assistance, Student Aid Commission. I reduce this item from \$571,216,000 to \$519,916,000 by reducing:

Schedule (a) Financial Aid Grants Program from \$580,780,000 to \$529,480,000,
and revising Provision 6.

I am deleting the \$11,500,000 legislative augmentation to increase the maximum Cal Grant awards to cover one-half of campus-based fees for recipients attending the California State University and the University of California.

I am reducing the \$45,300,000 legislative augmentation to increase the Cal Grant B subsistence award for all recipients by \$36,000,000. The sustained \$9,300,000 is sufficient to increase this award by approximately ten percent to \$1,548.

I am reducing the \$3,400,000 legislative augmentation to increase the maximum Cal Grant C award for all recipients by \$2,800,000. The sustained \$600,000 is sufficient to increase this award by approximately ten percent to \$2,592. I am also making a technical correction to Provision 6, which incorrectly states that this legislative augmentation applies only to new recipients. The legislative action was to provide the increase to all recipients.

I am reducing the \$1,200,000 legislative augmentation to increase the maximum Cal Grant C book and supply award for all recipients by \$1,000,000. The sustained \$200,000 is sufficient to increase this award by ten percent to \$576.

I am revising Provision 6 to conform to the above actions.

"6. Notwithstanding any other provision of law, of the amount appropriated in Schedule (a), ~~\$11,500,000 shall be used to increase the maximum Cal Grant A, Cal Grant B, Cal Grant C, and Cal Grant T awards to cover approximately one-half of campus-based fees for all recipients attending the California State University and the University of California; \$45,300,000~~ \$9,300,000 shall be used to increase the Cal Grant B subsistence award for all recipients to ~~\$2,322~~ \$1,548; ~~\$3,400,000~~ \$600,000 shall be used to increase the maximum Cal Grant C award for ~~new~~ recipients to ~~\$3,659~~ \$2,592; and ~~\$1,200,000~~ \$200,000 shall be used to increase the Cal Grant C book and supply award for all recipients to ~~\$810~~ \$576. These funds are contingent on the enactment of legislation that becomes effective on before January 1, 2001, revising the program to reflect the level of benefits anticipated by this provision. If legislation is enacted that requires some lesser amount than provided in this provision, the Director of Finance shall determine the appropriate amount to be reverted to the General Fund, and shall certify the amount to the Controller's office."

Item 8100-101-0001--For local assistance, Office of Criminal Justice Planning. I reduce this item from \$194,492,000 to \$189,038,000 by reducing:

(6) 50.20.352-Youth Emergency Telephone Referral from \$388,000 to \$338,000,

(22.1)50.30.700-Special Projects-Public Safety, from \$155,999,000 to \$150,595,000;

I am reducing this item by \$50,000 by deleting the legislative augmentation for outreach programs for the California Youth Crisis Line. This program is currently funded by the Office of Criminal Justice Planning, and receives funding for outreach in its funding allocation. Any additional funding for this program should be sought through the normal competitive process.

I am reducing this item by \$1,700,000 by deleting the legislative augmentation for the Child Trauma Reduction Program. SB 2183 is a measure pending in the Legislature that creates this pilot program and contains an appropriation for administration. There is insufficient information to justify an augmentation to the budget for this purpose.

I am reducing this item by \$1,025,000 by deleting the following legislative augmentations in order to fund higher competing priorities:

\$500,000 for a staging area for police services for the City of La Mirada;
\$425,000 for the Orange County District Attorney's Office Immigrant Outreach Program;
\$100,000 for the City of Anaheim Forensics Laboratory Project.

I am reducing this item by \$100,000 for the legislative augmentation for the Stand-off Chemical Agent Detector from \$600,000 to \$500,000 in order to fund higher competing priorities.

I am reducing this item by \$338,000 by deleting the following legislative augmentations for gang prevention programs. Other funds are currently available within this budget for purposes such as these, including funds that will be made available for the Juvenile Justice Initiative:

\$130,000 for the Orange County Community Services Department: Gang Prevention/Intervention Program;
\$93,000 for the City of Long Beach Civil Injunction Against Violent Street Gangs Program;
\$65,000 for the City of Long Beach Gang Intervention Prevention Program;
\$50,000 for the City of Bellflower's Alternative to Gangs Program.

I am reducing this item by \$241,000 by deleting the following legislative augmentations to purchase equipment for local law enforcement. I note that the budget includes \$75 million to address one-time local law enforcement equipment needs through grants allocated on a per capita basis:

\$100,000 for a mobile command post for the Ventura Police Department;
\$51,000 for equipment for the Ventura Police Department;
\$50,000 for equipment for the City of Santa Paula Police Department;
\$30,000 for equipment for the City of Bellflower Sheriff Substation; and
\$10,000 for equipment for the Town of Danville Police Bike Patrol.

I am deleting \$2,000,000 for the legislative augmentation for the City of Garden Grove Public Safety Building Upgrades. This is a local responsibility and should be locally funded based on local priorities.

Item 8100-101-0597--For local assistance, Office of Criminal Justice Planning. I reduce this item from \$3,683,000 to \$3,433,000 by reducing:

- (a) 50.30.562-High Technology Theft Apprehension and Prosecution Program from \$3,683,000 to \$3,433,000.

I am reducing the legislative augmentation for the Prosecution of High Technology Crime education grants from \$500,000 to \$250,000 in order to fund higher competing priorities.

I am revising this item to conform with the action taken in Item 8100-112-0001.

Item 8100-112-0001--For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund. I reduce this item from \$3,465,000 to \$3,215,000.

I am reducing this legislative augmentation for the Prosecution of High Technology Crime education grants from \$500,000 to \$250,000 in order to fund higher competing priorities.

Item 8140-001-0001--For support of the State Public Defender. I reduce this item from \$11,694,000 to \$11,589,000 by reducing:

- (a) 10-State Public Defender from \$11,694,000 to \$11,589,000;

and by deleting Provision 2.

I am deleting the \$105,000 legislative augmentation for the State Public Defender to prepare a report and make recommendations by October 1, 2000, on the safeguards that exist in California to ensure that the innocent are not executed, primarily investigating the impact of waiting for appellate counsel, and the amount of funding provided for investigation of cases at the appellate level. There is no evidence to suggest that a problem exists in California related to indigent inmates not receiving proper counsel in capital cases during the appellate and habeas corpus process.

I am deleting Provision 2 to conform to this action.

Item 8260-001-0001--For support of California Arts Council. I reduce this item from \$3,166,000 to \$2,616,000 by reducing:

- (b) 10-Artists in Residence from \$982,595 to \$938,000;
- (c) 20-Organizational Support Grants from \$1,413,025 to \$1,168,000;
- (d) 25-Performing Arts Touring/Presenting Program from \$367,775 to \$350,000;

- (e) 30-Special Initiatives Program from \$123,640 to \$88,000;
- (f) 40-Statewide Projects from \$644,965 to \$538,000, and
- (ix) 70-Cultural Institutions Program from \$350,000 to \$250,000.

To conform with the deletion of the \$7,050,000 legislative augmentation for the expansion of core programs in the local assistance item, I am deleting the \$450,000 legislative augmentation that would have provided administrative support for the expansion of the core programs.

To conform with my action regarding Item 8260-103-0001, I am reducing the amount available for support costs by \$100,000 from \$350,000 to \$250,000.

Item 8260-101-0001--For local assistance, California Arts Council. I reduce this item from \$40,215,000 to \$27,665,000 by reducing:

- (b) 10-Artists in Residence from \$4,404,000 to \$3,705,000;
- (c) 20-Organizational Support Grants from \$19,810,000 to \$10,473,000;
- (d) 25-Performing Arts Touring/Presenting Program from \$1,121,000 to \$842,000;
- (e) 30-Special Initiatives Program from \$1,059,000 to \$500,000;
- (f) 40-Statewide Projects from \$4,352,000 to \$2,676,000;

and revising Provisions 3 and 4.

I am reducing the \$7,500,000 legislative augmentation for the Multicultural Arts Development Program to \$2,000,000. While this program is potentially worthwhile, I believe that \$2,000,000 is adequate at this time for this program.

I am also reducing the amount specified in Provision 4 for administrative costs from \$225,000 to \$100,000 to conform to the grant reduction.

I am revising Provisions 3 and 4 to conform to these actions.

“3. Of the funds appropriated in Schedule (c), ~~\$7,500,000~~ \$2,000,000 is for the Multicultural Arts Development program. These funds shall be for culturally specific organizations or artists who have a demonstrated commitment to cultural art. This funding shall be limited to organizations that have traditionally not received significant grants from the California Arts Council.”

“4. Of the ~~\$7,500,000~~ \$2,000,000 appropriated for the Multicultural Arts Development program, up to ~~\$225,000~~ \$100,000 can be used for state operations for the cost of administering the grants and transferred to Item 8260-001-0001.”

I am also deleting the \$7,050,000 legislative augmentation for the expansion of existing core programs. This amount, when combined with the \$450,000 appropriation in Item 8260-001-0001, would have added \$7,500,000 to the budget. Funding for core programs has increased from approximately \$14,000,000 in 1997-98 to approximately \$20,000,000 in my proposed 2000-01 Budget. Also included in the Budget is \$10,000,000 for the new Arts in Education Program, which provides an approximately 50 percent increase in competitive grant programs. Over the past few years, I have provided a significant increase in arts program funding.

Item 8260-103-0001--For local assistance, California Arts Council. I reduce this item from \$45,795,400 to \$31,235,400 by deleting or reducing allocations for various projects in this item. I am also revising Provisions 5 and 9 to conform with this action.

Although these projects may be meritorious, I am reducing or deleting the funding for them to fund higher competing priorities.

I am revising Provision 5 to conform to this action.

“5. Of the funds appropriated in this item ~~\$40,795,400~~ \$26,235,400 shall be for the following projects:

- (1) City of La Habra: Outreach Program at the Children’s Museum of La Habra ~~410,000~~ 250,000
- ~~(2) Natural History Museum of Los Angeles County 1,000,000~~
- (3) New Conservatory Theatre: Children’s Safe School Arts Project 50,000
- (4) San Francisco Mexican Museum: Construction of a permanent facility 500,000
- (5) National Maritime Museum Association: Maritime Educational Program for Northern California schoolchildren 250,000
- (6) City of San Francisco: DeYoung Museum 4,500,000
- (7) Bayview Opera House: Renovation and structural improvements 400,000
- (8) Filipino American National Heritage Society, Sacramento: Documentary “An Untold Triumph” 25,000
- (9) Kids Write Plays Program 65,000
- (10) Armenian Film Foundation 78,400
- (11) San Mateo and Los Angeles County Offices of Education: Civil Rights Project "Sojourn to the Past" 350,000
- (12) DQ University 300,000
- (13) County of San Luis Obispo: Dan Adobe Rehabilitation Project 200,000
- (14) City of San Luis Obispo: Children's Museum Expansion Project 200,000
- (15) City of Arroyo Grande: South County Performing Arts Building 400,000
- (16) Port San Luis Marine Institute: Floating Marine Laboratory 150,000
- ~~(17) Hurst Historical Ranch Foundation: Hurst Ranch Historical Foundation Education Program 500,000~~
- (18) City of La Mirada: Performing and Cultural Arts Center ~~400,000~~ 250,000
- (19) Historical Society of West Covina: Heritage House and Heritage Gardens Park 85,000

- (20) Fender Museum Foundation: Fender Museum of the Arts and Music 250,000
- (21) Italian Cultural Society: Italian Cultural Center and Museum ~~1,000,000~~ 300,000
- (22) Elk Grove Historical Society: Old Stage Stop and Hotel Museum Project 100,000
- (23) Galt Area Historical Society: McFarland Living History Ranch Project 100,000
- ~~(24) Santa Clarita International Film Festival: Educational and Cultural Outreach Program 110,000~~
- ~~(25) Edwards Flight Test Museum: Blackbird Park Capitol Outlay Project 100,000~~
- ~~(26) Allied Arts Association: Facility purchase and improvements 250,000~~
- ~~(27) City of Poway: Kumeyaay Indian Cultural Center 400,000~~
- (28) City of San Diego: Sikes Adobe State Point of Historic Interest Restoration 350,000
- (29) The Wall Memorial: Completion of memorial to victims of HIV and AIDS 400,000
- (30) Natural History Museum: Border Environment Education Program 1,000,000
- (31) 100th/442nd/MIS WWI Memorial Foundation 500,000
- (32) Jewish Federation Zimmer Museum ~~2,900,000~~ 2,000,000
- (33) Los Angeles Children's Museum ~~4,000,000~~ 2,500,000
- (34) ADL: Stop the Hate 1,000,000
- (35) National Coalition for Redress/Reparations: NCRR Educational Program and Museum Display 50,000
- ~~(36) Hollywood Entertainment Museum: Education Center for Entertainment Arts 1,000,000~~
- (37) Skirball Museum of Tolerance: Completion of Karen and Gary Winnick Family Heritage Hall 2,000,000
- ~~(38) Long Beach Museum of Art 300,000~~
- (39) Redondo Beach Performing Arts Center: Replace lavatory equipment in Performing Arts Center ~~300,000~~ 250,000
- (40) Torrance Cultural Arts Center: Construction of a black-box stage ~~275,000~~ 250,000
- (41) City of Lomita: Expansion of Railroad Museum 250,000
- (42) African American Historical and Cultural Museum of the San Joaquin Valley: Construction and renovation of museum in Central Valley 250,000
- (43) El Pueblo de Los Angeles: Street scape improvements and restoration of historic buildings in Pico and Garnier Blocks ~~4,000,000~~ 2,000,000
- (44) San Francisco Ballet 500,000
- (45) Wajumbe Cultural Institution: \$45,000 for Summer Cultural Arts and Education Camp; \$84,000 for Multimedia and Community Television Lab for equipment 129,000
- ~~(46) City of Lancaster: Relocation of the Antelope Valley African American Museum 500,000~~
- (47) Explorit! Science Center: Capital outlay assistance 200,000
- (48) Fresno Art Museum: Construction of the Sculpture Plaza Park ~~200,000~~ 150,000
- (49) Fresno Museum: Legion of Valor, data base, and related projects 150,000
- (50) Chinese Historical Society of America: Construction of the Chinese American National Museum and Learning Center 200,000

- (51) The Asian Art Museum of San Francisco: Museum renovation 500,000
- (52) City of Inglewood: Annual Inglewood Celebrates the Arts 28,000
- ~~(53) City of Los Angeles: Support for the African American Marketplace 300,000~~
- (54) Pan African Film and Arts Festival ~~300,000~~ 200,000
- (55) City of Santa Rosa: Sonoma County Museum Project 250,000
- (56) Napa County Museum: Museum Expansion 100,000
- (57) Oakland Museum of California: Distribution of materials to high school students 150,000
- ~~(58) Atwater Historical Society: Bloss Home Restorations and Repair 100,000~~
- ~~(59) Miners Foundry Board: Miners Foundry Cultural Center 500,000~~
- (60) Modoc Arts Council: Modoc Amphitheater 200,000
- ~~(61) Nevada County Fair Board: Music in the Mountains Joint Use Facility 350,000~~
- ~~(62) Tulare County: Tulare County International Agri Center 750,000~~
- ~~(63) City of Dana Point: Ocean Education Center 800,000~~
- ~~(64) City of Oceanside: Historic San Luis Rey Mission Restoration 500,000~~
- ~~(65) Central Sierra Historical Society: Museum of the Central Sierra development 125,000~~
- ~~(66) City of Clovis: Clovis Botanical Gardens Museum Educational Program 150,000~~
- (67) City of Visalia: Arts Visalia Center 50,000
- (68) Youth Science Institute: Youth Science Institute Education Facility expansion 300,000
- ~~(69) Sutter County: Yuba-Sutter local film commission project 40,000~~
- ~~(70) East Bay Regional Park: Black Diamond Mines Education Center 400,000~~
- (71) County of San Bernardino: San Bernardino County Museum Mineral Exhibit 50,000
- ~~(72) City of Westminster: Community Theater equipment 250,000~~
- ~~(73) City of Anaheim: Mother Colony House historical site expansion project 500,000~~
- (74) Palos Verdes Symphony Orchestra 25,000
- (75) Long Beach Museum of Art 300,000
- (76) Legion of Valor Museum in Fresno: Creation of archival system for the purpose of establishing a permanent database of original citations 150,000
- (77) Latino Museum of History, Art, and Culture 1,000,000”

I am revising Provision 9 to conform with this action.

“9. Of the funds appropriated in Schedule (ix) of Item 8260-001-0001, ~~\$350,000~~ \$250,000 shall be used by the California Arts Council to defray its expenses for support and related expenses for performing its responsibilities under this item. The council may enter into an interagency agreement to obtain personnel services relating to the review and approval of capital outlay expenditure plans.”

Item 8320-001-0001--For support of Public Employment Relations Board. I reduce this item from \$5,835,000 to \$4,435,000 by reducing:

- (a) 11-Public Employment Relations from \$5,847,000 to \$4,447,000.

I am deleting the \$1,400,000 legislative augmentation, which would provide resources to expand the Public Employment Relations Board's jurisdiction to include resolving disputes and enforcing statutory duties and rights of employers and employees for local governments. I do not believe that state oversight of local government collective bargaining is necessary at this time.

Item 8350-001-0001--For support of Department of Industrial Relations. I reduce this item from \$147,385,000 to \$146,385,000 by reducing:

- (6) 40-Prevention of Industrial Injuries and Deaths of California Workers, from \$74,479,930 to \$73,979,930;
- (7) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication, from \$40,338,850 to \$39,838,850;

and by deleting Provisions 3 and 4.

I am deleting the legislative augmentation of \$500,000 and 7 positions for the enforcement of labor law and regulations related to the janitorial and building maintenance industry. I am also deleting the legislative augmentation of \$500,000 and 7 positions for enforcement of health and safety laws and regulations related to farm laborers. The budget includes \$4.1 million for the Joint Enforcement Strike Force and the Targeted Industries Partnership Program to enforce Labor Code requirements, including those relating to the janitorial and building maintenance industry. Additionally, the budget includes over \$73 million to enforce health and safety requirements in the workplace, including those affecting the agricultural industry.

I am also deleting Provisions 3 and 4. Provision 3 would direct \$500,000 of the amount appropriated in this item to the Division of Labor Standards and Enforcement for the purposes of enforcing labor laws and regulations related to the janitorial and building maintenance industry. Provision 4 would direct \$500,000 of the amount appropriated in this Item to the Division of Occupational Safety and Health for the purposes of enforcing health and safety laws and regulations related to farm laborers. I am deleting these provisions to conform to my previous action to delete funding for these programs.

I am sustaining the \$150,000 legislative augmentation for the Young Worker Health and Safety Network on a one-time basis. I expect that pending legislation establishing a statewide young worker health and safety resource network (AB 1599) will be amended consistent with my action on this issue.

Item 8570-001-0001--For support of Department of Food and Agriculture. I reduce this item from \$71,782,000 to \$64,732,000 by reducing:

- (a) 11-Agricultural Plant and Animal, Pest and Disease Prevention from \$78,997,000 to \$71,947,000,

and deleting Provisions 4, 5, 6, 7, 8, and 9.

I am deleting the \$3,000,000 legislative augmentation for facility replacement and improvements for the Center for Agroecology and Sustainable Food Systems at the University of California, Santa Cruz. The need targeted by this augmentation has not been identified in the campus's five or ten year infrastructure plan as a priority.

In the overall context of higher education capital outlay needs, the State has limited resources to address all identified needs. Current and future resources should not be allocated on an ad hoc basis, rather, allocated to projects that have been developed in the context of the Administration's overall priorities with regard to appropriate project costs and guidelines, instructional purposes, enrollment related needs, scope standards, and having secured the appropriate programmatic and site review and approvals.

I am deleting Provision 7 to conform to this action.

I am deleting the \$3,750,000 legislative augmentation that would have provided grants to the University of California Small Farm Center (\$750,000), the Center for Biological Control at the University of California, Berkeley (\$1,750,000), the Center for Biological Control at the University of California, Riverside (\$750,000), and the Center for Agroecology and Sustainable Food Systems at the University of California, Santa Cruz (\$500,000). While there may be merit to some of these proposals, there is insufficient information to justify funding at this time.

I am deleting Provisions 4, 5, 6, 8, and 9 to conform to this action.

I am also deleting the \$300,000 legislative augmentation for a report regarding the use of Genetically Modified Organisms (GMOs). It is unclear what would specifically be accomplished with this level of funding.

Item 8570-101-0001--For local assistance, Department of Food and Agriculture. I reduce this item from \$20,590,000 to \$10,590,000 by reducing:

- (a) 11-Agricultural Plant and Animal, Pest and Disease Prevention from \$19,015,000 to \$10,515,000;
- (b) 31-Assistance to Fairs and County Agricultural Activities from \$2,908,000 to \$1,408,000;

and by deleting Provision 2.

I am deleting the \$8,500,000 legislative augmentation to the County High Risk Pest Exclusion Program. I believe that the \$5,500,000 I proposed, along with additional unclaimed gas taxes that may be available for this purpose pursuant to Chapter 890, Statutes of 1999, and the \$17 million from unclaimed gas taxes for other county agricultural programs, provides a sufficient level of state support for pest exclusion activities, which are largely county responsibilities.

I am deleting the \$1,500,000 legislative augmentation and Provision 2, which appropriates funds to the 50th Agriculture Fair District for the new fairgrounds exhibit hall. Although this project may be meritorious, I am deleting this funding to fund higher competing priorities.

Item 8620-001-0001--For support of the Fair Political Practices Commission. I revise this item.

I am sustaining the \$460,000 General Fund legislative augmentation to support the development and implementation of a public education unit which will provide a central location for public access to state and local laws regulating political activities. However, I am reducing the number of personnel years from 4.8 personnel years to 1.8 because I believe there are sufficient vacant positions that can be re-directed to meet the workload demands of this new program.

Item 8940-001-0001--For support of Military Department. I reduce this item from \$28,099,000 to \$27,099,000 by reducing:

(a) 10-Army National Guard from \$39,294,000 to \$38,294,000.

I am deleting the \$1,000,000 legislative augmentation to fund deferred maintenance projects at armories and other facilities. The California National Guard is emerging into a new force, restructuring its organization for the 21st Century. Under this restructuring, the National Guard has added combat support and combat service support units (non-combat), while reducing the size of and modernizing its combat infantry division. The Military Department is currently preparing a comprehensive plan to address its overall capital outlay and special repairs/deferred maintenance needs, in light of its new organization and mission. Therefore, providing additional resources at this time would be premature.

Item 8965-001-0001--For support of Veterans Home of California, Barstow. I reduce this item from \$12,413,000 to \$12,412,000 by reducing:

(a) 30-Care of Sick and Disabled Veterans from \$20,903,000 to \$20,902,000,

and by deleting Provision 4.

I am reducing this item by \$1,000 and deleting Provision 4, which would require the Department of Veterans Affairs to submit to the Legislature by April 1, 2001, an evaluation of the Behavior Management pilot program at the Barstow Veterans Home. The pilot program is proposed for a trial period of 24 months, yet this language requires a complete evaluation 10 months into the program. While I do not object an evaluation of this program, this language is premature.

Item 9100-102-0001--For local assistance, Tax Relief. I delete this item and Provision 1.

I am deleting the \$1,700,000,000 legislative augmentation as a technical change, since tax relief will be provided through a budget trailer bill rather than the Budget Act.

I am deleting Provision 1 to conform to this action.

Item 9210-104-0001--For local assistance, Local Government Financing. I reduce this item from \$12,150,000 to \$10,800,000 and by revising Provision 1.

“1. The funds appropriated in this item are for the following:

- (a) City of San Diego—Point Loma Fire Station #22, new apparatus bay and remodeling ~~750,000~~ 400,000
- (b) Orange County—Orange County Coroner 10,000,000
- (c) Imperial County—Consolidation of fire department, sheriff’s office and the Heber Utility District 400,000
- ~~(d) City of Belmont—Renovation and rehabilitation of the Belmont police station 1,000,000”~~

I am reducing this item to fund higher competing priorities.

Item 9210-105-0001--For local assistance, Local Government Financing. I reduce this item from \$4,898,167 to \$3,548,167 and by revising Provision 1.

“1. The funds appropriated in this item are for the following:

- (a) City of Santa Ana—Santa Ana Zoo Commissary 40,000
- (b) City of Antioch—Capital improvements 282,167
- (c) City of Rialto—Imaging system 65,000
- (d) San Bernardino County Registrar of Votes—Creation of remote early voting sites 100,000
- (e) Santa Barbara County—Expand ~~Cascade~~ Casa de La Raza Family Service Center 100,000
- (f) Mendocino County—Mobile spay/neuter, disaster preparedness, and pet adoption van 100,000
- (g) Marin County—Construction of a permanent detoxification facility 250,000
- (h) San Joaquin County—Mary Graham Children’s Complex for abused children ~~2,650,000~~ 1,500,000
- (i) City of Downey—Animal shelter renovation for the Southeast Area Animal Control Agency 561,000
- (j) City of Avalon—Purchase of storm water diverters 300,000
- ~~(k) City of Azusa—Fund an economic impact study on traffic change 200,000~~
- (l) City of Santa Clarita—Diapers recycling facility 250,000”

I am reducing this item to fund higher competing priorities. In addition, the funding for the Santa Barbara County: Expand Casa de La Raza Family Service Center project is one-time in nature.

Item 9800-001-0001--For Augmentation for Employee Compensation. I revise this item by deleting Provision 3.

I am deleting Provision 3, which states legislative intent that funds available in this item shall be available to address salary compaction issues within the Department of Corrections. This language is an infringement on the Department of Personnel Administration's authority to collectively bargain salary issues.

SEC. 3.60--Contribution to Public Employees' Retirement Benefits. I delete provision (d) of this control section.

Provision (d) of this section would direct the California Public Employees' Retirement System (CalPERS) to offset the State's 2000-01 retirement contribution by the amount the State overpaid in 1999-00.

I am deleting this provision since CalPERS already refunded the overpayment to the State.

With the above deletions, revisions and reductions, I hereby approve Assembly Bill 1740.

A handwritten signature in black ink that reads "Gray Davis". The signature is written in a cursive, slightly stylized font. The first name "Gray" is written with a capital 'G' and the last name "Davis" is written with a capital 'D'. The signature is positioned above the printed name.

GRAY DAVIS