Senate Bill No. 108

CHAPTER 54

An act to amend the Budget Act of 2017 by amending Items 0690-112-0001, 0820-001-0001, 0860-002-0001, 1111-002-3288, 1111-011-0001, 2660-001-0042, 2660-001-3290, 2660-002-0890, 3760-101-0001, 3940-001-0001, 4265-001-3288, 5180-111-0001, 5180-151-0001, 5180-151-0890, 5225-002-0001, 6100-134-0890, 6100-196-0001, 6360-001-0407, 6870-101-0001, 7730-001-0001, 8570-001-3288, and 8830-001-0001 of, and adding Items 3540-102-0001, 3810-101-6083, 3825-101-6083, and 3900-401 to, Section 2.00 of, and amending Section 39.00 of, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.

[Approved by Governor July 10, 2017. Filed with Secretary of State July 10, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 108, Committee on Budget and Fiscal Review. Budget Act of 2017.

The Budget Act of 2017 made appropriations for the support of state government for the 2017–18 fiscal year.

This bill would amend the Budget Act of 2017 by amending and adding items of appropriation and making other changes.

This bill would declare that it is to take effect immediately as a Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Item 0690-112-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

0690-112-0001—For local assistance, Office of Emergency Services, for disaster recovery costs................................. 67,497,000

Schedule:

(1) 0385-Special Programs and Grant Management.. 67,497,000

Provisions:

1. The funds appropriated in this item are for the state's share of response and recovery costs for disasters.
2. Upon approval of the Director of Finance, authority may be established or increased to reimburse state and local agencies for out-of-state disaster response and

recovery costs, subject to the conditions of Section 28.00, except that notwithstanding subdivision (e) of that section, the allocations may be made 30 days or less after notification of the Legislature.

SEC. 2. Item 0820-001-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

0820-001-0001—For support of Department of Justice		221,037,000
Schedule:		
(1) 9900100-Administration	112,665,000	
(2) 9900200-Administration—Distributed	−112,665,000	
(3) 0435-Division of Legal Services	144,602,000	
(4) 0440-Law Enforcement	52,259,000	
(5) 0445-California Justice Information Services	61,138,000	
(6) Reimbursements to 0435-Division of Legal Services	−1,012,000	
(7) Reimbursements to 0440-Law Enforcement	−31,686,000	
(8) Reimbursements to 0445-California Justice Information Services	−4,264,000	

Provisions:

1. The Attorney General shall submit to the Legislature, the Director of Finance, and the Governor the quarterly and annual reports that he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.
2. Notwithstanding any other provision of law, the Department of Justice may purchase or lease vehicles of any type or class that, in the judgment of the Attorney General or his or her designee, are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.
3. Of the amount included in Schedule (3), $3,000,000 is available for costs related to the Lloyd’s of London (Stringfellow) litigation. Any funds not expended for this specific purpose as of June 30, 2018, shall revert immediately to the General Fund.
4. Of the amount included in Schedule (3), $6,500,000 is available to address new legal workload related to various actions taken at the federal level, including any actions related to the California Secure Choice Retirement Savings Program.

5. Of the amount included in Schedule (5), $3,281,000 is available to the Department of Justice for system enhancements and automation of the CalGang database.
6. Of the amount included in Schedule (3), $116,000 shall be provided to the eCrime Unit to fund the workload increase to the unit associated with Section 1524.4 of the Penal Code.

SEC. 3. Item 0860-002-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

0860-002-0001—For support of the State Board of Equalization........ 12,000,000

Schedule:

(1) 0570-Administration of the Board of Equalization........ 12,000,000

Provisions:

1. The funds appropriated in this item are for the payment of: (1) the Board Members' salaries and wages, (2) the Board Members' operating expenses and equipment needs, including any necessary travel, (3) the salaries and wages payable to the staff assigned to the Board Members' offices, (4) the operating expenses and equipment needs of the staff assigned to the Board Members' offices, including any necessary travel, (5) the cost to provide each Board Member with one district office facility and with adequate office space, as determined by the Executive Director of the State Board of Equalization, in the State Board of Equalization's Sacramento headquarters building, and (6) the salaries, wages, and operating expenses and equipment costs, including any necessary travel, of those civil service staff assigned to the State Board of Equalization pursuant to subdivision (d) of Section 15600 of the Government Code. The Executive Director shall terminate as expeditiously as possible the leases for Board Member office facilities that exceed the number of office facilities authorized herein.
2. Notwithstanding any other provision of law, Board Members and Board Member staff shall not redirect, reassign, or otherwise direct the work activities of any State Board of Equalization employee whose salary and wages are paid from outside of this item. However, the Executive Director may provide written consent allowing State Board of Equalization employees to assist Board Members to fulfill their lawful duties,

which shall exclude taxpayer outreach or education activities. Employees authorized by the Executive Director to assist Board Members or Board Member staff shall continue to report to their regular supervisor and shall not work from a Board Member's office. Copies of written consent shall be retained by the Executive Director and shall be provided to the Director of the Department of Finance and to the Joint Legislative Budget Committee upon their request.

3. Notwithstanding any other provision of law, each Board Member shall be limited to a maximum of 12 personal staff, who shall be selected by the Board Member. The Director of the Department of Finance shall evaluate the ongoing staffing needs of the Board Members and shall report to the Joint Legislative Budget Committee by April 1, 2018, any recommended changes to the amounts authorized by this provision.
4. All acquisitions or procurements made by or on behalf of Board Members or Board Members' staff, including the renting or leasing of office space, shall be processed by the Executive Director through the Department of General Services. The Department of General Services shall have the final decisionmaking authority for all acquisition or procurements made by or on behalf of Board Members or Board Members' staff.
5. Upon receipt of a written request from the Executive Director, the Director of the Department of Finance may, not sooner than 30 days after providing written notification to the Joint Legislative Budget Committee, augment or reduce the amount appropriated in this item by authorizing the transfer of funds from or to Item 0860-001-0001.
6. Notwithstanding subdivision (f) of Section 15600 of the Government Code, for the 2017–18 fiscal year each Board Member shall be authorized to employ the same number of personal staff who are exempt from civil service as they employed on June 15, 2017.

SEC. 4. Item 1111-002-3288 of Section 2.00 of the Budget Act of 2017 is amended to read:

1111-002-3288—For support of Bureau of Cannabis Control, Department of Consumer Affairs, payable from the Cannabis Control Fund.. 30,483,000

Schedule:

(1) 1455010-Bureau of Cannabis Control—Support....................................... 30,483,000

Provisions:

1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. The Director of Finance may augment this item by an amount needed from the Cannabis Control Fund and 10 positions, after review of a request submitted by the Bureau of Cannabis Control that demonstrates a need for additional resources for cannabis lab testing, regulations, licensing, or information technology activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification to the Chairperson of the Joint Legislative Budget Committee for funds for the purposes described above shall include (1) the scope of the resources needed, (2) a description of why additional resources are needed, and (3) a description of the risks associated with not having the additional resources.
3. The Department of Consumer Affairs shall provide quarterly briefings beginning on October 1, 2017, to legislative staff on the status of the information technology systems associated with the implementation of cannabis regulation.

SEC. 5. Item 1111-011-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

1111-011-0001—For transfer by the Controller, upon order of the Director of Finance, to the Marijuana Control Fund as a loan.. (100,730,000)

Provisions:

1. The Director of Finance may transfer up to \$100,730,000 as a loan to the Marijuana Control Fund, which shall be repaid by June 30, 2019. The Director of Finance shall order the repayment of all or a portion of this loan if he or she determines that either of the following circumstances exist: (a) the account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan.
2. This loan shall be augmented by an amount equivalent to the sum of the amounts specified in Provision 2 of

Item 1111-002-3288, Provision 1 of Item 4265-001-3288, and Provision 1 of Item 8570-001-3288.

SEC. 6. Item 2660-001-0042 of Section 2.00 of the Budget Act of 2017 is amended to read:

2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund		2,384,672,000
Schedule:		
(1) 1835010-Capital Outlay Support	708,132,000	
(2) 1835020-Local Assistance	50,854,000	
(3) 1835029-Program Development	38,155,000	
(4) 1835038-Legal	127,206,000	
(5) 1835047-Operations	246,524,000	
(6) 1835056-Maintenance	1,363,408,000	
(7) 1840019-State and Federal Mass Transit	54,000	
(8) 1840028-Intercity Rail Passenger Program	571,000	
(9) 1845013-Statewide Planning	80,559,000	
(9.5) 1870-Office of Inspector General	9,467,000	
(10) 9900100-Administration	362,120,000	
(11) 9900200-Administration—Distributed	−362,120,000	
(12) 1850010-Equipment Service Program	200,394,000	
(13) 1850019-Equipment Service Program—Distributed	−200,394,000	
(14) Reimbursements to 1835010-Capital Outlay Support	−184,550,000	
(15) Reimbursements to 1835020-Local Assistance	−1,278,000	
(16) Reimbursements to 1835029-Program Development	−860,000	
(17) Reimbursements to 1835038-Legal	−2,872,000	
(18) Reimbursements to 1835047-Operations	−6,195,000	
(19) Reimbursements to 1835056-Maintenance	−36,400,000	
(20) Reimbursements to 1845013-Statewide Planning	−8,103,000	
(21) Reimbursements to 9900100-Administration	−20,486,000	
(22) Reimbursements to 9900200-Administration—Distributed	20,486,000	

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item from the State Highway Account may be reduced and replaced by an equivalent amount of federal funds determined by the Department of Transportation to be available and necessary to comply with Section 8.50 and the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.
2. Notwithstanding any other provision of law, funding appropriated in this item may be transferred to Item 2660-005-0042 to pay for any necessary insurance, debt service, and other financing-related expenditures for Department of Transportation-occupied office buildings. Any transfer will require the prior approval of the Department of Finance.
3. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior fiscal year State Highway Account appropriation balances at a level determined by the Department of Transportation as required to process claims utilizing federal advance construction through the plan of financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
4. Notwithstanding any other provision of law, funds appropriated in Program 9900100-Administration may be reduced and replaced by an equivalent amount of reimbursements determined by the Department of Transportation to be available and necessary to comply with Section 28.50 and the most effective management of state transportation resources. The reimbursements may also be reduced and replaced by an equivalent amount of funds from the State Highway Account. Not more than 30 days after replacing the State Highway Account funds with reimbursements and vice versa, the Director of Finance shall notify in writing the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.

5. Of the funds appropriated in Program 1835056-Maintenance, $231,660,000 is for major maintenance contracts for the preservation of highway pavement, and shall not be used to supplant any other funding that would have been used for major pavement maintenance.
6. Of the funds appropriated in Program 1835038-Legal, $68,556,000 is for the payment of tort lawsuit claims and awards. Any funds for that purpose that are unencumbered as of April 1, 2018, may be transferred to Item 2660-302-0042. Any transfer shall require the prior approval of the Department of Finance.
7. Of the funds appropriated in Program 1835010-Capital Outlay Support, transfers of expenditure authority may be made between Items 2660-001-0042, 2660-001-0890, 2660-001-3290, 2660-001-3291, 2660-002-3007, 2660-004-6055, 2660-004-6056, 2660-004-6058, 2660-004-6059, 2660-004-6060, 2660-004-6062, 2660-004-6063, 2660-004-6064, 2660-004-6072, and 2660-009-0042 to accommodate changes in capital outlay and local assistance program-related workload by funding source or changes in availability of funds. The Department of Finance shall authorize the transfers not sooner than 30 days after notification of the necessity therefor in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.
8. The Department of Finance may augment the amount appropriated in Program 1835047-Operations, by up to $2,000,000 for the federal Americans with Disabilities Act of 1990 consultant contracts if the number of access requests and grievances exceeds the Department of Transportation’s projections. The Department of Finance shall authorize the augmentation not sooner than 30 days after notification of the necessity therefor in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee.
9. Of the funds appropriated in Program 1845013-Statewide Planning, the Department of Transportation shall exempt project initiation document development and oversight services reimbursed from local government agencies from full cost recovery as outlined in its Indirect Cost Recovery Plan.

10. The Department of Transportation shall streamline the cooperative work agreement process related to project initiation document development and oversight to reduce costs to local agencies.
11. The Department of Finance may augment the amount appropriated in Schedule (14) by up to $900,000 for additional reimbursements from the High-Speed Rail Authority for the review and approval of environmental and engineering documents regarding circumstances in which the high-speed train system interfaces with the state highway system, as well as specific highway realignment projects related to the high-speed train system.
12. The Department of Transportation shall exempt the High-Speed Rail Authority from full cost recovery as outlined in its Indirect Cost Recovery Plan. The Department of Transportation shall charge the High-Speed Rail Authority for functional overhead.
13. The Department of Transportation shall provide data related to its 2018–19 fiscal year Capital Outlay Support budget request on January 10, 2018.
14. Of the funds appropriated in Program 1835010-Capital Outlay Support, $298,000,000 is for overhead and corporate resources in support of the Capital Outlay Support Program. This amount may be adjusted pursuant to the provisions of Section 3.60 or provisions of Items 9800-001-0001, 9800-001-0494, or 9800-001-0988 with the concurrence of the Department of Finance. The Department of Transportation shall provide quarterly reports, to the Department of Finance, of actual expenditures for overhead and corporate resources beginning October 1, 2015. In addition, the Department of Transportation, in conjunction with the Department of Finance, shall review the overhead and corporate components of the Capital Outlay Support Program. Results associated with this review shall be included in the 2018–19 fiscal year annual May Revision Finance Letter.
15. For Program 1835010-Capital Outlay Support, appropriations from all funding sources up to 945 out of a total of 9,447 full-time equivalent staff resources may be used at an average annual labor rate of $258,000, totaling $243,872,000, for project direct external consultant and professional services related to project delivery.
16. Of the funds appropriated in Program 1835010-Capital Outlay Support, the Department of Transportation

shall exempt Local SB 45 STIP Projects deprogrammed from the 2016 STIP from the full cost recovery as outlined in its Indirect Cost Recovery Plan if local agencies continue those projects with other funds. The Department of Transportation shall not charge for administrative overhead for the portion of the project's funding that was originally planned to come from the STIP before the project was deprogrammed.

17. Notwithstanding any other law, if the California Transportation Commission reprograms projects removed from the 2016 STIP, the Director of Finance may increase the expenditure authority for additional staffing for Program 1835010-Capital Outlay Support to support the reprogrammed projects not sooner than 30 days after notification in writing is made to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget. The notification shall include a list of the reprogrammed projects and the additional staffing required for each project.
20. Provisions 7 and 8 of Item 2660-001-3290 shall also apply to this item.
21. The Department of Transportation shall distribute a report no later than July 1, 2018, on progress made on the pay-at-the-pump component of the road user charge study. This report shall be made pursuant to the criteria established in subdivision (a) of Section 3092 of the Vehicle Code.

SEC. 7. Item 2660-001-3290 of Section 2.00 of the Budget Act of 2017 is amended to read:

2660-001-3290—For support of Department of Transportation, payable from the Road Maintenance and Rehabilitation Account, State Transportation Fund..................................		477,815,000
Schedule:		
(.5) 1835010-Capital Outlay Support..........	38,466,000	
(1) 1835029-Program Development...........	378,000	
(2) 1835056-Maintenance........................	421,498,000	
(3) 1845013-Statewide Planning................	17,473,000	
(4) 9900100-Administration.......................	659,000	
(5) 9900200-Administration—Distributed..	−659,000	

Provisions:

1. Of the funds appropriated in this item, $231,000 shall be used for Local Partnerships.

2. Of the funds appropriated in this item, $114,000 shall be used for Local Planning grants.
3. Of the funds appropriated in this item, $477,470,000 shall be used for the State Highway Operation and Protection Program and maintenance, including bridge and culvert maintenance and repair.
4. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 2660-302-3290. These transfers shall require the prior approval of the Department of Finance.
5. Funds appropriated in this item shall be available for allocation by the California Transportation Commission until June 30, 2019, and available for encumbrance and liquidation until June 30, 2023.
6. As of May 2017, the Department of Transportation’s Capital Outlay Support (COS) Program had 478 vacancies. With the resources provided by the Budget Act of 2017, the department will have 347 positions available to fill the COS Program. Additionally, the department may establish 88 authorized positions removed from the budget under Section 4.11 of the Budget Act of 2015 (Chs. 10 and 11, Stats. 2015).
7. Upon verification that at least 400 positions in Provision 6 have been filled, or an offer of employment has been made, the Director of Finance, after consulting with the California Transportation Commission to assess the progress of Senate Bill 1 (Ch. 5, Stats. 2017) project delivery may increase expenditure authority in this item to allow the department to administratively establish new positions or provide additional contract authority directly related to new Senate Bill 1 (Ch. 5, Stats. 2017) allocations after notifying the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations no later than 30 days prior to the effective date of the approval. The notification shall include the amount of the augmentation, total positions or contract resources to be established, workload to be performed, and a timeline for implementation.
8. The amount of the augmentation made pursuant to Provision 7 will be adjusted to reflect the portion of the remaining budget year and shall be subject to permanent approval by the Legislature in the Budget Act of 2018.
9. Any additional resources authorized for the Department of Transportation’s Capital Outlay Support Pro-

gram pursuant to Provision 7 shall maintain the current proportional allocation between state staff resources and external consultant and professional services contracts related to project delivery.

SEC. 8. Item 2660-002-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

2660-002-0890—For support of Department of Transportation, for debt service requirements and other financing-related costs for federal Grant Anticipation Revenue Vehicles (GARVEE) issued in the 2017–18 fiscal year, payable from the Federal Trust Fund.. 1,000

Schedule:

(1)	1835010-Capital Outlay Support..........	1,000
(2)	9900100-Administration......................	1,000
(3)	9900200-Administration—Distributed..	−1,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for encumbrance or expenditure until expended.
2. If specific projects in the State Highway Operation and Protection Program are identified as ready for construction funding in the 2017–18 fiscal year and cash balances are not sufficient to allocate funds to those projects, this item may be augmented by up to $300,000,000 after submittal of a request to the Joint Legislative Budget Committee for a 30-day review. Any request made pursuant to this provision shall include a description of the project or projects, the financing plans, and the cash balances of the State Highway Account.
3. The appropriation in this item reflects, in part, the pledge made by the California Transportation Commission in accordance with Section 14553.7 of the Government Code in connection with the GARVEE bonds issued in the 2017–18 fiscal year.
4. Funds appropriated in this item are in lieu of the amounts that have been appropriated pursuant to Section 14554.8 of the Government Code.

SEC. 9. Item 3540-102-0001 is added to Section 2.00 of the Budget Act of 2017, to read:

3540-102-0001—For local assistance, Department of Forestry and Fire Protection 6,000,000

Schedule:
(1) 2465-Fire Protection............................ 6,000,000
Provisions:
1. The funds appropriated in this item shall be available for grants to local agencies in counties subject to the tree mortality emergency declaration. The grants shall be used consistent with the requirements for eligible tree mortality projects through the California Disaster Assistance Act and shall be consistent with the Department of Forestry and Fire Protection unit fire plans.

SEC. 10. Item 3760-101-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

3760-101-0001—For local assistance, State Coastal Conservancy... 15,000,000
Schedule:
(1) 2805032-Conservancy Programs 15,000,000
Provisions:
1. Of the amount appropriated in this item, $15,000,000 shall be available to the State Coastal Conservancy for the purposes of funding projects pursuant to Senate Bill 714 of the 2017–2018 Regular Session.
2. The amount appropriated in this item shall be available for expenditure or encumbrance until June 30, 2022.

SEC. 11. Item 3810-101-6083 is added to Section 2.00 of the Budget Act of 2017, to read:

3810-101-6083—For local assistance, Santa Monica Mountains Conservancy, payable from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 49,000,000
Schedule:
(1) 2945-Local Assistance Grants............. 49,000,000
Provisions:
1. The Santa Monica Mountains Conservancy may encumber or expend funds appropriated in this item for the purposes set forth in subdivision (a) of Section 79735 of the Water Code. These funds are available for support, capital outlay, or local assistance.
2. Notwithstanding Sections 79703 and 79704 of the Water Code, funds provided by this item are available for administration, project identification, implementation, monitoring, planning, development, and protection, as defined by Section 75005 of the Public Resources Code, as well as technical assistance and

community access, including outreach and transportation.
3. Notwithstanding subdivision (d) of Section 79708 of the Water Code, prior to soliciting projects pursuant to this item, the Santa Monica Mountains Conservancy shall verify that the guidelines are consistent with all applicable statutes for Urban Creek and tributary protection.
4. Of the funds appropriated in Schedule (1), $6,500,000 shall be expended for planning and implementation of projects approved jointly by both the Santa Monica Mountains Conservancy and the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.
5. First priority for funds expended shall be in disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code.
6. The funds appropriated in Schedule (1) shall be spent for the Los Angeles River and shall not be spent on any tributaries of the river.

SEC. 12. Item 3825-101-6083 is added to Section 2.00 of the Budget Act of 2017, to read:

3825-101-6083—For local assistance, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 49,000,000

Schedule:

(1) 2990-San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.......... 49,000,000

Provisions:

1. The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy may encumber or expend funds appropriated in this item for the purposes set forth in subdivision (a) of Section 79735 of the Water Code. These funds are available for support, capital outlay, or local assistance.
2. Notwithstanding Sections 79703 and 79704 of the Water Code, funds provided by this item are available for administration, project identification, implementation, monitoring, planning, development, and protection, as defined by Section 75005 of the Public Resources Code, as well as technical assistance and community access, including outreach and transportation.

3. Notwithstanding subdivision (d) of Section 79708 of the Water Code, prior to soliciting projects pursuant to this item, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy shall verify that the guidelines are consistent with all applicable statutes for Urban Creek and tributary protection.
4. Of the funds appropriated in Schedule (1), $6,500,000 shall be expended for planning and implementation of projects approved jointly by both the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and the Santa Monica Mountains Conservancy.

SEC. 13. Item 3900-401 is added to Section 2.00 of the Budget Act of 2017, to read:

3900-401—State Air Resources Board. Notwithstanding any other law, the following provisions apply to Item 3900-101-3291, Budget Act of 2016 (Ch. 23, Stats. 2016, as amended by Ch. 7, Stats. 2017):

(1) The State Air Resources Board shall develop criteria for implementing the Zero/Near Zero Emission Warehouse Program with public input using the existing Air Quality Improvement Program funding plan process.

SEC. 14. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

3940-001-0001—For support of State Water Resources Control Board, payable from the General Fund.............................		52,248,000
Schedule:		
(1) 3560-Water Quality.............................	27,266,000	
(2) 3565-Drinking Water Quality...............	4,864,000	
(3) 3570-Water Rights................................	19,951,000	
(4) 3575-Department of Justice legal services...	167,000	

Provisions:

1. The amount appropriated in Program 3575 shall be used to reimburse the Department of Justice for legal services. In addition to the amount in Program 3575, upon order of the Director of Finance, any non-General Fund Budget Act item for support of the State Water Resources Control Board may be augmented to reimburse the Department of Justice for legal services. An augmentation shall not be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

2. Of this amount, $981,000 is to reimburse the State Department of Public Health for lease-revenue bond rental payments and related costs associated with the State Water Resources Control Board's occupancy in the State Department of Public Health's Richmond Laboratory.
3. The Controller shall transfer funds appropriated in this item to the State Department of Public Health, in the amount shown in Provision 2, as and when provided for in a schedule submitted by the State Public Works Board.
4. Of the amount appropriated, $8,000,000 shall be available for encumbrance or expenditure until June 30, 2020, and shall be used for the following public purposes to ensure California's economically disadvantaged citizens have adequate access to clean drinking water and adequate sanitation to protect public health: (a) to replace failed drinking water wells, including private wells; (b) to make emergency drinking water repairs, including replacement of failed components, to community water systems that lack the funds to make immediate repairs or for replacement of failed system components; and (c) to help connect homes to public wastewater treatment. Connecting homes to public wastewater systems may include construction of wastewater mains and wastewater service, connection fees charged by wastewater systems, onsite connection of homes, and abandonment of septic or other domestic waste disposal infrastructure that has failed or is inadequate. The State Water Resources Control Board may provide grants to public agencies, public water systems, or nonprofit organizations and may develop guidelines for the allocation and administration of these moneys. These guidelines shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 15. Item 4265-001-3288 of Section 2.00 of the Budget Act of 2017 is amended to read:

4265-001-3288—For support of State Department of Public Health, payable from the Cannabis Control Fund............ 13,161,000

Schedule:

(1) 4045-Public and Environmental Health.. 13,161,000

Provisions:

1. The Director of Finance may augment this item by an amount not to exceed $2,261,000 from the Cannabis Control Fund and 20 positions after review of a request submitted by the State Department of Public Health that demonstrates a need for additional resources for cannabis manufacturer regulations, licensing, or information technology activities. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification shall include: (1) the scope of the resources needed, (2) a description of why the additional resources are not needed, and (3) a description of the risks associated with not having the additional resources.
2. The State Department of Public Health shall provide quarterly briefings beginning on October 1, 2017, to legislative staff, on the status of the information technology systems associated with the implementation of cannabis regulation.

SEC. 16. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

5180-111-0001—For local assistance, Department of Social Services		6,003,249,000
Schedule:		
(1) 4270028-SSI/SSP	2,890,848,000	
(2) 4275010-IHSS	11,368,107,000	
(3) Reimbursements to 4275010-IHSS	−8,255,706,000	

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $685,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time for transmitting payments for the federal

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

3. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the IHSS program, without compromising the quality of the services provided to IHSS recipients.
4. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund increased costs due to workload associated with the retroactive reimbursement of Medi-Cal services for the IHSS program to comply with Conlan v. Shewry (2005) 131 Cal.App.4th 1354. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision and the number of positions to be established by the State Department of Social Services. The transfer shall be authorized at the time the report is made. The State Department of Social Services shall review the workload associated with the Conlan v. Shewry decision during the 2017–18 fiscal year and may administratively establish positions as the workload requires.
5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the IHSS program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.
6. The Department of Finance may increase expenditure authority in this item, up to a maximum of $3,153,000, for prime vendor contract transition activities related to the Case Management, Information and Payrolling System II, upon notification from the Office of Systems Integration that the contract was awarded to a

new prime vendor. Any such increase shall be authorized no less than 30 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

7. Of the funds appropriated in Schedule (1), $43,461,000 shall be available for the Housing and Disability Advocacy Program to increase participation among homeless persons with disabilities who may be eligible for disability benefits programs pursuant to Section 18999.1 of the Welfare and Institutions Code. This funding shall be available for encumbrance or expenditure until June 30, 2020.

SEC. 17. Item 5180-151-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

5180-151-0001—For local assistance, State Department of Social Services		304,909,000
Schedule:		
(1) 4275019-Children and Adult Services and Licensing	560,125,000	
(2) 4275028-Special Programs	49,906,000	
(3) Reimbursements to 4275019-Children and Adult Services and Licensing	−305,122,000	

Provisions:

1. Provision 1 of Item 5180-101-0001 also applies to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code and pursuant to Section 30029.8 of the Government Code, a loan not to exceed $50,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements have not been received by this state prior to the usual time for transmitting state payments for the federal or reimbursable share of costs. The loan from the General Fund shall be repaid when the federal or reimbursable share of costs for the program or programs becomes available.
3. The Department of Finance may authorize the establishment of positions and transfer of amounts from

this item to Item 5180-001-0001, in order to allow the state to perform the facilities evaluation function of Community Care Licensing in the event the counties fail to perform that function.

4. Nonfederal funds appropriated in this item that have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
5. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5180-001-0001 in order to allow the state to perform the adoptions function in the event that a county notifies the State Department of Social Services that it intends to cease performing that function.
6. Funds appropriated in this item for the Commercially Sexually Exploited Children Program required by Chapter 5.2 (commencing with Section 16524.6) of Part 4 of Division 9 of the Welfare and Institutions Code shall be appropriately reduced by the Department of Finance to the extent any activities for which funding is included are also required by the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183).
7. Provision 2 of Item 5180-151-0890 also applies to this item.
8. Funds appropriated in this item for legal services to unaccompanied undocumented minors in accordance with Chapter 5.6 (commencing with Section 13300) of Part 3 of Division 9 of the Welfare and Institutions Code and for immigration services in accordance with Chapter 5.6 (commencing with Section 13303) of Part 3 of Division 9 of the Welfare and Institutions Code shall be available for liquidation until June 30, 2023.
9. Of the total amount appropriated in this item, up to $4,000,000 shall be available for a county-optional block grant program, for allocation to local agencies to fund activities the Commission on State Mandates identified as reimbursable state mandates in the Interagency Child Abuse and Neglect Investigation Reports (CSM-00-TC-22) mandate. A local agency that receives funding according to this item shall not be eligible to submit claims to the Controller for reimburse-

ment under Section 17560 of the Government Code for any costs related to the reimbursable state-mandated activities identified in CSM-00-TC-22 incurred in the same fiscal year during which the local agency received funding according to this item. The State Department of Social Services, in consultation with the California State Association of Counties, shall develop an allocation methodology for the purpose of distributing these funds to participating counties. Block grant funding apportioned according to this item is subject to annual financial and compliance audits.

11. (a) Of the funds appropriated in Schedule (1), $87,962,000 is for the support of activities related to the Child Welfare Services-New System (CWS-NS) project. Expenditure of these funds is contingent upon approval of project documents by the Department of Finance and the Department of Technology. This amount may be increased by the Department of Finance, up to a maximum of $5,000,000 during the 2017–18 fiscal year, upon approval of revised project documents. Such an increase shall only be used to support an acceleration of planned project activities and shall not be used to increase total project costs. Any such increase shall be authorized no less than 10 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

(b) The Department of Finance may authorize the transfer of funds appropriated for the CWS-NS project in Schedule (1) to Item 5180-001-0001, for project-related activities, including, but not limited to, necessary personal services expenditures, interagency agreements, and contracts.

(c) The State Department of Social Services, in coordination with other state entities and counties involved in the CWS-NS project efforts, shall (1) provide stakeholders, counties, and the Legislature with monthly project status reports, including newly executed contracts, their purpose, and cost and (2) convene a regularly scheduled quarterly forum to provide project updates to stakeholders and legislative staff. The forums shall include updates on the progress of project development and implementation, expenditures incurred to date, significant issues and risks overcome in the prior quarter and presently being addressed, and upcoming project milestones and significant events.

12. The Department of Finance may authorize the transfer of funds appropriated in this item for activities related to implementation of the Resource Family Approval Program to Item 5180-001-0001 in order for the State Department of Social Services to perform these activities on behalf of counties. Funds shall only be transferred pursuant to this provision after consultation with the County Welfare Directors Association of California and consistent with written notification from the county or counties of the amount of funding to be transferred.

SEC. 18. Item 5180-151-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

5180-151-0890—For local assistance, State Department of Social Services, payable from the Federal Trust Fund.... 1,162,611,000

Schedule:

(1) 4275019-Children and Adult Services and Licensing........................ 1,160,361,000

(2) 4275028-Special Programs.................. 2,250,000

Provisions:

1. Provisions 1, 3, 5, and 11 of Item 5180-151-0001 also apply to this item.
2. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated expenditure amounts for counties participating in the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

SEC. 19. Item 5225-002-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

5225-002-0001—For support of Department of Corrections and Rehabilitation... 2,907,353,000

Schedule:

(1) 4650-Medical Services—Adult....... 1,829,873,000

(2)	4655-Dental Services—Adult	153,220,000
(3)	4660-Mental Health Services—Adult	405,794,000
(4)	4661-Psychiatric Program—Adult	254,406,000
(5)	4665-Ancillary Health Care Services—Adult	273,592,000
(6)	4670-Dental and Mental Health Services Administration—Adult	47,134,000
(7)	Reimbursements to 4650-Medical Services—Adult	−56,466,000
(8)	Reimbursements to 4665-Ancillary Health Care Services—Adult	−200,000

Provisions:

1. On February 14, 2006, the United States District Court in the case of Plata v. Brown (No. C01-1351-THE) suspended the exercise by the Secretary of the Department of Corrections and Rehabilitation of all powers related to the administration, control, management, operation, and financing of the California prison medical health care system. The court ordered that all such powers vested in the Secretary of the Department of Corrections and Rehabilitation were to be performed by a Receiver appointed by the court commencing April 17, 2006, until further order of the court. The Director of the Division of Correctional Health Care Services of the Department of Corrections and Rehabilitation is to administer this item to the extent directed by the Receiver.
2. Notwithstanding any other provision of law, the Department of Corrections and Rehabilitation is not required to competitively bid for health services contracts in cases in which contracting experience or history indicates that only one qualified bid will be received.
3. Notwithstanding Section 13324 of the Government Code or Section 32.00 of this act, a state employee shall not be held personally liable for any expenditure or the creation of any indebtedness in excess of the amounts appropriated therefor as a result of complying with the directions of the Receiver or orders of the United States District Court in Plata v. Brown.
4. The amounts appropriated in Schedules (1), (5), (7), and (8) are available for expenditure by the Receiver appointed by the Plata v. Brown court to carry out its mission to deliver constitutionally adequate medical care to inmates.

5. The amounts appropriated in Schedules (2), (3), (4), and (6) are available for expenditure by the Department of Corrections and Rehabilitation to provide mental health and dental services only.
6. Notwithstanding any other provision of law, the Receiver, on behalf of the Department of Corrections and Rehabilitation, shall process and pay for all medical claims for medical parolees pursuant to Section 3550 of the Penal Code from funds available in Schedule (1).
7. The Department of Corrections and Rehabilitation shall engage stakeholders throughout the implementation of the transfer of the psychiatric programs from the State Department of State Hospitals, and shall report to the appropriate legislative budget committees on the progress during the budget hearings in the spring of 2018. The stakeholder engagement shall include, but not be limited to, discussions regarding existing State Department of State Hospitals reporting.
8. The Controller shall transfer unspent appropriation balances as of June 30, 2017, from the State Department of State Hospitals' Controller Items 4520-011-0001, 4530-011-0001, and 4550-011-0001 to the Department of Corrections and Rehabilitation's Item 5225-002-0001. The unspent appropriation balances will be used to fund outstanding obligations for the psychiatric in-patient programs located at the California Medical Facility, the California Health Care Facility, and Salinas Valley State Prison. The intent of this language is to provide authority and flexibility for the Department of Corrections and Rehabilitation to process the aforementioned outstanding obligations, which include, but are not limited to, vendor invoices, employee workers' compensation claims, legal settlements (lawsuit costs), or employee payroll activities owed by the psychiatric programs under the State Department of State Hospitals as of June 30, 2017. The outstanding vendor invoices shall be limited to existing contracts or purchase orders executed by the State Department of State Hospitals. The Department of Corrections and Rehabilitation may collect outstanding State Department of State Hospitals receivables from employees or vendors as of July 1, 2017.
9. If necessary, the Controller shall transfer unspent appropriation balances as of June 30, 2017, from Item 4440-011-0001 to Item 5225-002-0001 consistent with direction provided by the Department of Corrections

and Rehabilitation and the State Department of State Hospitals.

SEC. 20. Item 6100-134-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-134-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund........... 1,816,694,000

Schedule:

(1) 5200103-Statewide System of School Support.. 10,000,000

(2) 5200115-School Improvement Activities.. 3,000,000

(4) 5200135-Title I, Elementary and Secondary Education Act................ 1,803,694,000

Provisions:

1. In administering the accountability system required by this item, the State Department of Education shall align the forms, processes, and procedures required of local educational agencies so that duplication of effort is minimized at the local level.
2. The funds appropriated in Schedule (1) shall be available for the purposes established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, or for the purposes of supporting the statewide system of technical assistance and support for local educational agencies established in the California State Plan for the federal Every Student Succeeds Act (P.L. 114-95).
3. The State Department of Education shall provide to the Legislature, the Legislative Analyst's Office, and the Department of Finance a letter by April 15, of each year, reporting expenditures and anticipated savings for each schedule, based on available information.
4. The funds appropriated in this item shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for district assistance and intervention teams and other technical assistance providers. Local educational agencies accepting funding from this item shall reduce any estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.
5. The funds appropriated in Schedule (2) are for purposes of Sections 1116 and 1117 of Part A of Title I of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Secs. 6316 and 6317) and shall be

used to fund the local educational agency corrective action program established by Article 3.1 (commencing with Section 52055.57) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code, or in the manner that is consistent with the California State Plan for the federal Every Student Succeeds Act (P.L. 114-95). The funds appropriated in Schedule (2) shall be disbursed to local educational agencies pursuant to federal guidance under Section 1003(g) of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6303(g)). In the event that federal Title I Set Aside funds or federal funds provided for school improvement activities are insufficient to fully fund all local educational agencies that become eligible, apply for, and are selected by the State Board of Education 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 federal school improvement funds and also are within a local educational agency that has been selected by the board to receive federal Title I Set Aside funds.

(b) Ensure that schools identified in subdivision (a) are excluded for purposes of calculating federal Title I Set Aside 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 paragraph (3) of subdivision (d) of Section 52055.57 of the Education Code and exclude schools identified in subdivision (a) of this provision.

(d) In the event that the available 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 federal Title I Set Aside funds possible.

7. Of the funds appropriated in Schedule (4), $31,727,000 is provided in one-time carryover funds to support the existing program.

8. The State Department of Education shall submit an expenditure plan prior to the expenditure of funds to the Department of Finance and the Joint Legislative Budget Committee that includes the use of federal funds pursuant to the California State Plan for the federal Every Student Succeeds Act (P.L. 114-95).

SEC. 21. Item 6100-196-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-196-0001—For local assistance, State Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of part-day California state preschool programs pursuant to Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute... 1,122,428,000

Schedule:

(1) 5210020-Preschool Education........ 1,072,428,000

(2) 5210010-Child Development, Quality Rating Improvement System Grants..... 50,000,000

Provisions:

1. Nonfederal funds appropriated in this item that have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
2. The amount provided in Schedule (1) reflects an adjustment to the base funding of −0.40 percent for a decrease in the population of 0–4 year-olds.
3. Notwithstanding any other provision of law, the maximum standard reimbursement rate shall not exceed $28.32 per day for part-day California state preschool programs. The maximum standard reimbursement rate shall not exceed $45.73 for full-day California state preschool programs.
4. Of the amount appropriated in Schedule (1), up to $5,000,000 is available for the family literacy supplemental grant provided to California state preschool

programs pursuant to Section 8238.4 of the Education Code.

5. The amount appropriated in Schedule (2) is available for Quality Rating and Improvement System grants provided to California state preschool programs pursuant to Section 8203.1 of the Education Code.
6. Of the amount appropriated in Schedule (1), $7,944,000 is available to provide 2,959 slots for full-day state preschool to local educational agencies beginning April 1, 2018.

SEC. 22. Item 6360-001-0407 of Section 2.00 of the Budget Act of 2017 is amended to read:

6360-001-0407—For support of the Commission on Teacher Credentialing, payable from the Teacher Credentials Fund		21,841,000
Schedule:		
(1) 5381-Preparation and Licensing of Teachers	22,883,000	
(2) 5382-Attorney General Legal Services	5,591,000	
(3) 5383-Accreditation Streamline Project	256,000	
(4) 5399-Administration	4,746,000	
(5) Reimbursements to 5381-Preparation and Licensing of Teachers	−11,635,000	

Provisions:

1. The amount appropriated in this item may be increased based on increases in credential applications, increases in first-time credential applications requiring fingerprint clearance, unanticipated costs associated with certificate discipline cases, or unanticipated costs of litigation, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.
2. If the funds available in the Teacher Credentials Fund are insufficient to meet the operational needs of the Commission on Teacher Credentialing, the Department of Finance may authorize a loan to be provided from the Test Development and Administration Account to the Teacher Credentials Fund. The Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of its intent to request that the Controller transfer the amount

projected to be required from the Test Development and Administration Account to the Teacher Credentials Fund. The Controller shall transfer those funds not sooner than 30 days after this notification.

3. The Commission on Teacher Credentialing shall submit biannual reports to the chairpersons and vice chairpersons of the budget committees of each house of the Legislature, the Legislative Analyst's Office, and the Department of Finance on the minimum, maximum, and average number of days taken to process: (a) renewal and university-recommended credentials, (b) out-of-state and special education credentials, (c) service credentials and supplemental authorizations, (d) adult and career technical education certificates and child center permits, (e) temporary permits for statutory leave and 30-day substitute permits, (f) provisional intern permits, (g) short-term staff permits, and (h) the percentage of renewals and new applications completed online. The report should also include information on the total number of each type of application and the hours of staff time utilized to process the different types of credentials. The biannual reports shall be submitted on October 1 and March 1 of each year, and shall include historical data as well as data from the most recent six months.
4. Of the funds appropriated in Schedule (1), $308,000 is provided from federal Title II funds through an interagency agreement with the State Department of Education to support Teacher Misassignment Monitoring, pursuant to Section 44258.9 of the Education Code. These funds shall be used to reimburse county offices of education for costs associated with monitoring public schools and school districts for teacher misassignments. Funds shall be allocated on a basis determined by the Commission on Teacher Credentialing. Districts and county offices receiving funds for credential monitoring will provide reasonable and necessary information to the commission as a condition of receiving these funds.
5. The Commission on Teacher Credentialing (CTC) shall submit biannual reports to the chairpersons and vice chairpersons of the budget committees of each house of the Legislature, the Legislative Analyst's Office, and the Department of Finance on the workload of the Division of Professional Practices (DPP) and the status of the teacher misconduct caseload. The report shall include information on the DPP's workload

and the timeliness of completing key steps in reviewing teacher misconduct cases that are under the control of the CTC. The workload report shall include the number of cases opened by case type and the average number of days and targets for each key step in the misconduct review process, including: (a) intake of new cases and documents, (b) assignment of cases to staff and gathering of needed documents for investigation, (c) investigation and notification of allegations to individuals charged with an offense, (d) review of cases by the CTC, (e) implementation of final discipline decisions by CTC, (f) monitoring during probation period, and (g) response to violation of probationary period. The biannual reports shall be submitted by October 1 and March 1 of each year. All reports shall include historical data as well as data from the most recent six months.

6. Funds appropriated in Schedule (2) are for the cost of representation by the office of the Attorney General in educator discipline cases. Notwithstanding any other law, any of these funds not encumbered by the end of the current fiscal year shall be reappropriated in the following fiscal year for the cost of representation by the office of the Attorney General in educator discipline cases.

7. (a) The office of the Attorney General shall submit a quarterly report to the chairpersons and vice chairpersons of the budget committees of each house of the Legislature, the Legislative Analyst's Office, and the Department of Finance concerning the status of the teacher misconduct discipline caseload and other cases being handled by the office of the Attorney General for the Commission on Teacher Credentialing. The quarterly report shall be submitted by August 30, November 30, February 28, and May 31, of each year for the previous corresponding fiscal quarter.

   (b) Each report shall include, at a minimum, all of the following for teacher discipline matters:

      (1) The number of matters at the office of the Attorney General at the beginning of the reporting period.

      (2) The number of matters for which further investigation was requested by the office of the Attorney General.

(3) The number of matters for which further investigation was received by the office of the Attorney General.

(4) The number of matters adjudicated by the office of the Attorney General.

(5) The number of matters at the office of the Attorney General at the end of the reporting period.

(6) The minimum, maximum, and median number of days from the date the office of the Attorney General receives an accusation or statement of issues referral from the Commission on Teacher Credentialing to the commencement of a hearing at the Office of Administrative Hearings for cases adjudicated during this period.

(c) To determine the average cost of the office of the Attorney General to adjudicate a case representing the Commission on Teacher Credentialing, each report shall provide the following information for cases adjudicated in the reporting period specified in paragraph (a):

(1) The average and median number of hours worked by the staff of the office of the Attorney General to adjudicate accusation and statement of issues matters.

(2) The average and median fees charged by the office of the Attorney General to the commission to adjudicate accusation and statement of issues matters.

(3) The average and median litigation costs to adjudicate accusation and statement of issues matters.

(d) To determine the total activities conducted by the office of the Attorney General to represent the Commission on Teacher Credentialing for each period, the Attorney General shall report the following:

(1) The total hours worked during the period by staff of the office of the Attorney General for representation of the commission in teacher discipline matters.

(2) The total fees charged during the period by the office of the Attorney General to the commission for representation in teacher discipline matters.

(3) The total hours worked during the period by staff of the office of the Attorney General for representation of the commission unrelated to teacher discipline matters.

(4) The total fees charged during the period by the office of the Attorney General to the commission for representation unrelated to teacher discipline matters.

(e) This information shall be provided with the intent that recipients shall be able to determine the caseload input and output of at the office of the Attorney General in relation to representation of the Commission on Teacher Credentialing in teacher discipline cases, especially as it relates to determining the average case processing time for accusation and statement of issues representation and adjudication, and proper funding level for handling the teacher discipline caseload and other legal work for the commission. Staff from the office of the Attorney General shall provide timely followup information to staff from the offices identified in paragraph (a) upon request if further explanation or information is required.

8. Of the funds appropriated in Schedule (5), $11,327,000 is for the Commission on Teacher Credentialing, in conjunction with the California Center on Teaching Careers, to develop a competitive grant program that assists local educational agencies with attracting and supporting the preparation and continued learning of teachers, principals, and other school leaders in high need subjects and schools. The availability of these funds is contingent upon passage of pending legislation in the 2017–18 legislative session.

SEC. 23. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)...		4,143,737,000
Schedule:		
(1) 5670015-Apportionments..............	2,631,924,000	
(2) 5670019-Apprenticeship.....................	32,745,000	
(3) 5670023-Apprenticeship Training and Instruction...	22,127,000	
(4) 5675015-Student Success for Basic Skills Students....................................	50,037,000	

(5)	5675019-Student Financial Aid Administration	72,775,000
(6)	5675027-Disabled Students	117,188,000
(7)	5675031-Student Services for CalWORKs Recipients	44,260,000
(8)	5675035-Foster Care Education Program	5,254,000
(9)	5675039-Student Success and Support Program	550,363,000
(10)	5675061-Academic Senate for the Community Colleges	768,000
(11)	5675069-Equal Employment Opportunity	2,767,000
(12)	5675073-Part-Time Faculty Health Insurance	490,000
(13)	5675077-Part-Time Faculty Compensation	24,907,000
(14)	5675081-Part-Time Faculty Office Hours	12,172,000
(15)	5675099-Telecommunications and Technology Infrastructure	33,890,000
(16)	5675119-Economic Development	270,929,000
(17)	5675123-Transfer Education and Articulation	698,000
(18)	5675023-Extended Opportunity Programs and Services	125,111,000
(19)	5675115-Fund for Student Success	8,658,000
(20)	5675150-Campus Childcare Tax Bailout	3,437,000
(21)	5675156-Nursing Program Support	13,378,000
(22)	5670035-Expand the Delivery of Courses through Technology	23,000,000
(23)	5675174-Higher Education Innovation Awards	20,000,000
(24)	5675133-Physical Plant and Instructional Support	76,859,000

Provisions:

1. The funds appropriated in this item are for transfer by the Controller during the 2017–18 fiscal year to Section B of the State School Fund.
2. (a) The funds appropriated in Schedule (1) shall be allocated using the budget formula established pursuant to Section 84750.5 of the Education Code. The budget formula shall be adjusted to reflect the following:
   (1) Of the funds appropriated in Schedule (1), $57,794,000 shall be used to increase

statewide growth of full-time equivalent students (FTES) by 1.00 percent.

(2) Of the funds appropriated in Schedule (1), $97,573,000 shall be used to reflect a cost-of-living adjustment of 1.56 percent.

(3) Notwithstanding paragraph (1), the Chancellor's Office may allocate unused growth funding to backfill any unanticipated shortfalls in the total amount of funding appropriated to support the budget formula established pursuant to Section 84750.5 of the Education Code.

(b) Funds allocated to a community college district from funds included in Schedule (1) shall directly offset any mandated costs claimed for the Minimum Conditions for State Aid (02-TC-25 and 02-TC-31) program or any costs of complying with Section 84754.5 of the Education Code.

(c) Of the funds appropriated in Schedule (1):

(1) $100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.

(2) 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 pursuant to Section 58508 of Title 5 of the California Code of Regulations.

(d) Of the funds appropriated in Schedule (1), $183,615,000 shall be used to adjust the budget formula pursuant to Section 84750.5 of the Education Code to recognize increases in operating expenses.

3. (a) The funds appropriated in Schedule (2) shall be available pursuant to Article 3 (commencing with Section 79140) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.

(b) Pursuant to Section 79149.3 of the Education Code, the reimbursement rate shall be $5.90 per hour.

(c) Of the funds appropriated in Schedule (2), $15,000,000 shall be used for the California Apprenticeship Initiative pursuant to Section 79148 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2020.

4. (a) The funds appropriated in Schedule (3) shall be available pursuant to Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of Division 1 of Title 1 of the Education Code.
   (b) Pursuant to Section 8152 of the Education Code, the reimbursement rate shall be $5.90 per hour.
5. Of the funds appropriated in Schedule (4):
   (a) Up to $2,502,000 shall be used for faculty and staff development to improve curriculum, instruction, student services, and program practices in basic skills and English as Second Language programs pursuant to Section 88815 of the Education Code.
   (b) Remaining funding shall be allocated by the chancellor to community college districts to improve outcomes of students who enter college needing to complete at least one course in English as a Second Language or basic skills pursuant to Section 88815 of the Education Code.
6. (a) Of the funds appropriated in Schedule (5):
   (1) Not less than $16,049,000 is available to provide $0.91 per unit reimbursement to community college districts for the provision of board of governors (BOG) fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
   (2) Not less than $16,226,000 is available for the Board Financial Assistance Program to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of BOG fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
   (3) (A) $5,300,000 shall be allocated to a community college district to conduct a statewide media campaign to promote the following message: (i) the California Community Colleges are affordable, (ii) financial aid is available to cover fees and help with books and other costs, and (iii) an interested student should contact his or her local community college financial aid office. The campaign should target efforts to reach low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. The community college district awarded

the contract shall consult regularly with the chancellor and the Student Aid Commission.

(B) Of the amount identified in subparagraph (A), $2,500,000 shall be allocated to expand: (i) outreach for students from non-English speaking households and bilingual households, (ii) marketing and outreach aimed at baccalaureate degree pilot programs, and (iii) marketing and outreach aimed at increasing current and future student awareness of the Board of Governors Fee Waiver. Bilingual efforts shall target areas of the state that meet at least one of the following conditions: (i) have concentrations of non-English speaking and bilingual households, or (ii) have underserved populations and/or a history of declining community college attendance.

(4) Not more than $35,200,000 shall be for direct contact with potential and current financial aid applicants. Each California Community College campus shall receive a minimum allocation of $50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting FTES weighted by a measure of low-income populations demonstrated by BOG fee waiver program participation within a district.

(5) Funds allocated to a community college district pursuant to paragraphs (1) and (2) shall supplement, not supplant, the level of funds allocated for the administration of student financial aid programs during the 2001–02 or 2006–07 fiscal year, whichever is greater.

(6) Funding allocated to a community college district pursuant to paragraphs (1) and (2) shall directly offset any costs claimed by that district for any of the following mandates: Enrollment Fee Collection (99-TC-13), Enrollment Fee Waivers (00-TC-15), Cal Grants (02-TC-28), and Tuition Fee Waivers (02-TC-21).

(7) Notwithstanding subdivision (m) of Section 76300 of the Education Code or any other provision of law, the amount of funds appropriated for the purpose of administering fee

waivers for the 2017–18 fiscal year shall be determined in this act.

7. (a) The funds appropriated in Schedule (6) shall be used to assist districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges and for state hospital programs, as mandated by federal law.
   (b) Of the amount appropriated in Schedule (6):
      (1) At least $3,945,000 shall be used to address deficiencies identified by the United States Department of Education Office for Civil Rights.
      (2) At least $943,000 shall be used to support the High Tech Centers for activities including, but not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled.
      (3) At least $9,600,000 shall be allocated to community college districts for sign language interpreter services, real-time captioning equipment, or other communication accommodations for hearing-impaired students. A community college district is required to spend $1 from local or other resources for every $4 received pursuant to this paragraph.
      (4) $1,000,000 shall be allocated for state hospital adult education programs at the hospitals served by the Coast and Kern Community College Districts.

8. (a) The funds appropriated in Schedule (7) shall be allocated pursuant to Article 5 (commencing with Section 79200) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
   (b) Of the amount appropriated in Schedule (7):
      (1) $9,188,000 is for child care, except that a community college district may request that the chancellor approve the use of funds for other purposes.
      (2) No less than $4,900,000 shall be used to provide direct workstudy wage reimbursement for students served under this program, and $613,000 is available for campus job development and placement services.
   (c) A community college district is required to spend $1 from local or other resources for every $1 re-

ceived pursuant to this provision, except for any funds received pursuant to paragraph (1) of subdivision (b).

9. (a) The funds appropriated in Schedule (8) shall be allocated to community college districts to provide foster and relative/kinship care education and training pursuant to Article 8 (commencing with Section 79420) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. A community college district shall ensure that education and training required pursuant to Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority.

10. (a) The funds appropriated in Schedule (9) shall be used for the purposes of Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code.

(b) Of the amount included in Schedule (9):

(1) $285,183,000 shall be allocated pursuant to Section 78216 of the Education Code.

(2) (A) $160,000,000 shall be allocated to community college districts to implement student equity plans pursuant to Article 1.5 (commencing with Section 78220) of Chapter 2 of Part 48 of Division 7 of Title 3 of the Education Code. These plans shall be coordinated with the Student Success and Support Program plans, pursuant to Section 78216 of the Education Code, and the Student Success Scorecard, pursuant to Section 84754.5 of the Education Code.

(B) These funds shall be allocated by the chancellor to community college districts using a methodology that ensures that districts with a greater proportion or number of students who have high needs receive more resources to provide services to these students. The chancellor shall ensure that the allocation methodology reflects the inclusion of foster youth within the proportion or number of high-needs students.

(C) Consistent with the intent of Chapter 771 of the Statutes of 2014 and within the funds allocated to community college districts pursuant to this paragraph, the chancellor shall enter into agreements with up to 10 community college districts to provide additional services in support of postsecondary education for foster youth. Up to $15,000,000 of the funds allocated to community college districts pursuant to this paragraph shall be prioritized for services pursuant to Chapter 771 of the Statutes of 2014. Further, the chancellor shall ensure that the list of eligible expenditures developed pursuant to subdivision (d) of Section 78221 of the Education Code includes expenditures that are consistent with the intent of Chapter 771 of the Statutes of 2014.

(D) Nothing in this provision prevents existing student-equity related categorical programs or campus-based programs from accessing student equity plan funds.

(E) Increased services for high-needs students may include the development of open educational resources and zero-textbook-cost degrees that reduce costs for students. Community college districts utilizing resources for this purpose are encouraged to first develop open educational resources and zero-textbook-cost degrees for courses that are transferable to the California State University and the University of California and for approved associates degrees for transfer. Open educational resources and zero-textbook-cost degrees developed by a community college district pursuant to this provision shall make the applicable course materials and curriculum available to all community college districts through the online clearinghouse of information identified in Provision 10 (b)(4)(B) of this item.

(F) Community college districts shall ensure that veterans and programs for veterans are appropriately reflected in their student equity plan goals and in the coordination of services for the targeted student populations.

(G) $5,000,000 of the funds allocated pursuant to this paragraph shall be for support of Veteran Resource Centers.

(i) By January 1, 2018, the Chancellor of the California Community Colleges shall develop a set of minimum standards that are associated with high-functioning veterans resource centers. These standards should consider the different needs, size, and capacity of community colleges across the state. Further, these standards should balance the desire to have a highly effective and supportive veterans resource center with the goal of expanding veterans resource centers across the state.

(ii) To the extent funding is provided in the annual Budget Act, the chancellor shall only allocate funding to community colleges that commit to either meeting and/or making progress towards meeting the minimum standards developed in subparagraph (i).

(3) (A) $7,500,000 may be used by the chancellor to provide technical assistance to community college districts that demonstrate low performance in any area of operations. It is the intent of the Legislature that technical assistance providers be contracted in a cost-effective manner, that they primarily consist of experts who are current and former employees of the California Community Colleges, and that they provide technical assistance consistent with the vision for the California Community Colleges.

(B) Technical assistance funded pursuant to this paragraph that is initiated by the chancellor may be provided at no cost to the district. If a community college district requests technical assistance, the district is required to spend at least $1 from local or other resources for every $2 received as determined by the chancellor.

(4) (A) $20,000,000 may be used by the chancellor to provide regional and online workshops and trainings to community college personnel to promote statewide priorities, including, but not limited to, strategies to improve student achievement; strategies to improve community college operations; and system leadership training to better coordinate planning, implementation, and outcomes of statewide initiatives. To the extent possible, the chancellor shall partner with existing statewide initiatives with proven results of improving student success and institutional effectiveness. Each fiscal year, the chancellor shall submit a report on the use of funds appropriated pursuant to paragraphs (3) and (4) of this provision in the prior year to the Department of Finance and the Joint Legislative Budget Committee no later than December 31 of each year. This report shall include information regarding California Community Colleges' participation in the activities funded pursuant to paragraphs (3) and (4) of this provision, and the California Community Colleges' progress toward their goals for each of the institutional effectiveness indicators.

(B) Funding available pursuant to this paragraph may be utilized by the chancellor to coordinate with community college districts to develop and disseminate effective practices through the establishment of an online clearinghouse of information. The development of effective practices shall include, but not be limited to, statewide priorities such as the development of educational programs or courses for the incarcerated adults in prisons and jails, and the formerly incarcerated, educational programs or courses for California Conservation Corps members, and other effective practices. The online clearinghouse of information shall also reflect effective practices, guidance, policies, curriculum, courses, and programs developed by local community colleges in support of the Strong Workforce Program established pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code.

(C) It is the intent of the Legislature to encourage the chancellor to facilitate the development of local community college courses for the California Conservation Corps and the incarcerated adults in prisons and jails, and the formerly incarcerated. The Department of Corrections and Rehabilitation and the California Conservation Corps are encouraged to partner with the chancellor's office in the development and dissemination of local community college courses and effective practices pursuant to this subparagraph and subparagraph (B).

(5) (A) $63,618,000 shall be used on a one-time basis to support the Guided Pathways Grant Program pursuant to Part 54.8 (commencing with Section 88920) of Division 7 of Title 3 of the Education Code. Of the amounts appropriated in this subparagraph and in Section 41207.43 of the Education Code, up to 10 percent may be used to augment subparagraph (A) of paragraph (4) of this subdivision to provide specialized training to support guided pathways.

(B) Funds appropriated pursuant to this paragraph shall be available for encumbrance or expenditure until June 30, 2022.

(6) Up to $14,000,000 may be used for e-transcript, e-planning, and common assessment tools. Any remaining funds shall be used pursuant to paragraph (1).

11. The funds in Schedule (13) shall be allocated to increase compensation for part-time faculty. Funds shall be allocated to districts based on the total actual number of FTES in the previous fiscal year, with an adjustment to the allocations provided to small districts. These funds shall be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through collective bargaining in each community college district. If a community college district achieves parity between compensation for full-time faculty and part-time fac-

ulty, funds received pursuant to this provision may be used for any other educational purpose.

12. Of the funds provided in Schedule (15):
    (a) $27,890,000 shall be allocated by the chancellor on a competitive basis, for the following purposes:
        (1) Provision of access to statewide multimedia hosting and delivery services for state colleges and districts.
        (2) Provision of systemwide Internet, audio bridging, data security, and telephony.
        (3) Technical assistance and planning, cooperative purchase agreements, and faculty and staff development.
        (4) Ongoing support for the California Virtual Campus Distance Education Program.
        (5) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K–20 segments in California.
        (6) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system toward improving learning outcomes.
        (7) Ongoing support of the California Partnership for Achieving Student Success (Cal-PASS) program.
    (b) $6,000,000 shall be used to develop an Integrated Library System. These funds shall be available for encumbrance until June 30, 2019.
    (c) The remaining funds shall be available for allocations to districts to maintain technology capabilities.
13. Of the funds appropriated in Schedule (16):
    (a) $22,929,000 is available for the following purposes:
        (1) Up to 10 percent may be allocated for state-level technical assistance, including statewide network leadership, organizational development, coordination, and information and support services.
        (2) All remaining funds shall be allocated for programs that target investments in priority and emergent sectors, including statewide and/or regional centers, hubs, collaborative communities, advisory bodies, and short-term

grants. Short-term grants may include industry-driven regional education and training, Responsive Incumbent Worker Training, and Job Development Incentive Training. Funds allocated pursuant to this provision may be used to provide substantially similar services in support of the Strong Workforce Program.

(3) Funds applied to performance-based training shall be matched by a minimum of $1 contributed by private businesses or industry for each $1 of state funds. The chancellor shall consider the level of involvement and financial commitments of business and industry in making awards for performance-based training.

(b) $248,000,000 shall be available to support the Strong Workforce Program pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code.

14. (a) The funds appropriated in Schedule (17) shall be used to support transfer and articulation projects and common course numbering projects.

(b) Funding provided to community college districts shall directly offset any costs claimed by community college districts to be mandates pursuant to Chapter 737 of the Statutes of 2004.

15. (a) Of the funds appropriated in Schedule (18):

(1) $109,248,000 shall be used pursuant to Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for Extended Opportunity Programs and Services shall be available to students on all campuses within the California Community Colleges system.

(3) $15,863,000 shall be used for funding, at all colleges, the Cooperative Agencies Resources for Education program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The chancellor shall allocate these funds to local programs on the basis of need for student services.

(b) Of the amount allocated pursuant to subdivision (a), no less than $4,972,000 shall be available to support additional textbook assistance grants to community college students.

16. The funds appropriated in Schedule (19) shall be used for the following purposes:
    (a) $1,921,000 shall be used for the Puente Project to support up to 75 colleges. These funds are available if matched by $200,000 of private funds and if the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project. All funding shall be allocated directly to participating districts in accordance with their participation agreement.
    (b) Up to $2,459,000 is for the Mathematics, Engineering, Science Achievement (MESA) program. A community college district is required to spend $1 from local or other resources for every $1 received pursuant to this subdivision.
    (c) No less than $1,778,000 is for the Middle College High School Program. With the exception of special part-time students at the community colleges pursuant to Sections 48802 and 76001 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment.
    (d) No less than $2,500,000 is for the Umoja program.
17. The funds appropriated in Schedule (20) shall be allocated by the chancellor to community college districts that levied child care permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount proportional to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased or decreased by any cost-of-living adjustment granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.
18. Of the funds appropriated in Schedule (21):
    (a) $8,475,000 shall be used to provide support for nursing programs.
    (b) $4,903,000 shall be used for diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.

19. Of the funds appropriated in Schedule (22):
    (a) $20,000,000 shall be allocated to the chancellor to increase the number of courses available through the use of technology and to provide alternative methods for students to earn college credit. These funds may be used to pay for a consistent learning management system to help implement this program. The chancellor shall ensure, to the extent possible, that the following conditions are satisfied:
        (1) These courses can be articulated across all community college districts.
        (2) These courses are made available to students systemwide, regardless of the campus at which a student is enrolled.
        (3) Students who complete these courses are granted degree-applicable credit across community colleges.
        (4) These funds shall be used for those courses that have the highest demand, fill quickly, and are prerequisites for many different degrees.
    (b) By September 1 of each fiscal year, up to $3,000,000 shall be disbursed by the Office of the Chancellor of the California Community Colleges to one or more community college districts to provide digital course content to inmates under the jurisdiction of the Department of Corrections and Rehabilitation who are enrolled in one or more California Community College courses. The provision of this digital course content is expected to enable community college districts to provide instruction to incarcerated adults.
        (1) To the extent possible, community college districts providing digital course content pursuant to this paragraph are encouraged to first use open educational resources.
        (2) Notwithstanding any other law, a contract between the Office of the Chancellor of the California Community Colleges and a community college district for purposes of this subdivision is not subject to any competitive bidding requirements of Section 10340 of the Public Contract Code.
20. The Office of the Chancellor of the California Community Colleges shall annually report by December 1 of each year through 2021, on the racial/ethnic and

gender composition of faculty, and efforts to assist campuses in providing equal employment opportunity in faculty recruitment and hiring practices as well as systemwide training, monitoring, and compliance activities.

21. Funds appropriated in Schedule (23) are provided on a one-time basis pursuant to Section 66010.98 of the Education Code.
22. (a) Any funds appropriated in Schedule (24) are available for the following purposes:
    (1) Scheduled maintenance and special repairs of facilities. The Chancellor of the California Community Colleges shall allocate funds to districts on the basis of actual reported FTES, and may establish a minimum allocation per district. As a condition for receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs. A district's compliance with its resolution shall be reviewed under the annual audit of that district.
    (2) Hazardous substances abatement, cleanup, and repairs.
    (3) Architectural barrier removal projects that meet the requirements of the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and seismic retrofit projects limited to $656,000.
    (4) Water conservation projects to reduce water consumption in cooperation with the Governor's Executive Order B-37-16. Projects may include any of the following:
        (A) Replacement of water intensive landscaping with drought tolerant landscaping, synthetic turf, provided that the turf is used only in nonathletic areas, and other nonplant materials.
        (B) Drip or low-flow irrigation systems.
        (C) Building improvements to reduce water usage.
        (D) Installation of meters for wells to allow for monitoring of water usage.

(b) Any funds appropriated in Schedule (24) are available for replacement of instructional equipment and library materials. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses. The chancellor shall allocate funds to districts on the basis of actual reported FTES and may establish a minimum allocation per district. A district's compliance with its resolution shall be reviewed under the annual audit of that district.

(c) Any funds appropriated in Schedule (24) shall be available for one-time use until June 30, 2019.

SEC. 24. Item 7730-001-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

7730-001-0001—For support of Franchise Tax Board.............		717,252,000
Schedule:		
(1) 6280-Tax Programs............................	714,763,000	
(2) 6285-Political Reform Audit (1,750,000)..	0	
(3) 6300-Legal Services Program.............	2,489,000	
(4) 6305-Contract Work............................	10,953,000	
(5) 9900100-Administration......................	28,263,000	
(6) 9900200-Administration—Distributed..	−28,263,000	
(7) Reimbursements to 6305-Contract Work...	−10,953,000	

Provisions:

1. It is the intent of the Legislature that all funds appropriated to the Franchise Tax Board for processing tax returns, auditing, and collecting owed tax amounts shall be used in a manner consistent with both the board's authorized budget and the documents that were presented to the Legislature for its review in support of that budget. The Franchise Tax Board shall not reduce expenditures or redirect funding or personnel resources away from direct auditing or collection activities without prior approval of the Director of Finance. The director shall not approve any such reduction or redirection sooner than 30 days after providing notification to the Joint Legislative Budget Committee. Such a position shall not be transferred from the organizational unit to which it was assigned in the 2017–18 Governor's Budget and the Salaries and Wages Supplement as revised by legislative actions without the

approval of the Department of Finance. The board shall expeditiously fill budgeted positions consistent with the funding provided in this act.

2. It is the intent of the Legislature that the Franchise Tax Board resolve tax controversies, without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.
3. During the 2017–18 fiscal year, the collection cost recovery fee for purposes of subparagraph (A) of paragraph (1) of subdivision (a) of Section 19254 of the Revenue and Taxation Code shall be $287, and the filing enforcement cost recovery fee for purposes of subparagraph (A) of paragraph (2) of that subdivision shall be $84.
4. During the 2017–18 fiscal year, the collection cost recovery fee for purposes of subparagraph (B) of paragraph (1) of subdivision (a) of Section 19254 of the Revenue and Taxation Code shall be $374, and the filing enforcement cost recovery fee for purposes of subparagraph (B) of paragraph (2) of that subdivision shall be $85.
5. Of the amount appropriated in Schedule (1) of this item, $5,843,000 is for implementation of the Earned Income Tax Credit, which, pursuant to Section 17052 of the Revenue and Taxation Code, shall have an adjustment factor at a rate of 85 percent for the 2017 tax year. Implementation of the Earned Income Tax Credit includes processing returns, auditing, and necessary system changes to support this program. To effectively administer this program, the Franchise Tax Board may pay the Social Security Administration for relevant data and related development work prior to receipt of data pursuant to Government Code Section 12425.
6. Of the funds appropriated in Schedule (1) of this item, $4,715,000 shall be available to fund the equivalent of 63 positions through the 2018–19 fiscal year for staffing various customer service channels. The Franchise Tax Board may convert this funding to permanent funding with corresponding position authority for 63 permanent positions, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house of the Legislature and the

Chairperson of the Joint Legislative Budget Committee.

7. In order to maximize participation and claiming of the Earned Income Tax Credit, $2,000,000 of the amount appropriated in Schedule (1) of this item should be allocated in a manner that emphasizes nonprofit and community-based organizations that provide increased awareness of the California Earned Income Tax Credit and free tax preparation assistance to eligible families and individuals.
8. Upon receipt of a written request from the executive officer of the Franchise Tax Board, the director of the Department of Finance or his or her designee may, not sooner than 30 days after providing written notification to the Joint Legislative Budget Committee, augment the amount appropriated in this item by up to $10,000,000 to fund costs incurred by the Franchise Tax Board to implement the Earned Income Tax Credit eligibility expansion.

SEC. 25. Item 8570-001-3288 of Section 2.00 of the Budget Act of 2017 is amended to read:

8570-001-3288—For support of Department of Food and Agriculture, payable from the Cannabis Control Fund...... 31,947,000

Schedule:

(1) 6575-Marketing; Commodities and Agricultural Services........................... 31,947,000

Provisions:

1. The Director of Finance may augment this item by an amount not to exceed available funding in the Cannabis Control Fund, after review of a request submitted by the Department of Food and Agriculture that demonstrates a need for additional resources for licensing and track and trace information technology systems. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The written notification to the Chairperson of the Joint Legislative Budget Committee for funds for licensing and track and trace systems shall include (1) the total cost, scope, and schedule of the systems, (2) a description of contracts required to proceed with the systems, (3) a description of the project risks and issues being tracked

by the department, and (4) the department's planned mitigation of these risks and issues.

2. The Department of Food and Agriculture shall provide quarterly briefings beginning on October 1, 2017, to legislative staff regarding the status of the information technology systems associated with the implementation of cannabis regulation.

SEC. 26. Item 8830-001-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

8830-001-0001—For support of California Law Revision Commission...		0
Schedule:		
(1) 6740-California Law Revision Commission..	908,000	
(2) Reimbursements to 6740-California Law Revision Commission...........................	−908,000	

Provisions:

1. Of the reimbursements identified in Schedule (2), the amount of $893,000 shall be paid from the amounts appropriated in Items 0160-001-0001 and 0160-001-9740.

SEC. 27. Section 39.00 of the Budget Act of 2017 is amended to read:

SEC. 39.00. The Legislature hereby finds and declares that the following bills are other bills providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution: AB 99, AB 100, AB 101, AB 102, AB 103, AB 104, AB 105, AB 106, AB 107, AB 108, AB 109, AB 110, AB 111, AB 112, AB 113, AB 114, AB 115, AB 116, AB 117, AB 118, AB 119, AB 121, AB 124, AB 125, AB 126, AB 127, AB 128, AB 129, AB 130, AB 131, SB 83, SB 84, SB 85, SB 86, SB 87, SB 88, SB 89, SB 90, SB 91, SB 92, SB 93, SB 94, SB 95, SB 96, SB 97, SB 98, SB 99, SB 101, SB 102, SB 103, SB 104, SB 106, SB 109, SB 110, SB 111, SB 112, SB 113, SB 114, SB 115, and SB 116.

SEC. 28. This act is a Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution and shall take effect immediately.

O