



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

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

Federal Funds Adjustments

**Items 6110-001-0001 and 6110-001-0890, State Operations, State Department of Education
(Issues 001, 004, 278, 290, 642, 643, 644, 645, 647, and 648)**

One-Time Carryover for the California High School Exit Exam Equivalence Assessment

(Issue 001)—It is requested that Item 6110-001-0890 be increased by \$1,050,000 federal special education funds and that Item 6110-001-0001 be amended to undertake the activities required pursuant to Chapter 666, Statutes of 2008 (AB 2040), which directed the State Department of Education (SDE) to form an independent panel to examine and provide recommendations to the State Board of Education (Board) on an equivalent assessment for students with disabilities. The bill further required the Board to make a recommendation and adopt regulations by October 2010. The 2009 Budget Act provided carryover of \$1,050,000 federal funds for this purpose and the panel has provided its recommendation to the Board. The Board intends to address the panel's recommendation in the coming months and the SDE requests to carryover the remainder of funds for workload that would occur in fiscal year 2010-11.

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

X. Of the funds appropriated in this item, \$1,050,000 federal special education funds is available on a one-time basis for the activities described in Chapter 666, Statutes of 2008.

American Recovery and Reinvestment Act-Related Monitoring and Reporting

(Issue 004)—It is requested that Item 6110-001-0890 be increased by \$1,982,000 one-time federal carryover funds and that Item 6110-001-0001 be amended to implement various education-related accountability, reporting, and technical support provisions of the federal American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA provided billions of dollars in one-time funding to jumpstart school reform efforts, serve special populations, save and create jobs, and stimulate the economy. The ARRA and related federal regulations require that nearly all federal ARRA funds be disbursed to local educational agencies (LEAs) and that a

limited amount of these funds may be used by states for monitoring, reporting, and technical support of LEA activities during the three-year availability of ARRA funds. According to the SDE, federal special education and Title I guidance suggest that a portion of these base grants may be used for ARRA state administrative activities and the SDE has identified one-time carryover funds from these base grants that could be used for these purposes.

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

X. Of the funds provided in this item, \$1,982,000 in one-time federal carryover funds is available for the State Department of Education to satisfy all fiscal monitoring, reporting, technical assistance, and other oversight activities as required by the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) and related federal guidance.

Add One-Time Carryover Authority for Document Translation Workload (Issue 278)—It is requested that Item 6110-001-0890 be increased by \$250,000 federal Title III funds and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover. These funds will support the continued translation of parental notification and information forms in multiple languages to assist school districts in complying with the requirements of current law. The carryover is a result of delay in securing contracts with vendors to translate parental notification documents.

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

X. Of the funds appropriated in this item, \$250,000 is available in one-time carryover funds to support additional translations of parental notification and information templates.

Enhancing Education Through Technology Program (EETT) (Issue 290)—It is requested that Item 6110-001-0890 be decreased by \$166,000 and that Item 6110-001-0001 be amended to align with the anticipated federal grant award for this program.

It is further requested that language in Provision 7 of this item be updated to conform to this action as follows:

7. Of the funds appropriated in this item, ~~\$1,066,000~~ \$900,000 shall be used for administration of the federal Enhancing Education Through Technology Grant Program. Of this amount:
(a) \$150,000 of carryover funds is available only for ~~contracted~~ technical support and evaluation services.

Safe and Drug Free Schools Program (Issue 642)—It is requested that Item 6110-001-0890 be decreased by \$1,400,000 federal Title IV funds and that Item 6110-001-0001 be amended to reflect the elimination of the Safe and Drug Free Schools Program by the federal government and the availability of \$500,000 in one-time carryover funds. These funds will be used to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs.

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

X. Of the funds appropriated in this item, \$500,000 is provided in one-time carryover funds to support the closing of the Safe and Drug Free Schools Program.

Add One-Time Reimbursement Authority for Specialty Crop Block Grant Program (Issue 643)—It is requested that Item 6110-001-0001 be increased by \$180,000 in reimbursement authority to reflect one-time federal funds available from the California Department of Food and Agriculture (CDFA). The Specialty Crop Block Grant funds will be used to promote the consumption of fresh fruits and vegetables among preschoolers.

It is further requested that provisional language be added to Item 6110-001-0001 as follows to conform to this action:

X. Of the funds appropriated in this item, \$180,000 is provided in one-time reimbursement authority for Specialty Crop Block Grant Funds from the California Department of Food and Agriculture.

Administration of Commodity Supplemental Food Program (Issue 644)—It is requested that Item 6110-001-0890 be increased by \$45,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the anticipated approval of administrative funds for the Commodity Supplemental Food Program (CSFP). In 2009-10, the SDE received approval from the United States Department of Agriculture (USDA) to retain an additional \$45,000 to implement the CSFP. The SDE expects to receive this additional allowance in future years but cannot request it until information about final funding is received in December.

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

X. Of the funds appropriated in this item, \$45,000 is for the administration of the Commodity Supplemental Food Program, contingent on approval from the United States Department of Agriculture.

Special Child Nutrition Grants Programs (Issue 645)—It is requested that Item 6110-001-0890 be increased by \$2,235,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the anticipated receipt of special child nutrition grants for the Summer Food Service, Administrative Reviews and Training, Team Nutrition, Direct Certification, and Fresh Fruit and Vegetable Programs. These grants are awarded by the USDA, and the funds would be used to develop and implement training needed to implement federal requirements associated with the Child Nutrition Program.

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

X. Of the funds appropriated in this item, \$2,235,000 is provided for the following special child nutrition grants, contingent on receipt of grant awards from the United States Department of Agriculture: \$1.0 million on a one-time basis for the Summer Food Service grant, \$535,000 for the Administrative Reviews and Training (ART) grant, \$300,000 for the Team Nutrition grant,

\$250,000 for the Direct Certification grant, and \$150,000 for the Fresh Fruit and Vegetable grant.

Support for Completion of Child Nutrition Information and Payment System (CNIPS) (Issue 647)—It is requested that Item 6110-001-0890 be increased by \$125,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of funds to extend CNIPS project management contracts through December, 2010. These contracts will support the completion of CNIPS, which is critical to the state's Child Nutrition Program.

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

X. Of the funds appropriated in this item, \$125,000 is available on a one-time basis to extend project management contracts to support completion of the Child Nutrition Information and Payment System implementation.

Support for CNIPS Interface with Federal Computer System (Issue 648)—It is requested that Item 6110-001-0890 be increased by \$247,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect one-time funds available to develop the interface between the state's Child Nutrition Information and Payment System and the United States Department of Agriculture's (USDA's) new computer system. This federally required system compatibility will facilitate tracking orders of food commodities from the USDA.

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

X. Of the funds appropriated in this item, \$247,000 is available on a one-time basis to develop the interface between the Department of Education's Child Nutrition Information and Payment System and the United States Department of Agriculture's new Web-Based Supply Chain Management System.

Item 6110-102-0890, Local Assistance, Learn and Serve America Program (Issue 402)—It is requested that this item be increased by \$585,000 to reflect a \$468,000 increase in the federal grant and \$117,000 in one-time carryover. The Learn and Serve America Program provides opportunities for students to engage in academic based service-learning projects.

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

X. Of the funds appropriated in this item, \$117,000 reflects one-time carryover funds for the Learn and Serve America Program.

Item 6110-103-0890, Local Assistance, Robert C. Byrd Honors Scholarship Program (Issue 649)—It is requested that this item be increased by \$114,000 Federal Trust Fund to align the budget appropriation with the federal grant award. These funds will be used to recognize exceptionally able high school seniors who show promise of continued excellence in postsecondary education.

Item 6110-105-0890, Local Assistance, Bay Watershed Education and Training Federal Grant Program (Issue 802)—It is requested that this item be added in the amount of \$104,000 Federal Trust Fund for the second year of the three-year Bay Watershed Education and

Training (B-WET) federal grant. The Department of Finance approved a budget revision for \$90,126 in 2009-10 for the first year of the B-WET grant, which supports the Santa Barbara Channel Schoolyard Habitat Program for the purpose of supporting environment-based education throughout the Santa Barbara Channel watershed.

It is further requested that Item 6110-105-0890 be added to conform to this action as follows:

6110-105-0890—for local assistance, Department of Education, Program 20-Instructional Support, for the Bay Watershed Education and Training Grant, payable from the Federal Trust Fund..... 104,000

Item 6110-112-0890, Local Assistance, Public Charter Schools Grant Program (Issue 723)—It is requested that this item be decreased by \$780,000 federal Public Charter Schools Grant Program (PCSGP) funds. This adjustment includes a decrease of \$1,871,000 to align with the estimated federal grant award and an increase of \$1,091,000 in available one-time carryover funds. The PCSGP provides planning and implementation grants to new startup and conversion charter schools and best practices dissemination grants.

It is further requested that provisional language be added to conform to this action.

X. Of the funds appropriated in this item, \$1,091,000 reflects one-time carryover funds.

Item 6110-113-0890, Local Assistance, Elimination of the Alternative Schools Accountability Model Program (Issue 002)—It is requested that Schedule (1) and Provision 1 of this item be deleted to reflect the elimination of the Alternative Schools Accountability Model (ASAM) in favor of folding alternative schools into existing federal academic accountability reporting. While the state permits alternative schools to participate in an ASAM to comply with state academic accountability requirements, it is not required by state or federal law. Under federal requirements established by the No Child Left Behind Act of 2001, all alternative schools are required to meet the same Adequate Yearly Progress reporting criteria as other mainstream schools. The state’s alternative schools include community day schools, continuation schools, county community schools, county court schools, Division of Juvenile Justice schools, opportunity schools, and alternative schools of choice and certain charter schools serving those populations.

It is further requested that the \$775,000 federal Title VI funds made available by the elimination of Schedule (1) be shifted to Schedule (5) of this item. Funds appropriated in Schedule (5) of this item are provided for approved contract costs related to the California High School Exit Examination (CAHSEE) and are to be fully expended before General Fund resources provided in Item 6110-113-0001 for the same purposes. Because the state’s K-12 testing, including the ASAM and CAHSEE, is funded by federal funds and Proposition 98 General Fund, Proposition 98 General Fund savings will be gained when federal funds no longer needed for the ASAM are shifted to the CAHSEE. (See related adjustment at Item 6110-113-0001, Issue 002.)

Item 6110-125-0890, Local Assistance, Migrant Education Program and English Language Acquisition Program (Issues 291, 292, 297, and 298)—It is requested that Schedule (1) of this item be increased by \$7,810,000 Title I Migrant Education Program funds. This adjustment includes a decrease of \$590,000 to align the Migrant Education Program with the anticipated federal grant award and an increase of \$8.4 million to reflect the availability of one-time federal

carryover funds. LEAs will use these funds for educational and support services to meet the needs of highly-mobile children.

It is also requested that Schedule (2) of this item be increased by \$1,574,000 federal Title III funds. This adjustment includes a decrease of \$126,000 to align the federal Title III English Language Acquisition Program with the anticipated federal grant award and an increase of \$1.7 million to reflect the availability of one-time federal carryover funds. LEAs will use these funds for services to help students attain English proficiency and meet grade level standards.

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

X. Of the funds appropriated in Schedule (1), \$8.4 million is provided in one-time carryover funds to support the following existing program activities: (1) extended day/week and summer/intersession programs to help prepare middle and secondary students for the high school exit exam, (2) investments aimed at upgrading curricula, instructional materials, educational software, and assessment procedures, (3) tutorials and intensified instruction, and (4) investments in technology used to improve the proficiency of limited English proficient students.

X. Of the funds appropriated in Schedule (2), \$1.7 million is provided in one-time carryover funds to support the existing program.

Item 6110-134-0890, Local Assistance, Federal Title I Set Aside for the Local Educational Agency Corrective Action Program (Issue 005)—It is requested that Schedule (2) of this item be increased by \$1,720,000 federal Title I Set Aside funds for the Local Educational Agency Corrective Action Program (Program) to align the appropriation with the available federal grant estimated for 2010-11. The Program provides funding for technical assistance to LEAs entering federal Corrective Action.

Item 6110-134-0890, Local Assistance, Federal School Improvement Grant Program (Issue 006)—It is requested that Schedule (3) of this item be increased by \$7,040,000 federal School Improvement Funds to align the appropriation with the available federal grant estimated for 2010-11. The School Improvement Grant Program provides grants to the lowest-achieving Title I schools identified for federal Program Improvement, Corrective Action, or Restructuring to implement evidence-based strategies for improving student achievement.

Item 6110-134-0890, Local Assistance, Prorate Local Educational Agency Corrective Action Program Funds (Issue 007)—It is requested that provisional language be amended to prorate 2010-11 federal Title I Set Aside funds for the Local Educational Agency Corrective Action Program (Program) and to prohibit schoolsites from earning Title I Set Aside funds if schoolsites also earn federal School Improvement Grant (SIG) funds.

The Program was established by Chapter 757, Statutes of 2008 (AB 519) and requires the Board to assign at least one of seven federal sanctions to an LEA entering Year 3 of federal Program Improvement (also known as Corrective Action). The statute also requires the Board to determine the extent of an LEA's challenges (severe, moderate, and minor) and LEAs would receive one-time funding to correct those challenges based on the number of Title I schools under their jurisdiction (\$150,000 for severe, \$100,000 for moderate, and \$50,000 for minor).

Based on information from the SDE, approximately 63 LEAs, encompassing approximately 447 schoolsites, are expected to enter Corrective Action in 2010-11, which would cost between \$45,600,000 and \$67,100,000 federal Title I Set Aside funds. According to the latest data available from the U.S. Department of Education (USDE), only \$56,600,000 of federal baseline Title I Set Aside funds would be available in 2010-11 for the Program, which would be short of the high end of the estimated cost range.

Federal SIG funds are provided, through a grant application, to the lowest-achieving Title I schools identified for federal Program Improvement, Corrective Action, or Restructuring to implement evidence-based strategies to improve student achievement and exit Program Improvement status. Eligible schools could receive between \$50,000 and \$2.0 million per schoolsite to improve achievement (Note: The amount per schoolsite is to be determined by the Board based on the particular needs of each schoolsite). According to the latest data available from the USDE, \$68,500,000 of federal baseline SIG funds would be available in 2010-11 for the lowest-achieving Title I schools.

Because there is the real possibility that there will not be sufficient funding to cover full Corrective Action program costs envisioned in AB 519, it is requested that Budget Bill language be adopted to prorate funding. In addition, we recommend that schoolsites not receive Title I Set Aside funds if they also receive federal SIG funds. The purpose of both fund sources is to improve LEA and schoolsite student achievement. SIG schoolsites may receive between \$50,000 and \$2.0 million and it is likely that some of these schoolsites will also be some of the same schoolsites identified in the Program for 2010-11. Because of these two factors, it would make more sense to maximize federal funds for the greatest number of Corrective Action program LEAs and schoolsites rather than "double up" funding for SIG schoolsites.

It is further requested that Provision 6 of this item be amended to conform to this action as follows:

"6. The funds appropriated in Schedule (2) are for purposes of Title I, Part A, Section 1116 and 1117 of the No Child Left Behind Act (P.L. 107-110) and shall first be used to fund the Local Educational Agency Corrective Action program (Program) established by Article 3.1 (commencing with Section 52055.57(c)) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code. In the event that 2010-11 Title I Set Aside funds are insufficient to fully fund all local educational agencies that become eligible, apply for, and are selected by the State Board of Education (Board) to receive those federal funds, and notwithstanding any other provision of law, the State Department of Education and the Board shall in the following order:

- a) Identify all schools that qualify to receive, have applied for, and have been selected by the Board to receive a 2010-11 federal School Improvement Grant and also are within a local educational agency that has been selected by the Board to receive 2010-11 federal Title I Set Aside funds.
- b) Ensure that schools identified in (a) of this provision are excluded for purposes of calculating Program funding.
- c) Determine the federal Title I Set Aside grant amount to be awarded to each qualifying local educational agency pursuant to levels specified in Section 52055.57(d)(3) of the Education Code and exclude schools identified in (a) of this provision.

- d) In the event that 2010-11 federal Title I Set Aside funds are insufficient to fully fund all eligible Corrective Action program local educational agencies, the Board shall proportionately reduce each Corrective Action program grant so that all approved local educational agencies may be funded with the maximum amount of Title I Set Aside funds possible."

Item 6110-134-0890, Local Assistance, Title I Basic Elementary and Secondary Education Act Program (ESEA) (Issues 301 and 302)—It is requested that Schedule (4) of this item be increased by \$19,976,000 federal Title I funds. This adjustment includes an increase of \$15,876,000 to align the Title I Basic ESEA program with the anticipated federal grant award and an increase of \$4.1 million to reflect the availability of one-time federal carryover funds. LEAs will use these funds to support services that assist low achieving students enrolled in the highest poverty schools.

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

X. Of the funds appropriated in Schedule (4), \$4.0 million is provided in one-time carryover funds to support the existing program.

Item 6110-136-0890, Local Assistance, McKinney-Vento Homeless Children Education Program and Title I Even Start Program (Issues 293, 295, and 296)—It is requested that Schedule (1) of this item be decreased by \$4,310,000 federal Title I McKinney-Vento Homeless Children Education funds. This adjustment includes a decrease of \$4.7 million to align the McKinney-Vento Homeless Children Education Program with the anticipated federal grant and an increase of \$427,000 to reflect the availability of one-time federal carryover funds. LEAs will use these funds to provide services to homeless students.

It is also requested that Schedule (2) of this item be increased by \$640,000 federal Title I Even Start funds to reflect the availability of one-time carryover. LEAs will use these funds to improve the educational opportunities of low-income families and to support a unified literacy program that integrates early childhood education and parenting education.

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

X. Of the funds appropriated in Schedule (1), \$427,000 is provided in one-time carryover funds to support the existing program.

X. Of the funds appropriated in Schedule (2), \$640,000 is provided in one-time carryover funds to support the existing program.

Item 6110-156-0890, Local Assistance, Adult Education Program (Issue 404)—It is requested that this item be increased by \$13,770,000 federal funds to reflect a \$10,770,000 increase in the federal grant and \$3.0 million in one-time carryover. The federal Adult Education Program supports the Adult Basic Education, English as a Second Language, and Adult Secondary Education programs.

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

X. Of the funds appropriated in this item, \$3.0 million is provided in one-time carryover funds for the federal Adult Education Program.

Item 6110-161-0890, Local Assistance, Special Education Program (Issue 600)—It is requested that this item be increased by \$6,387,000 federal Individuals with Disabilities Education Act (IDEA), Part B funds to reflect an increase in the grant award for special education. The proposed augmentation would maximize the use of federal funds.

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

"1. If the funds for Part B of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) (IDEA) that are actually received by the state exceed ~~\$1,211,941,000~~ 1,218,328,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Up to 5 percent of the amount received in excess of ~~\$1,211,941,000~~ 1,218,328,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the IDEA that are actually received by the state are less than ~~\$1,211,941,000~~ 1,218,328,000, the reduction shall be taken in other state-level activities."

Item 6110-166-0890, Local Assistance, Vocational Education Program (Issue 405)—It is requested that this item be increased by \$6,035,000 federal Vocational Education funds to reflect \$6.5 million in one-time carryover and a decrease of \$465,000 in the federal grant. The federal Vocational Education Program develops academic, vocational, and technical skills of students in high schools, community colleges, and Regional Occupational Centers and Programs.

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

X. Of the funds appropriated in this item, \$6.5 million is provided from one-time carryover funds for Vocational Education Programs.

Item 6110-180-0890, Local Assistance, Education Technology Program (Issue 299 and 300)—It is requested that this item be decreased by \$20,091,000 federal Enhancing Education Through Technology Program funds. This adjustment includes a decrease of \$20,343,000 to align the Education Technology program with the anticipated federal grant award and an increase of \$252,000 to reflect the availability of one-time federal carryover funds. The reduction would be allocated proportionately among competitive grants, formula grants, and the California Technology Assistance Project.

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

"1. Of the funds appropriated in this item, ~~\$14,508,000~~ \$4,737,000 is allocated to school districts that are awarded formula grants pursuant to the federal Enhancing Education Through Technology Grant Program. Of the funds appropriated in this provision, \$241,000 is provided from one-time carryover funds.

2. Of the funds appropriated in this item, ~~\$14,508,000~~ \$4,507,000 is available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 of the Education Code and the requirements of the federal Enhancing Education Through Technology Grant Program including the eligibility criteria established in federal law to target local educational agencies with high numbers or percentages of children from families with incomes below the poverty line and one or more schools either qualifying for federal school improvement or

demonstrating substantial technology needs. Of the funds appropriated in this provision, \$11,000 is provided from one-time carryover funds.

3. Of the funds appropriated in this item, ~~\$462,000~~ \$143,000 is available for the California Technology Assistance Project (CTAP) to provide federally required technical assistance and to help districts apply for and take full advantage of the federal Enhancing Education Through Technology grants.”

Item 6110-183-0890, Local Assistance, Safe and Drug Free Schools Program

(Issue 641)—It is requested that this item be decreased by \$24,931,000 federal Title IV funds to reflect the elimination of the Safe and Drug Free Schools Program by the federal government and the availability of \$2.0 million of one-time carryover funds. These funds will be used to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs.

It is further requested that provisional language be added to Item 6110-183-0890 as follows to conform to this action:

X. The funds appropriated in this item are available on a one-time basis to support the closing of the program.

Item 6110-193-0890, Local Assistance, Mathematics and Science Partnership Program

(Issue 144)—It is requested that this item be increased by \$2,272,000 federal Title II funds to reflect one-time carryover. The Mathematics and Science Partnership Program provides competitive grant awards to partnerships of low-performing schools and institutes of higher education to provide staff development and curriculum support to mathematics and science teachers.

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

X. Of the funds appropriated in this item, \$2,272,000 is provided in one-time carryover funds to support the California Mathematics and Science Partnership Program.

Item 6110-197-0890, Local Assistance, 21st Century Community Learning Centers

Program (Issue 326)—It is requested that this item be decreased by \$4,433,000 to reflect current estimates of one-time carryover in the federal 21st Century Community Learning Centers program.

It is further requested that Provision 2 be amended as follows:

“2. Of the funding provided in this item, ~~\$49,096,000~~ \$44,663,000 is available from one-time carryover funds from prior years.”

Item 6110-240-0890, Local Assistance, Advanced Placement Fee Waiver Program

(Issue 650)—It is requested that this item be increased by \$1,578,000 Federal Trust Fund to align the budget appropriation with the federal grant award and to reflect the availability of \$871,000 in one-time carryover funds for the Advanced Placement (AP) Fee Waiver Program. These funds will be used to reimburse school districts for specified costs of AP test fees paid on behalf of eligible students. The AP program allows students to pursue college-level course work while still in secondary school.

It is further requested that provisional language be added to Item 6110-240-0890 as follows to conform to this action:

X. Of the funds appropriated in Schedule (2) of this item, \$871,000 is provided in one-time carryover funds to support the existing program.

General Fund and Other Adjustments

Items 6110-001-0001, State Operations, State Department of Education (Issues 145, and 722)

State Operations, Remove Limited-term Position and Funding for the Chief Business Officer Training Program (Issue 145)—It is requested that this item be decreased by \$76,000 General Fund and that the limited-term associate governmental program analyst position that supported the Chief Business Officer Training Program be removed. The Chief Business Officer Training Program was a three-year project that offered incentives to school districts and county offices of education to provide instruction and training to chief business officers on school finance, operations, and leadership. However, the program became inoperative July 1, 2009, pursuant to Education Code Section 44519.2. The Governor's Budget removed provisional language allocating \$1.0 million for the local assistance portion of the program and shifted the \$1.0 million to the Administrator Training Program. Although the local assistance funding was appropriately addressed, associated state operations costs were not removed.

State Operations, Charter Schools Division Positions (Issue 722)—It is requested that 3.0 positions be added to the Charter Schools Division to provide support for increased workload due to growth in statewide charter school petitions and charter school appeals. These positions would enable the SDE to complete statutorily required charter school-related activities.

Item 6110-113-0001, Local Assistance, Student Assessments (Issue 002)—It is requested that Schedule (4) of this item be decreased by \$775,000 Proposition 98 General Fund to conform to an interschedule shift of federal funds in Item 6110-113-0890 from Schedule (1) for the ASAM to Schedule (5) for the CAHSEE. This action reflects the elimination of the ASAM in favor of folding alternative schools into existing federal academic accountability reporting and a shift of \$775,000 federal funds to the CAHSEE.

The state's K-12 student testing, including the ASAM and the CAHSEE, is funded by federal funds and Proposition 98 General Fund. Provisional language requires that federal funds provided in Item 6110-113-0890 for student testing be fully expended before General Fund resources provided in Item 6110-113-0001 for the same purposes. Therefore, Proposition 98 savings will be gained when federal funds no longer needed for the ASAM are shifted to the CAHSEE. This request will not change the amount of funding for the CAHSEE; it will only change the fund source. (See related adjustment at Item 6110-113-0890, Issue 002.)

Item 6110-170-0001, Local Assistance, Add Career Technical Education Program (Issues 401 and 407)—It is requested that this item be increased by \$498,000 to reflect one-time reimbursement carryover for the Career Technical Education Program (CTE), which will allow for the completion of two projects that could not be completed in the current year due to contract delays.

It is further requested that provisional language be amended to clarify that CTE funding is also provided from the Quality Education Investment Act in accordance with Education Code Section 52055.770(f).

It is further requested that provisional language be amended and added as follows to conform to these actions:

" 1. Funding in this item shall be provided through a transfer from Schedule (21) of Item 6870-101-0001 and from the Quality Education Investment Act in accordance with Education Code Section 52055.770(f), pursuant to an interagency agreement between the Office of the Chancellor of the California Community Colleges and the State Department of Education."

X. Of the funds appropriated in this item, \$498,000 reflects one-time reimbursement funding to complete two projects initiated in 2009-10.

Item 6110-196-0001, Local Assistance, Child Care Program (Issue 324)—It is requested that Provision 13 of this item be amended to extend the timeframe for completion of the child care characteristics study, which was required by the Budget Act of 2009, from September 1, 2010 to March 1, 2011. The SDE experienced a delay in securing a contractor to conduct the study, and anticipates that the contract will begin on June 1, 2010. The purpose of the study is to provide information on the characteristics of children, families, and providers and to collect other fiscal information useful for modeling the effects of policy proposals in state-subsidized child care and development programs.

It is further requested that Provision 13 be amended as follows:

"13. The State Department of Education shall provide the study on the characteristics of families and costs of care pursuant to Provision 13 of Item 6110-196-0001 of the Budget Act of 2009 to the State Department of Social Services, the Department of Finance, and the Legislative Analyst no later than ~~September 1, 2010~~ March 1, 2011."

Item 6110-491, Reappropriation, English Learner Program for County Court and Division of Juvenile Justice Schools (Issue 721)—It is requested that the availability of \$1.6 million in federal Title III carryover funding be extended to 2011-12 to complete the English Language Learner program for county court and Division of Juvenile Justice schools. The Budget Act of 2008 appropriated these funds for 2008-09 through 2010-11 to provide technical assistance and professional support for educators working with English learner incarcerated youth. This extension is requested due to a delay in selection of a contractor. The anticipated project completion date is now June 30, 2012.

It is further requested that Item 6110-491 be added to conform to this action.

6110-491. Reappropriation, Department of Education. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2012:

0890-Federal Trust Fund

1) Provision 33 of Item 6110-001-0890, Budget Act of 2008 (Chapters 268 and 269, Statutes of 2008)

APR 01 2010

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

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

ANA J. MATOSANTOS
Director
By:

/s/ Todd Jerue

TODD JÉRUE
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Ms. Bonnie Reiss, Secretary of Education, Office of the Secretary of Education
Ms. Sharon Taylor, Fiscal and Administrative Services, Department of Education



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 6110-490, Capital Outlay, Department of Education

It is requested that Item 6110-490 be added to reappropriate the unencumbered balances of bond funded appropriations for four Department of Education (DOE) projects at the California School for the Deaf, Riverside. The projects are the Career and Technical Education Complex and Service Yard, the New Gymnasium and Pool, the Kitchen and Dining Hall Renovation, the Academic Support Core, Bus Loop, and Renovation project. The appropriations were included in the Budget Acts of 2005, 2006, 2007, and 2008.

Pursuant to Budget Letter 08-33, departments were directed to suspend any projects that require cash disbursement from Pooled Money Investment Account loans. In order to comply with this, DOE suspended project activities for identified bond funded projects. Therefore, it is necessary to reappropriate the unspent balances of the requested funds to allow DOE to fulfill its obligation for the identified projects once they are able to resume.

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

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

ANA J. MATOSANTOS
Director
By:

/s/ Todd Jerue

TODD JÉRUE
Chief Deputy Director

Attachment

cc: On following page

APR 01 2010

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Mr. Ronald Kadish, Director of State Special Schools and Services Division,
Department of Education
Mr. C. Allen Young, Departmental Construction Maintenance Supervisor,
State Special Schools and Services Division, Department of Education
Ms. Rosa Wright, Fiscal Officer, State Special Schools and Services Division,
Department of Education
Ms. Roxanne Eres, Chief, Budget Officer, Department of Education



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 6360-001-0408, Support, Commission on Teacher Credentialing

Item 6360-001-0408, State Operations, Add Funding for the Credential Web Interface Project (Issue 150)—It is requested that this item be increased by \$413,000 Test Development and Administration Account (TDAA), Teacher Credentials Fund, to reflect the availability of one-time funds for the completion of the Credential Web Interface Project (CWIP). This project would allow the Commission on Teacher Credentialing (CTC) to capitalize on its existing infrastructure to consolidate databases into one unified system, streamline the processes for updating and posting information, and eliminate more costly contract services by bringing in-house the internet-based client interface that stakeholders use to access credential data.

The Budget Act of 2009 provided \$413,000 on a one-time basis for this project; however, the development of the business and technical requirements has delayed the Request for Offers. The CTC is currently in the process of selecting a contractor to manage the project and does not anticipate completing the project in the current year. Therefore, the current appropriation will revert.

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

X. Of the funds appropriated in this item, \$413,000 is available on a one-time basis to contract for the completion of the Credential Web Interface Project.

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

APR 01 2010

If you have any questions or need additional information regarding this matter, please call Ed Hanson, Principal Program Budget Analyst, at (916) 485-0328.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Mr. Dale Janssen, Executive Director, Commission on Teacher Credentialing
Ms. Crista Hill, Division Director, Commission on Teacher Credentialing



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

**Addition of Budget Bill Items 6440-301-0658, 6440-302-0658, 6440-301-0660,
6440-301-6048, 6440-402, 6440-496, Capital Outlay, University of California**

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

Proposed Capital Outlay Projects (Various Issues)—While no capital outlay projects were included in the proposed 2010-11 Governor's Budget for either California State University (CSU) or University of California (UC), the Governor indicated that the Administration intends to propose funding for higher education facilities as part of the revised budget.

In accordance with this direction, it is requested that Items 6440-301-0658 and 6440-302-0658 be added in the amounts of \$5,113,000 and \$2,604,000, respectively, from the 1996 Higher Education General Obligation Bond Fund (Fund 0658) for design and or construction of three capital outlay projects, and Item 6440-301-0660 be added in the amount of \$342,896,000 from the Public Buildings Construction Fund for the design and construction of four capital outlay projects.

Garamendi Financing Authorization for UC San Diego Clinical and Transitional Research Institute (Issue 001)—The UC requests authority, pursuant to Government Code Section 15820.21, to establish a funding mechanism known as "Garamendi Financing," to allow increased federal indirect costs generated from research conducted in a proposed new research building on the UC San Diego campus to pay debt service and maintenance costs for the proposed new building. The ability to finance research facilities under this program will allow facilities to "pay for themselves" by permitting the campus to use the gross indirect cost recovery attributable to the new facility to pay for debt service and maintenance.

The proposed new Clinical and Translational Research Institute would support a range of health science departments including the schools of Medicine, Neuroscience, Pathology, and Pharmacology. Since 1990-91, 22 capital projects totaling approximately \$717.0 million were financed using Garamendi Financing.

Therefore, it is requested that Item 6440-402 be added

- (a) The San Diego Campus—Clinical and Translational Research Institute is authorized pursuant to Section 15820.21 of the Government Code.

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

ANA J. MATOSANTOS
Director
By:

/s/ Todd Jerue

TODD JÉRUE
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Mr. Patrick Lenz, Vice President for Budget, University of California
Ms. Deborah Obley, Associate Vice President for Budget Operations, University of California

Reversion for UC Irvine, Steinhaus Hall Seismic Improvements Project (Issue 001)—The Steinhaus Hall Seismic Improvements project at the Irvine Campus is now complete and approximately \$2,668,000 in bid and project savings can be reverted to the 2006 University Capital Outlay Bond Fund (Fund 6048). UC is proposing to appropriate the project savings in an equivalent amount for equipment to support the Arts Building, currently under construction on the Irvine Campus.

Therefore, it is requested that Item 6440-496 be added to reflect the reversion of project savings for the project.

UC Irvine, Arts Building—Equipment (Issue 001)—UC requests \$2,668,000 from Fund 6048 for the Irvine Campus, Art Building Project (Project). This Project would provide instructional laboratory and support space, exhibition space, and academic and administrative offices in the Clair Trevor School of the Arts. The Project is nearing completion (completion date of May 2010), and \$2,668,000 for equipment is needed to ensure that the facility is fully operational when completed.

UC Merced, Site Development and Infrastructure, Phase 6—PWC (Issue 002)—UC requests \$2.0 million from Fund 6048 to complete key phases of time sensitive work related to a federal Clean Water Action Section 404 permit requirement on the Merced Campus. Key phases of work that needs to be completed by May 1, 2012 include the construction of a dirt perimeter road to improve access to the outer areas of the campus and community, construction of boundary fencing between the campus and preserve lands, and mass grading to improve storm water management.

Therefore, it is requested that Item 6440-301-6048 be added to reflect the addition of the two projects.

UC Merced, Site Development and Infrastructure, Phase 4—PWC (Issue 002)—UC requests \$4.5 million from Fund 0658 to fund a select group of infrastructure needs at the Merced Campus to set the framework for continued infrastructure progress on campus. Some of the activities that would be included in the project are: (1) modifying a water detention basin (North Pond) and installation of a new campus storm water detention pond (Lower Pond) to improve erosion control and storm water management; (2) installing underground utilities to future academic building sites in the campus academic core; (3) improving current corporation yard site paving, grading, and extending utilities (water, power, information technology, stormwater) at the site; and (4) improving hardscape and storm drains along the extension of Scholars Lane and Ranchers Road.

Therefore, it is requested that Item 6440-301-0658 be added to reflect the addition of the new project.

The effect of my requested action is reflected on the attachment. In addition to the normal attachment, a draft of the proposed budget bill changes is included as Attachment 1.

ATTACHMENT 1

Item 6440-301-0658—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1996.....5,113,000

Schedule:Merced Campus:

- (1) 99.11.055-Site Development and Infrastructure, Phase 4— Preliminary plans, working drawings, construction, and equipment..... 4,500,000

San Diego Campus:

- (2) 99.06.365-SIO Research Support Facilities—Preliminary plans and working drawings..... 613,000

Provisions

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), or (e) to fund minor capital outlay projects.
2. The funds provided in this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage rates until June 30, 2011.

Item 6440-302-0658 is added to the Budget Bill:

Item 6440-302-0658—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 19962,604,000

Schedule:Irvine Campus:

- (1) 99.09.390-Business Unit 2—Preliminary plans, and working drawings.....2,604,000

Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
2. The University of California shall complete each project identified in the above schedule within the total funding amount specified in the schedule, for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made in this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated

in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated in this item. This condition does not limit the authority of the University of California to use nonstate funds for these purposes.

3. The University of California shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the project as determined by reference to the following elements of the budget request for that project submitted by the University of California to the Department of Finance: (a) the program elements related to the project type and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.
4. Identified savings in a budget for a capital outlay project, as appropriated in this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used (a) to begin working drawings for a project for which preliminary plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.
5. The project identified in Schedule (1) may utilize design-build construction consistent with practices, policies, and procedures of the University of California.

Item 6440-301-0660 is added to the Budget Bill:

Item 6440-301-0660—For capital outlay, University of California, payable from the Public Buildings Construction Fund342,896,000

Schedule:

Berkeley Campus:

(1) 99.01.245-Campbell Hall Seismic Replacement Building—
Construction.....65,205,000

Los Angeles Campus:

(2) 99.04.325-CHS South Tower Seismic Renovation—Working
drawings and construction.....128,953,000

Santa Barbara Campus

(3) 99.08.145-Davidson Library Addition and Renewal—Working
drawings and construction.....67,698,000

Merced Campus:

(4) 99.11.050-Science and Engineering Building 2—Working
drawings and construction.....81,040,000

Provisions:

1. The State Public Works Board may issue lease revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
2. The University of California is directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
3. The State Public Works Board shall not be deemed to be the lead or responsible agency for the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State

Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the University of California from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

Item 6440-301-6048 is added to the Budget Bill:

6440-301-6048—For capital outlay, University of California, payable from the 2006 University Capital Outlay Bond Fund.....4,668,000

Schedule:

Irvine Campus:

(1) 99.09.370—Arts Building—Equipment.....2,668,000

Merced Campus:

(2) 99.11.065—Site Development and Infrastructure 6—Preliminary plans, working drawings, and construction.....2,000,000

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.).
2. The funds provided in this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage rates until June 30, 2011.

Item 6440-402 is added to the Budget Bill:

Item 6440-402 –University of California, San Diego Campus.

The San Diego Campus-Clinical and Translational Research Institute is authorized pursuant to Section 15820.21 of the Government Code.

Item 6440-496 is added to the Budget Bill:

Item 6440-496—Reversion, University of California. As of June 30, 2010, the unencumbered balance of the appropriation provided for in the following citation shall revert to the fund from which the appropriation was made:

6048—2006 University Capital Outlay Bond Fund

1. Item 6440-302-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)

Irvine Campus:

99.09.375-Steinhaus Hall Seismic Improvements--Construction



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

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

Item 6610-490, Support, Reappropriate Bond Funds for Capital Renewal Projects (Issues 012 and 013)—It is requested that \$4,955,000 from the 1988 Higher Education Capital Outlay Bond Fund and \$13,673,789 from the 2004 Higher Education Capital Outlay Bond Fund, both reappropriated in the 2009 Budget Act, be reappropriated for one additional year (until June 30, 2011). The California State University (CSU) has experienced delays stemming from the state's inability to obtain financing for capital outlay projects during the past year, which have significantly altered project schedules.

Therefore, it is requested that Item 6610-490 be added as follows:

6610-490—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance until June 30, 2011.

0785—1988 Higher Education Capital Outlay Bond Fund

(1) Item 6610-002-0785, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 6610-490, Budget Act of 2009 (Ch. 1, Stats. 2009, Fourth Extraordinary Session).

6041—2004 Higher Education Capital Outlay Bond Fund

(2) Item 6610-002-6041, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 6610-490 Budget Act of 2009 (Ch. 1, Stats. 2009, Fourth Extraordinary Session).

Item 6610-494, Support, Extend the Liquidation Period of Capital Renewal Funds (Issue 014)—It is requested that the liquidation period for various capital renewal projects funded in the 2007 Budget Act from the 2006 University Capital Outlay Bond Fund be extended by one additional year, until June 30, 2011. The CSU has experienced delays attributable to the processing of reappropriations by the State Controller's Office and delays stemming from the state's inability to obtain financing to restart suspended projects during the past year.

Therefore, it is requested that Item 6610-494 be added as follows:

6610-494—Reappropriation, California State University. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2011.

6048—2006 University Capital Outlay Bond Fund

(1) Item 6610-002-6048, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007).

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

If you have any questions or need additional information regarding this matter, please call Theresa Gunn, Principal Program Budget Analyst, at (916) 445-9694 for programmatic questions or Sara Swan, Principal Program Budget Analyst, at (916) 445-0328 for technical questions.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Mr. Robert Turnage, Assistant Vice Chancellor for Budget, California State University
Mr. Rodney Rideau, Director of Budget, California State University



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

**Addition of Budget Bill Items 6610-301-0658, 6610-301-0660, and 6610-302-6048,
Capital Outlay, California State University**

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

Proposed Capital Outlay Projects (Various Issues)—While no capital outlay projects were included in the proposed 2010-11 Governor's Budget for either California State University (CSU) or University of California (UC) the Governor indicated that the Administration intends to propose funding for higher education facilities as part of the revised budget.

In accordance with this direction, it is requested that Item 6610-301-0658 be added in the amount of \$9,105,000 from the 1996 Higher Education General Obligation Bond Fund for the design phases of four capital outlay projects, that include both design and construction elements, and that Item 6610-301-0660 be added in the amount of \$75,953,000 from the Public Building Construction Fund for the construction phase of two capital outlay projects.

See Attachment 1 for Items 6610-301-0658 and 6610-301-0660 that reflect the requested actions to the Budget Bill.

**Supplemental Appropriation for Northridge Campus, Performing Arts Center—
Construction (Issue 001)**

It is requested that Item 6610-302-6048 be added in the amount of \$1,383,000 and provisional language be added to fund restart and mobilization costs for the Northridge Campus, Performing Arts Center Project (Project) resulting from the state's suspension of Pooled Money Investment Board construction financing. Total Project funding is over \$96.7 million, of which \$39.0 million represents donor funds. The Project is 60 percent complete; however, the Project had been halted for 62 days following the December 2008 direction to suspend construction. At this juncture, CSU would incur additional costs to restart the Project such as project management, inspection services, negotiated change orders for trade contractor settlements, which totals \$1,383,000. The lack of funds that forced the Project to halt and restart during the rainy season was due to conditions beyond CSU's control.

APR 01 2010

Therefore, it is requested that Item 6610-302-6048 be added with corresponding provisional language to reflect the additional funding needed to restart the Project. (See Attachment 1.)

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

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

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JÉRUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Ms. Elvyra San Juan, Assistant Vice Chancellor, Capital Planning, Design and Construction,
California State University
Mr. Larry Piper, Chief, Capital Planning, Design and Construction, California State University

ATTACHMENT 1

Item 6610-301-0658 is added to the Budget Bill:

Item 6610-301-0658—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1996.....9,105,000

Schedule:

- (1) 06.52.113-Chico-Taylor II Replacement Building—Preliminary plans and working drawings.....2,873,000
- (2) 06.56.066-Fresno-Faculty Office/Lab Building—Preliminary plans and working drawings.....562,000
- (3) 06.83.004-Channel Islands-West Hall—Preliminary plans and working drawings.....2,430,000
- (4) 06.86.084-San Jose-Spartan Complex Renovation (Seismic)—Preliminary plans and working drawings.....3,240,000

Provisions

- 1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.).

Item 6610-301-0660 is added to the Budget Bill:

Item 6610-301-0660—For capital outlay, California State University, payable from the Public Buildings Construction Fund75,953,000

Schedule:

- (1) 06.80.156-San Diego-Storm/Nasatir Halls Renovation—Construction.....57,169,000
- (2) 06.92.067-Stanislaus-Science I Renovation (Seismic)—Construction.....18,784,000

Provisions:

- 1. The State Public Works Board may issue lease revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the projects authorized by this item.
- 2. The California State University is directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
- 3. The State Public Works Board shall not be deemed to be the lead or responsible agency for the purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the California State University from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law..

Item 6610-302-6048 is added to the Budget Bill:

Item 6610-302-6048—For capital outlay, California State University, payable from the 2006 University Capital Outlay Bond Fund.....1,383,000

Schedule:

- (1) 06.82.086-Northridge: Performing Arts Center—Construction.....1,383,000
Provisions:
1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the California State University may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
 2. The California State University shall complete each project identified in the above schedule within the total funding amount specified in the schedule, for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the California State University within the total appropriation made in this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated in this item. This condition does not limit the authority of the California State University to use nonstate funds for these purposes.
 3. The California State University shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the project as determined by reference to the following elements of the budget request for that project submitted by the California State University to the Department of Finance: (a) the program elements related to the project type and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.
 4. Identified savings in a budget for a capital outlay project, as appropriated in this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used (a) to begin working drawings for a project for which preliminary plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.



APR 01 2010

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

Amendment to Various Budget Bill Items, Support and Local Assistance, California Community Colleges

Items 6870-001-0001 and 6870-002-0890, State Operations, California Community Colleges (Issues 001, 006, and 009)

Increase Reimbursements for Emergency Planning and Preparation (Issue 001)—It is requested that Schedule (2) of Item 6870-001-0001 be increased by \$100,000 in Reimbursements to reflect additional federal homeland security funding received through an interagency agreement with the California Emergency Management Agency. The funding will be used to continue vulnerability assessments and emergency preparedness plans at the community college districts.

It is further requested that the following provisional language be amended to conform to this action:

“3. The funds appropriated in Schedules (2) and (5) reflect an interagency agreement with the California Emergency Management Agency for ~~\$400,000~~ \$500,000 in reimbursements to conduct emergency planning and preparedness training for community college districts.”

Increase Reimbursements to Support the Governor’s Nursing Education Initiative (Issue 006)—It is requested that Schedule (2) of Item 6870-001-0001 be increased by \$161,000 in Reimbursements and that 2.0 limited-term positions be added to support the Governor’s Nursing Education Initiative and Allied Health Programs. The federal Workforce Investment Act funding will be received through an interagency agreement with the Department of Employment Development (EDD). However, the funding is currently budgeted in local assistance Item 6870-111-0001 and therefore needs to be shifted to state operations (Issue 007).

The 2009 Budget Act provided 2.0 limited-term positions that support the Governor’s Nursing Initiative. However, the positions expire on June 30, 2010 and were removed from the Governor’s Budget. Therefore, the positions and funding need to be restored to allow the California Community College Chancellor’s Office to continue administering these programs.

It is further requested that the following provisional language be added to conform to this action:

6. The funds appropriated in Schedules (2) and (5) reflect an interagency agreement with the Employment Development Department to provide \$161,000 in reimbursements and 2.0 five year, limited-term positions to support the Governor's Nursing Initiative and Allied Health program activities. The positions shall expire June 30, 2015.

Add One-Time Federal Funds Carryover for the Math and Science Teacher Initiative (Issue 009)—It is requested that Item 6870-002-0890 be increased by \$12,000 to reflect additional one-time carryover of federal funds for the Math and Science Teacher Initiative.

It is further requested that the following provisional language be added to conform to this action:

2. Of the funds appropriated in this item, \$12,000 is one-time carryover funds to support the Math and Science Teacher Initiative.

Item 6870-111-0001, Local Assistance, California Community Colleges (Issues 004, 005, 007, and 008)

Remove Program Funding and Applicable Provisional Language for State Transportation Contract Bidding Training Program (Issue 004)—It is requested that Schedule (5) of this item be decreased by \$1,340,000 in Reimbursements to reflect the elimination of the State Transportation Contract Bidding Training Program. The Program was funded through an interagency agreement with the Department of Transportation to develop and improve the capabilities of Disadvantaged Business Enterprises and other small businesses by providing specialized technical assistance and business skills needed for bidding on highway contracts. The contract has expired and will not be renewed.

It is further requested that the following provisional language be deleted to conform to this action as follows:

~~"4. Of the funds appropriated in Schedule (5), \$1,340,000 shall be used to support an interagency agreement between the Office of the Chancellor of the California Community Colleges and the Department of Transportation for the purpose of providing assistance and training in business management practices to small and disadvantaged businesses in an effort to increase their capacity to be successful in bidding for state transportation contracts."~~

Decrease Workforce Investment Act Reimbursements (Issues 005, 007, and 008)—It is requested that Schedule (5) of this item be decreased by \$6,221,000 in Reimbursements to properly reflect Workforce Investment Act funding to be received through interagency agreements with the EDD. Specifically, the following is requested:

- A \$3.0 million decrease to reflect a reduction in funding for the Governor's Nursing Initiative from \$6.0 million to \$3.0 million. Phase I of the Governor's Nursing Initiative provided \$30.0 million over a five-year period, or \$6.0 million per year, and is scheduled to end in 2009-10. Phase II of the Nursing Initiative will provide \$15.0 million over a five year period, or \$3.0 million per year, and is scheduled to begin in 2010-11. (Issue 008)
- A \$1,860,000 decrease to remove excess authority. (Issue 008)
- A \$1.2 million decrease to remove funding for the Corpsman to Registered Nurse Program, which will not be implemented in 2010-11. (Issue 005)

- A \$161,000 decrease to reflect a funding shift from local assistance to state operations to fund 2.0 limited-term positions that will support the Governor's Nursing Initiative and the Allied Health Program (Issue 006). Specifically, \$97,000 will be shifted from the \$3.0 million designated for the Governor's Nursing Initiative and \$64,000 will be shifted from the \$2.0 million currently designated for the Allied Health Program. (Issue 007)

These reductions are necessary to properly reflect Workforce Investment Act funding to be received through interagency agreements with the EDD.

It is also requested that the following provisional language be amended to conform to this action:

"5. The funds appropriated in Schedule (5) reflect ~~an increase of \$3,200,000~~ \$1,936,000 to support interagency agreements between the Office of the Chancellor of the California Community Colleges and the Employment Development Department for the following purpose:

- (a) ~~Offering bridging courses and programs for licensed vocational nurses, paramedics or independent duty corpsmen to meet the requirements for taking and successfully completing examinations to become a registered nurse.~~
- (b) ~~Expanding enrollments in allied health occupation programs in community colleges."~~

"6. The funds appropriated in Schedule (5) reflect ~~an increase of \$6,000,000~~ \$2,906,000 to support interagency agreements between the Office of the Chancellor of the California Community Colleges and the Employment Development Department for continued support of the Governor's Nursing Initiative."

Item 6870-295-0001, Local Assistance, California Community College

Add Schedules for Community College Mandates (Issue 014)—It is requested that schedules for the Law Enforcement Sexual Harassment Training, Grand Jury Proceedings, Cal Grants, Tuition Fee Waivers, and Student Records mandates be added to this item to suspend all community college mandates eligible for Reimbursement.

It is further requested that the following schedules be added to conform to this action:

- (16) 98.01.012.693 -- Law Enforcement Sexual Harassment Training (Chapter 126 of the Statutes of 1993 and 97-TC-07)
- (17) 98.01.117.096 -- Grand Jury Proceedings (Chapter 1170 of the Statutes of 1996 et al. and 98-TC-27)
- (18) 98.01.015.901 -- Cal Grants (Chapter 159 of the Statutes of 2001 and 02-TC-28)
- (19) 98.01.007.875 -- Tuition Fee Waivers (Chapter 78 of the Statutes of 1975 et al. and 02-TC-21)
- (20) 98.01.059.389 -- Student Records (Chapter 593 of the Statutes of 1989 and 02-TC-34)

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

APR 01 2010

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

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Gloria Romero, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Wilmer Amina Carter, Chair, Assembly Budget Subcommittee No. 2
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Mr. Erik Skinner, Vice Chancellor, Chancellor's Office, California Community Colleges