Senate Bill No. 113

CHAPTER 181

An act to amend the Budget Act of 2017 by amending Items 0250-001-3037, 0250-001-3066, 0845-001-0217, 1111-011-0001, 2660-302-0042, 2740-001-0044, 3360-001-0465, 3790-493, 4260-001-0001, 5225-002-0001, 6100-001-0890, 6100-105-0001, 6100-113-0001, 6100-113-0890, 6100-119-0890, 6100-134-0890, 6100-149-0001, 6100-156-0001, 6100-156-0890, 6100-194-0001, 6100-194-0890, 6100-197-0890, 6100-403, 6870-301-6087, 6870-403, and 9100-101-0001 of, and adding Item 6100-495 to, Section 2.00 of, and amending Sections 3.60, 31.00, and 39.00 of, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.

[Approved by Governor August 24, 2017. Filed with Secretary of State August 24, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 113, 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 0250-001-3037 of Section 2.00 of the Budget Act of 2017 is amended to read:

0250-001-3037—For support of Judicial Branch, payable from the State Court Facilities Construction Fund....................		79,048,000
Schedule:		
(1) 0140-Judicial Council..........................	92,048,000	
(2) Reimbursements to 0140-Judicial Council...	−13,000,000	

Provisions:

1. The Director of Finance may augment this item by an amount not to exceed available funding in the State Court Facilities Construction Fund, after review of a request submitted by the Judicial Council that

demonstrates a need for additional resources associated with the rehabilitation of court facilities. This request shall be submitted no later than 60 days prior to the effective date of the augmentation. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

2. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-011-0001 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and administrative costs in accordance with Section 68114.10 of the Government Code.
3. Notwithstanding Section 70374 of the Government Code, $1,155,000 of the funds appropriated in this item shall be available for the Office of Real Estate and Facilities Management, within the Judicial Council, to manage and oversee existing facilities for the trial courts, courts of appeal, Judicial Council, and California Habeas Corpus Resource Center.

SEC. 2. Item 0250-001-3066 of Section 2.00 of the Budget Act of 2017 is amended to read:

0250-001-3066—For support of Judicial Branch, payable from the Court Facilities Trust Fund.. 111,183,000

Schedule:

(1) 0140-Judicial Council......................... 120,183,000

(2) Reimbursements to 0140-Judicial Council.. −9,000,000

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of this item for the operation, repair, and maintenance of court facilities pursuant to Section 70352 of the Government Code.

SEC. 3. Item 0845-001-0217 of Section 2.00 of the Budget Act of 2017 is amended to read:

0845-001-0217—For support of Department of Insurance, payable from the Insurance Fund...................................... 197,238,000

Schedule:

(1)	0520-Regulation of Insurance Companies and Insurance Producers..............	85,025,000
(2)	0525-Consumer Protection..................	55,114,000
(3)	0530-Fraud Control.............................	56,087,000
(4)	0535-General Fund Tax Collection and Compliance..	1,262,000
(5)	9900100-Administration......................	35,309,000
(6)	9900200-Administration—Distributed...	−35,309,000
(7)	Reimbursements to 0520-Regulation of Insurance Companies and Insurance Producers...	−250,000

Provisions:

1. Of the funds appropriated in Schedule (1) of this item, the Controller shall transfer one-half of $4,846,000 upon passage of the Budget Act and the remaining one-half on January 1, 2018, to the California Department of Aging for support of the Health Insurance Counseling and Advocacy Program.
2. Of the amount appropriated in Schedule (2) of this item, the entire cost of all examinations, analyses, adoption of any regulations, implementation, and enforcement related to mental health parity laws shall be recovered through assessments or examination fees imposed on health insurers.

SEC. 4. 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 Cannabis 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 Cannabis 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. 5. Item 2660-302-0042 of Section 2.00 of the Budget Act of 2017 is amended to read:

2660-302-0042—For capital outlay, Department of Transportation, non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.. 532,810,000

Schedule:

(1) 1835019-Capital Outlay Projects..... 1,215,810,000

(a) State Highway Operation and Protection Program................ (1,215,810,000)

(2) Reimbursements to 1835019-Capital Outlay Projects................................ −683,000,000

Provisions:

1. 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.
2. Notwithstanding any other law, funds appropriated in this item may be transferred intraschedule or to Item 2660-101-0042, 2660-102-0042, 2660-301-0042, or 2660-303-0042. These transfers shall require the prior approval of the Department of Finance.
3. Funds appropriated in this item are not available for expenditure on specialty building facilities. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material laboratories, and traffic management centers.
4. Notwithstanding any other provision of law, the California Transportation Commission may allocate up to $60,000,000 from this item to provide the required nonfederal match to any state-sponsored project receiving a federal grant under the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grants program of the National Highway Freight Program authorized by the federal Fixing America's Surface Transportation Act (FAST Act).

5. The Department of Transportation may expend up to $20,000,000 in state funds (matched with up to $20,000,000 in federal funds) on zero-emission vehicle charging infrastructure, including hydrogen fueling infrastructure, upon authorization of the Department of Finance. The Department of Finance may authorize the expenditure of funds from the proposed sources not less than 30 days after notification has been provided to the Joint Legislative Budget Committee, or whatever lesser time after that notification the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine. The notification shall include an explanation of the sources of funding that were pursued to fund electric vehicle and zero-emission vehicle charging and hydrogen fueling infrastructure, why the proposed source was selected, and why other identified sources were not selected.

7. Of the funds appropriated in this item, $75,000,000 shall be from the repayment of a General Fund loan.

SEC. 6. Item 2740-001-0044 of Section 2.00 of the Budget Act of 2017 is amended to read:

2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		1,027,881,000
Schedule:		
(1) 2130-Vehicle/Vessel Identification and Compliance	541,471,000	
(2) 2135-Driver Licensing and Personal Identification	316,473,000	
(3) 2140-Driver Safety	129,071,000	
(4) 2145-Occupational Licensing and Investigative Services	55,407,000	
(4.5) 2150-New Motor Vehicle Board	8,000	
(5) 9900100-Administration	105,773,000	
(6) 9900200-Administration—Distributed	−105,773,000	
(7) Reimbursements to 2130-Vehicle/Vessel Identification and Compliance	−11,084,000	
(8) Reimbursements to 2135-Driver Licensing and Personal Identification	−1,401,000	
(9) Reimbursements to 2140-Driver Safety	−1,651,000	
(10) Reimbursements to 2145-Occupational Licensing and Investigative Services	−413,000	

Provisions:

1. The Director of Finance may augment this item by $3,414,000 to provide funding for planning activities related to the Front End Applications Sustainability Project. An augmentation shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees and appropriate subcommittees that consider the State Budget and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine. This augmentation shall not occur until the Department of Motor Vehicles has either gained concurrence from the Department of Technology that it has sufficient availability of program and information technology staff necessary to complete the planning efforts, or has completed the following information technology projects: (a) Commercial Driver License Information System, (b) expansion of the automated knowledge test to accommodate additional languages, (c) system updates to conform to federal requirements for issuance of driver's licenses and identification cards, and (d) tokenization to increase security for credit card transactions. On or before July 1 of each year until the augmentation provided has been spent or has reverted, the department shall provide an annual status report to the chairpersons of the appropriate subcommittees that consider the State Budget. The report shall include, but is not limited to, all of the following: (1) the amount spent to date, (2) a description of project accomplishments, (3) a description of project activities underway and their estimated completion dates, (4) whether the project scope has changed, and (5) the department's progress toward completing the state's information technology approval process for the Front End Applications Sustainability Project.

SEC. 7. Item 3360-001-0465 of Section 2.00 of the Budget Act of 2017 is amended to read:

3360-001-0465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account................................ 76,391,000

Schedule:

(1) 2380010-Power Plant Site Certification and Transmission Line Corridor Designation Program	19,697,000
(2) 2380019-Electricity Analysis	4,938,000
(3) 2380028-Electricity Supply and Analysis	500,000
(4) 2380037-Management and Support	2,369,000
(5) 2385010-Building and Appliances	11,504,000
(6) 2385019-Energy Projects Evaluation and Assistance	12,292,000
(7) 2385028-Demand Analysis	5,138,000
(8) 2385037-Management and Support	1,571,000
(9) 2390010-Transportation Technology and Fuels	9,371,000
(10) 2390019-Research and Development	7,736,000
(11) 2390028-Renewable Energy	870,000
(12) 2390037-Management and Support	1,205,000
(13) 9900100-Administration	27,164,000
(14) 9900200-Administration—Distributed	−27,164,000
(15) Reimbursements to 2380010-Power Plant Site Certification and Transmission Line Corridor Designation Program	−300,000
(16) Reimbursements to 2385010- Building and Appliances	−200,000
(17) Reimbursements to 2390010- Transportation Technology and Fuels	−300,000

Provisions:

1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item for the Energy Technology Export Program shall be available for liquidation of encumbrances or expenditure until June 30, 2021.

SEC. 8. Item 3790-493 of Section 2.00 of the Budget Act of 2017 is amended to read:

3790-493—Reappropriation, Department of Parks and Recreation. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended until June 30, 2018:

0001—General Fund

(1) Item 3790-101-0001, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014)

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

(1) Up to $50,000,000 of the amount appropriated in Items 3790-101-6051 and 3790-102-6051, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)

(1) 80.25-Recreational Grants

Provisions:

1. On or before April 1, 2019, the Department of Parks and Recreation shall report to the Legislature on a long-term plan to address the ongoing need to extend the liquidation period for local assistance projects.

SEC. 9. Item 4260-001-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

4260-001-0001—For support of State Department of Health Care Services		200,607,000
Schedule:		
(1) 3960-Health Care Services	222,015,000	
(2) 9900100-Administration	42,226,000	
(3) 9900200-Administration—Distributed	−42,226,000	
(4) Reimbursements to 3960-Health Care Services	−21,408,000	

Provisions:

1. Effective February 1, 2009, the State Department of Health Care Services shall report biennially in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the most recently completed biennial error rate study and random claim sampling process, the number of positions filled by division, and, for each of the components of the initiative, the amount of savings and cost avoidance achieved and estimated, the number of providers sanctioned, and the number of claims and beneficiary records reviewed.
2. The State Department of Health Care Services shall provide a quarterly accounting of expenditures associated with the 8.0 audit positions for the Targeted Case Management Program identified in the Budget Act of 2010 (Ch. 712, Stats. 2010). The department shall make the quarterly accounting of expenditures avail-

able to designated representatives of the local government agencies not later than the last day of the third quarter of the 2010–11 fiscal year, and on the last day of each subsequent quarter thereafter.

3. (a) The State Department of Health Care Services shall withhold 1 percent of reimbursements to local educational agencies (LEAs) for the purpose of funding the work and related administrative costs associated with the audit resources approved in the Budget Act of 2010 (Ch. 712, Stats. 2010) to ensure fiscal accountability of the LEA Medi-Cal Billing Option Program and to comply with the Medi-Cal State Plan. The withheld percentage shall be applied to funds paid to LEAs for health services based upon the date of payment, and excluding cost settlement payments. Moneys collected as a result of the reduction in federal Medicaid payments allocable to LEAs shall be deposited into a special deposit fund account, which shall be established by the department. The department shall return all unexpended funds in the special deposit fund account proportionately to all LEAs that contributed to the account, during the second quarter of the subsequent fiscal year. The annual amount withheld shall not exceed $1,000,000, but may be adjusted with approval of the LEA Medi-Cal billing entities.

   (b) The State Department of Health Care Services shall provide a quarterly accounting of expenditures made from the special deposit fund account. The department shall make the quarterly accounting of expenditures available to the public not later than the last day of the third quarter of the 2010–11 fiscal year, and on the last day of each subsequent quarter thereafter.

4. The Department of Finance may augment the amount appropriated in Schedule (1) by up to $2,456,000 for implementation of a third-party liability and recovery debt collection system upon project document approval by the Department of Finance and Department of Technology. The Director of Finance shall authorize the augmentation not sooner than 30 days following written notification to the Chairperson of the Joint Legislative Budget Committee.

5. (a) The State Department of Health Care Services shall include in the January 2018 proposed budget a detailed description of the full proposed project ap-

proach to replace and modernize the California-Medicaid Management Information System (CA-MMIS) via modular implementations, including an estimate of the total project costs of the approved modules, their purpose, progress, and a complete timeline and estimated costs of all modules, as defined by the department.

(b) The State Department of Health Care Services, in coordination with other state entities involved in the CA-MMIS modernization project efforts, shall provide the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst's Office, the California Department of Technology, and the California State Auditor with quarterly project status updates, including newly executed contracts, their purpose, and cost.

SEC. 10. 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-TEH) 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. 11. Item 6100-001-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-001-0890—For support of State Department of Education, payable from the Federal Trust Fund................................ 175,817,000

Schedule:

(1) 5205010-Curriculum Services............ 116,220,000

(2) 5210066-Special Program Support....... 59,597,000

Provisions:

1. The funds appropriated in this item include federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (P.L. 109-270) funds for the current fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of career technical education programs.
2. Of the funds appropriated in this item, $96,000 is available to the Advisory Commission on Special Education for the in-state travel and operational expenses of the commissioners and the secretary to the commission.

3. Of the funds appropriated in this item, $318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers.
4. (a) Of the funds appropriated in this item, at least $11,765,000 is from the federal Child Care and Development Fund and is available for support of child care services. Of the federal funds in this item, at least $1,533,000 is for 13.0 positions to address compliance monitoring and overpayments, which may contribute to early detection of fraud. All federally subsidized child care agencies shall be audited pursuant to federal regulations per Part 98 of Title 45 of the Code of Federal Regulations. The State Department of Education (SDE) shall provide information to the Legislature and Department of Finance each year that quantifies by program provider-by-provider level data, including instances and amounts of overpayments and fraud, as documented by the SDE's compliance monitoring efforts for the prior fiscal year. Additionally, the SDE shall provide a copy of any federal reports submitted regarding improper payments and fraud to the Legislature and the Department of Finance.
   (b) As a condition of receiving the resources specified in subdivision (a), every alternative payment agency and subsidized general child care agency shall be audited each year using sufficient sampling of provider records of the following: (1) family fee determinations, (2) income eligibility, (3) rate limits, and (4) basis for hours of care, to determine compliance rates, any instances of misallocation of resources, and the amount of funds expected to be recovered from instances of both potential fraud and overpayment when no intent to defraud is suspected. This information shall be contained in a separate report for each provider, with a single statewide summary report annually submitted to the Governor and the Legislature no later than April 15.
5. Of the funds appropriated in this item, $14,320,000, of which $806,000 is available on a one-time basis, is for dispute resolution services, including mediation and fair hearing services, provided through contract for the special education programs. The State Department of Education shall ensure the quarterly reports

that the contractor submits on the results of its dispute resolution services include the same information as required by Provision 9 of Item 6110-001-0890 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006) and Section 56504.5 of the Education Code and reflect year-to-date data and final yearend data.

6. Of the funds appropriated in this item, $443,000 is for 3.0 positions within the State Department of Education for increased monitoring associated with educationally related mental health services, including out-of-home residential services for emotionally disturbed pupils, required by an individualized education program pursuant to the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.).
7. Of the funds appropriated in this item, at least $2,506,000 shall be available for the administration of 21st Century Community Learning Centers programs.
8. Of the funds appropriated in this item, at least $195,000 in federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (P.L. 109-270) funding and 2.0 positions shall be available to support the California Career Resource Network Program.
9. Of the amount appropriated in this item, $100,000 is available for the California Career Resource Network Program to develop career resource materials and information.
10. Of the funds appropriated in this item, $308,000 is available from federal Title II funds for an interagency agreement with the Commission on Teacher Credentialing to support teacher misassignment monitoring activities.
11. (a) Of the funds appropriated in this item, up to $945,000 is available from federal Title II funds to support Title II-related priorities identified in the State Plan adopted by the State Board of Education (Board) pursuant to the federal Elementary and Secondary Education Act as amended by the federal Every Student Succeeds Act (P.L. 114-95)
    (b) The obligation or expenditure of these funds is contingent upon approval by the Department of Finance. The State Department of Education shall provide the Department of Finance and the Joint Legislative Budget Committee a detailed plan illustrating how these funds will be used to support

the priorities identified in the Board-adopted State Plan.

(c) By August 1, 2018, the State Department of Education shall submit a report on the final year activities of the Compliance, Monitoring, Interventions, and Sanctions (CMIS) program to the appropriate budget and policy committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance. The report shall identify (a) the number of school districts that received CMIS support in the prior fiscal year and (b) the major components of the plans that those districts developed to respond to the federal highly qualified teacher requirements. For each participating district, the report shall provide longitudinal data on the number and percent of teachers who were and were not highly qualified. At a minimum, the annual report shall include finalized data for the prior fiscal year. The report shall provide data separately for high- and low-poverty schools. For comparison, the report shall provide the same longitudinal data for the statewide average of all school districts as well as the average for school districts not receiving CMIS support.

12. Of the funds appropriated in this item, $6,636,000 is for the California Longitudinal Pupil Achievement Data System (CALPADS), which is to meet the requirements of the federal Elementary and Secondary Education Act (ESEA) and Chapter 1002 of the Statutes of 2002. These funds are payable from the Federal Trust Fund to the State Department of Education (SDE). Of this amount, $5,641,000 is federal Title I, Part B funds and $995,000 is federal Title II funds. These funds are provided for the following purposes: $3,254,000 for systems housing and maintenance provided by the Office of Technology Services (OTECH); $908,000 for costs associated with necessary system activities; $790,000 for SDE staff; and $710,000 for various other costs, including hardware and software costs, indirect charges, Department of General Services charges, and operating expenses and equipment. As a further condition of receiving these funds, the SDE shall not add additional data elements to CALPADS, require local educational agencies to use the data collected through the CALPADS for any purpose, or otherwise expand or enhance the system beyond the data elements and functionalities that are

identified in the most current approved Feasibility Study and Special Project Reports and the CALPADS Data Guide v4.1. In addition, $974,000 is for SDE data management staff responsible for fulfilling certain federal requirements not directly associated with CALPADS.

13. Of the funds appropriated in this item, $800,000 of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) funds is available for the State Department of Education to provide oversight and technical assistance for local educational agencies as the responsibility for overseeing educationally related mental health services transitions from county mental health agencies to special education local plan areas and to develop resources and provide technical assistance to local educational agencies for implementation of the federally required State Systemic Improvement Plan.
14. Of the funds appropriated in this item, at least $501,000 federal Title I, Part C, Migrant Education funds and 3.0 positions are provided for oversight and coordination of the State Parent Advisory Council, identification of qualifying program participants, and collecting and linking student data.
15. Of the funds appropriated in this item, up to $639,000 in federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) funds shall be available to the State Department of Education for warehouse costs related to providing accessible instructional materials to local educational agencies.
16. Of the funds appropriated in this item, at least $1,335,000 from the Federal Trust Fund and 15.0 existing positions are provided to support increased administrative reviews of school food authorities.
17. Of the funds appropriated in this item, at least $98,000 and 1.0 position are provided to implement a free and reduced-price meal direct certification process using Medi-Cal data.
18. Of the funds appropriated in this item, $1,470,000 shall be available to support local Early Head Start services under the Early Head Start—Child Care Partnership Grant, consistent with the plan approved by the Department of Finance. This funding is available on a limited-term basis until June 30, 2019.
19. Of the funds appropriated in this item, $612,000 is available to support training, technical assistance, and oversight of selected local educational agencies receiv-

ing the "Now is the Time" Project Advancing Wellness and Resilience in Education grants.

20. Of the funds appropriated by this item, $100,000 is available to provide technical assistance and guidance to participating Child and Adult Care Food Program agencies regarding requirements of the federal Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-126). This funding is available on a limited-term basis until June 30, 2018.
21. Of the funds appropriated in this item, $194,000 is available to support 2.0 existing positions for conducting administrative reviews of participating Child and Adult Care Food Program agencies.
22. Of the amount appropriated in this item, $390,000 is for the development of enhanced career and college readiness indices for the Smarter Balanced high school assessments.
23. Of the funds appropriated in this item, $49,000 is available from the federal McKinney-Vento Homeless Assistance grant to support professional development activities pursuant to Chapter 538 of the Statutes of 2016. Of the amount provided, $10,000 is available on a one-time basis for the development of informational and training materials for homeless youth liaisons.
24. Of the funds appropriated in this item, $479,000 is available to perform procurement reviews of Child Nutrition Program agencies and to provide applicable technical assistance.
25. Of the funds appropriated in this item, $143,000 is provided on a one-time basis to support the development of an English Language Learners with Disabilities manual pursuant to Chapter 579 of the Statutes of 2016.
26. Of the funds appropriated in this item, $1,246,000 is provided in one-time federal Title III carryover funds to develop a professional development video series and to update an English learner guidance publication.
27. Of the funds appropriated in this item, $447,000 is provided in one-time federal Title II carryover funds to support the final year of the Improving Teacher Quality Higher Education Grants and two associated existing positions.
28. Of the funds appropriated in Schedule (1) of this item, up to $11,327,000 shall be provided to the Commission on Teacher Credentialing through an interagency agreement for a competitive grant program that assists

local educational agencies in attracting and supporting the preparation and continued learning of teachers, principals, and other school leaders in high-need subjects and schools.

29. Of the funds appropriated in this item, $437,000 in one-time federal Title III carryover funding is provided to support standardization of the English learner reclassification process, pursuant to pending legislation.

SEC. 12. Item 6100-105-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-105-0001—For local assistance, State Department of Education, for transfer to Section A of the State School Fund, for purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code... 0

Schedule:

(1) 5200024-Regional Occupational Centers and Programs....................................... 4,000,000

(2) Reimbursements to 5200024-Regional Occupational Centers and Programs..... −4,000,000

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in welfare-to-work activities under the CalWORKs program established in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code may be appropriated on an advance basis to local educational agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.
2. Of the amount appropriated in this item, $1,161,000 is to fund remedial educational services for participants in welfare-to-work activities under the CalWORKs program.

SEC. 13. Item 6100-113-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-113-0001—For local assistance, State Department of Education (Proposition 98), for purposes of California’s pupil testing program... 108,416,000

Schedule:

(1)	5205200-Assessment Review and Reporting	1,490,000
(2)	5205204-English Language Development Assessment	2,940,000
(3)	5205208-California Student Assessment System	80,763,000
(4)	5205218-Assessment Apportionments	23,223,000
(5)	5205210-California High School Proficiency Examination	1,244,000
(6)	Reimbursements to 5205210-California High School Proficiency Examination	−1,244,000

Provisions:

1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 3 (commencing with Section 48400) of Part 27 of Division 4 of Title 2 of the Education Code and Chapter 5 (commencing with Section 60600), Chapter 6 (commencing with Section 60800), and Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2 of the Education Code.
2. The funds appropriated in Schedule (3) are provided for contract costs for the implementation of the statewide pupil assessment system established pursuant to Chapter 489 of the Statutes of 2013, as approved by the State Board of Education, and are contingent upon the Department of Finance's review of the related contract, during contract negotiations, prior to its execution.
3. The funds appropriated in Schedule (2) shall be available for approved contract costs for the development of and transition to the English Language Proficiency Assessments for California, which include initial identification and annual assessments aligned to the state English language development standards in accordance with Chapter 478 of the Statutes of 2013, and are contingent upon the submittal of the related contract by the State Department of Education and the Department of Finance. Ongoing funding for the English Language Proficiency Assessments for California shall be contingent upon an appropriation in the annual Budget Act. Incentive funding of $5 per pupil is provided in Schedule (4) for district apportionments for the California English Language Development Test. As a condition of receiving these funds, school districts

must agree to provide information determined to be necessary to comply with the data collection and reporting requirements of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.) regarding English language learners by the State Department of Education.

4. Funds provided to local educational agencies from Schedules (2), (3), and (4) shall first be used to offset any state-mandated reimbursable costs within the meaning of Section 17556 of the Government Code that otherwise may be claimed through the state mandates reimbursement process for the California English Language Development Test and the statewide pupil assessment system established pursuant to Chapter 489 of the Statutes of 2013. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from these schedules.
5. Notwithstanding Section 28.50, the Department of Finance may adjust Schedules (5) and (6) to reflect changes in actual reimbursements from the contractor for the California High School Proficiency Examination.
6. Federal funds provided in Item 6100-113-0890 for statewide testing purposes shall be fully expended before General Fund resources provided in this item are expended for the same purposes.
7. The funds appropriated in Schedule (4) shall be used to pay approved apportionment costs from the current and prior test administrations for the California English Language Development Test, the California High School Exit Examination, the Standard Testing and Reporting (STAR) Program, and the statewide pupil assessment system established pursuant to Chapter 489 of the Statutes of 2013 and the grade two diagnostic assessments pursuant to Section 60644 of the Education Code.
8. The Department of Finance, State Department of Education, Legislative Analyst's Office and legislative staff, and the vendor or vendors of the state's California Assessment of Student Performance and Progress contract shall meet on an annual basis every October and April to review detailed fiscal information regarding the current components and costs of the contract. The group also shall explore ways to make annual

improvements to the state's assessment system or achieve related savings.

9. Of the funds appropriated in Schedule (3), $502,000 shall be used to support the California Assessment of Student Performance and Progress (CAASPP) Science Academy for purposes of providing professional development to instructional leaders in science content areas on the California Next-Generation Science Standards and the California Science Test.

SEC. 14. Item 6100-113-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-113-0890—For local assistance, State Department of Education-Title I, Part B, State Assessment Grant, payable from the Federal Trust Fund...		23,070,000
Schedule:		
(1) 5205200-Assessment Review and Reporting..	600,000	
(2) 5205204-English Language Development Assessment.................................	15,506,000	
(3) 5205208-California Student Assessment System...	6,964,000	

Provisions:

1. The funds appropriated in Schedule (3) are provided for contract costs for the implementation of the statewide pupil assessment system established pursuant to Chapter 489 of the Statutes of 2013, as approved by the State Board of Education, and are contingent upon the Department of Finance's review of the related contract during contract negotiations and prior to its execution.
2. The funds appropriated in Schedule (2) shall be available for approved contract costs for administration of the California English Language Development Test consistent with the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of Division 4 of Title 2 of the Education Code.
3. The funds appropriated in Schedule (2) shall be available for approved contract costs for the development of and transition to the English Language Proficiency Assessments for California, which include initial identification and annual assessments aligned to the state English language development standards in accordance with Chapter 478 of the Statutes of 2013, and are contingent upon the submittal of the related contract by the State Department of Education and the

Department of Finance. Ongoing funding for the English Language Proficiency Assessments for California shall be contingent upon an appropriation in the annual Budget Act.

4. Funds appropriated in Schedule (1) are for providing local educational agencies information regarding federal requirements associated with assessments.
5. Funds provided to local educational agencies from Schedules (2) and (3) shall first be used to offset any state-mandated reimbursable costs, within the meaning of subdivision (e) of Section 17556 of the Government Code, that otherwise may be claimed through the state mandates reimbursement process for the statewide pupil assessment system established pursuant to Chapter 489 of the Statutes of 2013, the California English Language Development Test, and the California Alternate Performance Assessment. Local educational agencies receiving funding from these schedules shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from these schedules.
6. Federal funds provided in this item for statewide testing purposes shall be fully expended before General Fund resources provided in Item 6100-113-0001 are expended for the same purposes.
7. The State Department of Education, in consultation with the Executive Director of the State Board of Education, shall use savings identified from funds appropriated in Schedule (2) for activities related to the development of English language proficiency assessments aligned to the English language development standards adopted by the State Board of Education.
8. The Department of Finance, State Department of Education, Legislative Analyst's Office and legislative staff, and the vendor or vendors of the state's California Assessment of Student Performance and Progress contract shall meet on an annual basis every October and April to review detailed fiscal information regarding the current components and costs of the contract. The group also shall explore ways to make annual improvements to the state's assessment system or to achieve related savings.
9. Of the funds appropriated in Schedule (2), $2,785,000 is provided in one-time federal carryover.

SEC. 15. Item 6100-119-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-119-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund.................. 1,662,000

Schedule:

(1) 5200137-Title I: Program for Neglected and Delinquent Children...................... 1,662,000

SEC. 16. 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.......... 1,846,422,000

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............... 1,833,422,000

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. 17. Item 6100-149-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-149-0001—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 the After School Education and Safety program, pursuant to Article 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.. 50,000,000

Schedule:

(1) 5210048-After School Programs.......... 50,000,000

Provisions:

1. The funds appropriated in this item shall be used for the After School Education and Safety program as specified in Article 22.5 (commencing with Section 8482) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.
2. This funding shall be used to increase the daily per-pupil rates and maximum grant amounts. The State Department of Education shall adjust the dollar amounts specified in Sections 8482.55, 8483.7, 8483.75, and 8483.76 of the Education Code in accordance with the amount provided for the 2017–18 fiscal year.

SEC. 18. Item 6100-156-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-156-0001—For local assistance, State Department of Education, for transfer to Section A of the State School Fund.. 0

Schedule:

(1) 5200162-Adult Education.................. 407,268,000

(2) 5200164-Adult Education: Remedial Education... 8,739,000
(3) Reimbursements to 5200162-Adult Education.. −407,268,000
(4) Reimbursements to 5200164-Adult Education: Remedial Education................ −8,739,000

Provisions:

1. The funds appropriated in Schedule (1) are for the support of the Adult Education Block Grant program.
2. The funds appropriated in Schedule (2) are for the support of remedial adult education.
   (a) Credit for participating in adult education classes or programs may be generated by a special day class pupil only for days in which the pupil has met the minimum day requirements set forth in Section 46141 of the Education Code.
   (b) The funds appropriated in Schedule (2) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code). Funds shall be apportioned by the Superintendent of Public Instruction for direct instructional costs only to school districts and regional occupational centers and programs (ROC/Ps) that certify that they are unable to provide educational services to CalWORKs recipients within their adult education block entitlement, or ROC/P block entitlement, or both. Allocations shall be distributed by the Superintendent of Public Instruction as equal statewide dollar amounts, based on the number of CalWORKs-eligible family members served in the county.
   (c) Providers receiving funds under this item for adult basic education, English as a Second Language, and English as a Second Language-Citizenship for legal permanent residents, shall, to the extent possible, grant priority for services to immigrants facing the loss of federal benefits under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). Citizenship and naturalization preparation services funded by this item shall include, to the extent consistent with applicable federal law, all of the following: (a) outreach services, (b) assessment of skills, (c) instruction and curriculum develop-

ment, (d) professional development, (e) citizenship testing, (f) naturalization preparation and assistance, and (g) regional and state coordination and program evaluation.

(d) The funds appropriated in Schedule (2) shall be subject to the following:

(1) The funds shall be used only for educational activities for welfare recipient pupils and those in transition off of welfare. The educational activities shall be limited to those designed to increase self-sufficiency, job training, and work. These funds shall be used to supplement and not supplant existing funds and services provided for welfare recipient pupils and those in transition off of welfare.

(2) Notwithstanding any other provision of law, each local educational agency's individual cap for the average daily attendance of adult education and regional occupational centers and programs (ROC/Ps) shall not be increased as a result of the appropriations made by this item.

(3) Funds may be claimed by local educational agencies for services provided to welfare recipient pupils and those in transition off of welfare pursuant to this section only if all of the following occur:

(A) Each local educational agency has met the terms of the interagency agreement between the State Department of Education and the State Department of Social Services pursuant to subdivision (b) of Provision 2.

(B) Each local educational agency has fully claimed its respective adult education or ROC/Ps average daily attendance cap for the current year.

(C) Each local educational agency has claimed the maximum allowable funds available under the interagency agreement pursuant to subdivision (b) of Provision 2.

(4) Each local educational agency shall be reimbursed at the same rate as it would otherwise receive for services provided pursuant to this item, Item 6100-105-0001, or Section 1.80, and shall comply with the program require-

ments for adult education pursuant to Chapter 10 (commencing with Section 52500) of Part 28 of Division 4 of Title 2 of the Education Code, and ROC/Ps requirements pursuant to Article 1 (commencing with Section 52300) of, and Article 1.5 (commencing with Section 52335) of, Chapter 9 of Part 28 of Division 4 of Title 2 of the Education Code, respectively.

(5) Notwithstanding any other provision of law, funds appropriated in this section for average daily attendance (ADA) generated by participants in the CalWORKs program may be apportioned on an advance basis to local educational agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

(6) The State Department of Education shall maintain a data and accountability system to obtain information on education and job training services provided through state-funded adult education programs and regional occupational centers and programs. The system shall collect information on (1) program funding levels and sources, (2) characteristics of participants, and (3) pupil and program outcomes. The department shall meet all information technology reporting requirements of the State Chief Information Officer.

(7) As a condition of receiving funds provided in Schedule (2) or any General Fund appropriation made to the State Department of Education specifically for education and training services to welfare recipient pupils and those in transition off of welfare, local adult education programs and regional occupational centers and programs shall collect program and participant data as described in this item and as required by the State Department of Education. The State Department of Education shall require that local providers submit to the state aggregate data for the period July 1, 2017, to June 30, 2018, inclusive.

SEC. 19. Item 6100-156-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-156-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund.................. 96,341,000

Schedule:

(1) 5200162-Adult Education.................... 96,341,000

Provisions:

1. The State Department of Education shall reimburse claims on a quarterly basis from qualifying community-based organizations that provide adult basic education under this item.
2. (a) Notwithstanding any other provision of law, all nonlocal educational agencies (non-LEA) receiving greater than $500,000 pursuant to this item shall submit an annual organizational audit, as specified, to the State Department of Education, Office of External Audits.

   All audits shall be performed by one of the following: (1) a certified public accountant possessing a valid license to practice within California, (2) a member of the department's staff of auditors, or (3) in-house auditors, if the entity receiving funds pursuant to this item is a public agency, and if the public agency has internal staff that performs auditing functions and meets the tests of independence found in Government Auditing Standards issued by the Comptroller General of the United States.

   The audit shall be in accordance with State Department of Education audit guidelines and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200).

   Non-LEA entities receiving funds pursuant to this item shall submit the annual audit no later than six months from the end of the agency fiscal year. If, for any reason, the contract is terminated during the contract period, the audit shall cover the period from the beginning of the contract through the date of termination.

   Non-LEA entities receiving funds pursuant to this item shall be held liable for all department costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.
3. The State Department of Education shall continue to ensure that outcome measures for State Department of State Hospitals and State Department of Developmental Services clients are set at a level where these

clients will continue to be eligible for adult education services in the current fiscal year and beyond to the full extent authorized under federal law. The State Department of Education shall also consult with the State Department of State Hospitals, State Department of Developmental Services, and Department of Finance for this purpose.

4. The State Department of Education Request for Application (RFA) for these funds shall include the incorporation of core federal performance metrics, including placement in postsecondary education, transition into employment, and retention of employment included in the performance targets of participating agencies. The RFA shall also request information regarding the extent to which applicants are coordinating services as part of consortia established pursuant to Article 3 (commencing with Section 84830) of Chapter 5 of Part 50 of Division 7 of Title 3 of the Education Code and indicate that priority will be given to applicants that provide evidence of meaningful coordination. The Workforce Innovation and Opportunity Act (WIOA) California State Plan and the department's adult education planning document, "Linking Adults to Opportunity," shall serve as source documents of the RFA.
5. Of the funds appropriated in this item, $6,500,000 is provided in one-time carryover funds to support the existing program.

SEC. 20. Item 6100-194-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-194-0001—For local assistance, State Department of Education, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for child care and development programs included in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute		1,007,698,000
Schedule:		
(1) 5210026-General Child Development	343,930,000	
(2) 5210028-Migrant Day Care	29,186,000	
(3) 5210030-Alternative Payment	122,158,000	
(4) 5210032-Resource and Referral	19,172,000	
(5) 5210034-CalWORKs Stage 2	388,951,000	
(6) 5210036-CalWORKs Stage 3	96,599,000	
(7) 5210038-Accounts Payable	4,000,000	

(8) 5210040-Child Care for Children with Severe Disabilities................................	1,930,000
(9) 5210042-California Child Care Initiative..	225,000
(10) 5210044-Quality Improvement...........	1,461,000
(11) 5210046-Local Planning Councils......	86,000

Provisions:

1. Funds in Schedules (4), (9), (10), and (11) shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code. Funds in Schedule (12) of Item 6100-194-0001 of Section 2.00 of the Budget Act of 2015 (Chs. 10 and 11, Stats. 2015) shall be included when calculating the state's child care quality allocation as required by the federal Child Care and Development Block Grant. These funds shall apply equally towards the quality allocations in 2016–17 and 2017–18.
2. Nonfederal funds appropriated in this item which 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) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
3. Notwithstanding any other provision of law, funds in Schedule (7) are available for accounts payable for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 8222.1 of the Education Code. The State Department of Education shall give priority for the allocation of these funds for accounts payable.
4. The amounts provided in Schedules (1), (2), (3), and (8) of this item reflect an adjustment to the base funding of −0.40 percent for a decrease in the population of 0–4 year-olds.
5. The maximum standard reimbursement rate shall not exceed $45.44 per day for general child care programs. Furthermore, the migrant child care program shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall conform.

6. (a) Alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education, the California Community Colleges, and the State Department of Social Services in various programs under the jurisdiction of these departments.

(b) (1) Until December 31, 2017, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the greater of either:

(A) The 75th percentile of rates based on the 2014 Regional Market Rate Survey.

(B) The greater of either 104.5 percent of the 85th percentile of the 2005 Regional Market Rate Survey or 104.5 percent of the 85th percentile of the 2009 Regional Market Rate Survey, deficited 10.11 percent.

(2) Notwithstanding any other provision of law, effective January 1, 2018, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the greater of either:

(A) The 75th percentile of rates based on the 2016 Regional Market Rate Survey.

(B) The regional market rate ceiling for that region as it existed on December 31, 2017.

(c) The funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5

(commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt child care costs up to 70 percent of the regional reimbursement rate limits established for family child care homes.

(d) Of the total funds in Schedule (3), $9,170,000 is for the change in the Regional Market Rate to the 75th percentile of the 2016 Survey with a hold harmless provision, pursuant to Provision 6(a), 6(b), and 6(c). The State Department of Education shall distribute these funds based on estimates of how contractors' reimbursements will increase due to the new rate ceilings.

7. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).

(b) SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations. Detailed backup by month and on a county-by-county basis shall be provided to DSS at least on a quarterly basis for comparisons with Stage 1 trends.

(c) By September 30 and March 30 of each year, SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the Governor's Budget.

(d) SDE shall coordinate with DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. SDE shall modify existing reporting forms as necessary to capture this data.

(e) SDE shall provide to DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.

(f) (1) On or before January 30, 2018, following consultation with DSS, SDE shall determine the adequacy of funding appropriated by the Legislature for CalWORKs Stage 2 and Stage 3.

(2) If SDE determines that the Stage 2 appropriation exceeds the current year caseload needs and the Stage 3 appropriation is not sufficient to fully fund its caseload need, then SDE shall submit a request to the Department of Finance to transfer the excess funds from Schedule (5), CalWORKs Stage 2 child care to Schedule (6), CalWORKs Stage 3 child care. Notwithstanding Section 26.00 or any other provision of law, the Department of Finance may, at its discretion, approve such a transfer.

(3) If SDE determines that the Stage 3 appropriation exceeds the current year caseload needs and the Stage 2 appropriation is not sufficient to fully fund its caseload need, SDE shall submit a request to the Department of Finance to transfer the excess funds from Schedule (6), CalWORKs Stage 3 child care to Schedule (5), CalWORKs Stage 2 child care. Notwithstanding Section 26.00 or any other provision of law, the Department of Finance may, at its discretion, approve such a transfer.

(g) Notwithstanding any other provision of law or any other sections of this act, the Department of Finance may augment the appropriation for CalWORKs Stage 3 if the estimate of expenditures, as determined by SDE, following consultation with DSS, will exceed the expenditures authorized in Schedule (6). The Department of Finance shall report any augmentation pursuant to this paragraph to the Joint Legislative Budget Committee. At the time the report is made, the amount of the appropriation made in Schedule (6) shall be increased by the amount of the augmentation.

(h) The Director of Finance may, pursuant to subdivisions (f) and (g), authorize the augmentation of the amount available for expenditure in Schedule (6) by making a transfer from Schedule (5). An augmentation may be authorized not sooner than 30 days after notification in writing of the necessity to exceed the limitations is provided to the Joint Legislative Budget Committee, or whatever lesser time the chairperson of the joint committee may determine. Any request made by SDE to augment the CalWORKs Stage 3 appropriation shall be approved only in order to cover increases in costs that are consistent with assumptions of this act. This provision shall not be construed to treat Stage 3 as an entitlement.

8. Notwithstanding any other provision of law, the funds in Schedule (6) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for transitional services in either Stage 1 or Stage 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.

9. Notwithstanding any other provision of law, each local planning council receiving funds appropriated in Schedule (11) shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.

10. Notwithstanding any other provision of law, the implementation of Provision 12 is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for the provision of child care services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.
11. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Education may implement Provision 12 through management bulletins or similar instructions.
12. Notwithstanding any other provision of law, families shall be disenrolled from subsidized child care services consistent with the priorities for services specified in subdivision (b) of Section 8263 of the Education Code. Families shall be disenrolled in the following order: (a) families with the highest income below 70 percent of the State Median Income (SMI) adjusted for family size, (b) of families with the same income level, those that have been receiving child care services for the longest period of time, (c) of families with the same income level, those that have a child with exceptional needs, and (d) families with children who are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

SEC. 21. Item 6100-194-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-194-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund.................. 765,325,000

Schedule:

(1)	5210026-General Child Development...	184,227,000
(2)	5210028-Migrant Day Care..................	5,411,000
(3)	5210030-Alternative Payment............	170,199,000
(4)	5210034-CalWORKs Stage 2.............	130,087,000
(5)	5210036-CalWORKs Stage 3.............	209,093,000
(6)	5210044-Quality Improvement............	62,989,000
(7)	5210046-Local Planning Councils.......	3,319,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible

under federal law, are subject to Section 8262 of the Education Code.

2. Of the funds appropriated in this item, $130,087,000 is from the transfer of funds, pursuant to Item 5180-402, from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for CalWORKs Stage 2 child care.
3. Funds in Schedules (6) and (7) shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code.
4. Notwithstanding any other provision of law, each local planning council receiving funds appropriated in Schedule (7) shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.
5. Of the funds appropriated in this item, $30,018,000 is available on a one-time basis for CalWORKs Stage 3 child care from federal Child Care and Development Block Grant funds appropriated prior to the 2017–18 federal fiscal year.
6. Funds appropriated in Schedule (6) of this item shall not be expended to develop or support new information technology projects, unless approved by the Department of Finance and not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.

SEC. 22. Item 6100-197-0890 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-197-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund, 21st Century Community Learning Centers Program............................ 138,992,000

Schedule:

(1) 5210050-21st Century Community Learning Centers................................ 138,992,000

Provisions:

1. Of the funds appropriated in this item, $5,000,000 is available on a one-time basis from federal 21st Century Community Learning Center funds appropriated prior to the 2017– 18 federal fiscal year.

SEC. 23. Item 6100-403 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-403—Pursuant to Section 17581.5 of the Government Code, mandates included in the language of this item are specifically identified by the Legislature for suspension during the 2017–18 fiscal year:

(1) Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211 and 4298)
(2) Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195)
(3) Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-01)
(4) School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; and Ch. 739, Stats. 1997) (CSM 4433 and 97-TC-22)
(5) Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08)
(6) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
(7) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
(8) County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03)
(9) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
(10) Absentee Ballots (Ch. 77, Stats. 1978) (CSM 3713)
(11) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM 4357)
(12) Mandate Reimbursement Process I and II (Ch. 486, Stats. 1975 and Ch. 890, Stats. 2004) (CSM 4204, CSM 4485, and 05-TC-05)

SEC. 24. Item 6100-495 is added to Section 2.00 of the Budget Act of 2017, to read:

6100-495—Reappropriation, State Department of Education. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2020:

0660—Public Buildings Construction Fund

(1) Item 6110-301-0660, Budget Act of 2005 (Chs. 38 and 39, Stats.2005), as reappropriated by Item 6100-490, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex.

Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.) Budget Act of 2010 (Ch. 712, Stats. 2010), and Budget Act of 2011 (Ch. 33, Stats. 2011)
   (1) 80.80.050-Career and Technical Education Complex and Service Yard—Construction and equipment
(2) Item 6110-301-0660, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 6100-490, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.) Budget Act of 2010 (Ch. 712, Stats. 2010), and Budget Act of 2011 (Ch. 33, Stats. 2011)
   (1) 80.80.089-Kitchen and Dining Hall Renovation—Construction and equipment
   (2) 80.80.052-New Gymnasium and Pool Center—Construction and equipment
(3) Item 6110-301-0660, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by 6100-490, Budget Act of 2009, (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.) Budget Act of 2010 (Ch. 712, Stats. 2010), and Budget Act of 2011 (Ch. 33, Stats. 2011)
   (2) 80.80.050-Career and Technical Education Complex and Service Yard—Construction
   (3) 80.80.065-Academic Support Cores, Bus Loop, and Renovation—Construction and equipment
(4) Item 6110-301-0660, Budget Act of 2008, (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 6100-490, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.) Budget Act of 2010 (Ch. 712, Stats. 2010), Budget Act of 2011 (Ch. 33, Stats. 2011)
   (3) 80.80.089-Kitchen and Dining Hall Renovation—Construction
(5) Item 6110-301-0660, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)
   (1) 80.80.052-New Gymnasium and Pool Center—Construction
   (2) 80.80.065-Academic Support Cores, Bus Loop, and Renovation—Construction

SEC. 25. Item 6870-301-6087 of Section 2.00 of the Budget Act of 2017 is amended to read:

6870-301-6087—For capital outlay, Board of Governors of the California Community Colleges, payable from the 2016 California Community College Capital Outlay Bond Fund.. 16,894,000

Schedule:

(1) 0001597-North Orange Community College District, Fullerton College: Business 300 and Humanities 500 Buildings Modernization—Preliminary plans.. 711,000

(2) 0001599- Compton Community College District, Compton College: Instructional Building 2 Replacement—Preliminary plans.. 765,000

(3) 0001600-San Francisco Community College District, Ocean Campus: Utility Infrastructure Replacement—Preliminary plans... 2,978,000

(4) 0001601-San Francisco Community College District, Alemany Center: Seismic and Code Upgrades—Preliminary plans.. 715,000

(5) 0001602-Pasadena Community College District, Pasadena City College: Armen Sarafian Building Seismic Replacement—Preliminary plans...................... 2,199,000

(6) 0002129-Allan Hancock Joint Community College District, Allan Hancock College: Fine Arts Complex—Preliminary plans... 945,000

(7) 0002130-Long Beach Community College District, Liberal Arts Campus: Multi-Disciplinary Facility Replacement—Performance criteria.................. 954,000

(8) 0002131-Santa Monica Community College District, Santa Monica College: Math/Science Addition—Preliminary plans.. 1,222,000

(9) 0002134-Coast Community College District, Orange Coast College: Language Arts & Social Sciences Building—Preliminary plans......................... 1,183,000

(14) 0002481-Solano County Community College District, Solano College: Library Building 100 Replacement—Preliminary plans....................................... 1,543,000

(15) 0002482-Sonoma County Community College District, Santa Rosa Junior College: Science and Mathematics Replacement—Preliminary plans.............	1,086,000
(17) 0002484-West Hills Community College District, North District Center: Center Expansion—Preliminary plans...	831,000
(18) 0002485-Long Beach Community College District, Pacific Coast Campus: Construction Trades Phase 1—Preliminary plans..	364,000
(26) 0002494-West Valley-Mission Community College District, Mission College: MT Portables Replacement Building—Preliminary plans........................	412,000
(28) 0002496-Rancho Santiago Community College District, Santa Ana College: Russell Hall Replacement—Preliminary plans...	986,000

SEC. 26. Item 6870-403 of Section 2.00 of the Budget Act of 2017 is amended to read:

6870-403—Pursuant to Section 17581.5 of the Government Code, mandates included in the language of this item are specifically identified by the Legislature for suspension during the 2017–18 fiscal year:

(1) Law Enforcement Jurisdiction Agreements (Ch. 284, Stats. 1998) (98-TC-20)
(2) Integrated Waste Management (Ch. 1116, Stats. 1992) (00-TC-07)
(3) Sexual Assault Response Procedures (Ch. 423, Stats. 1990) (99-TC-12)
(4) Student Records (Ch. 593, Stats. 1989) (02-TC-34)
(5) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
(6) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
(7) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
(8) County Treasury Withdrawals (Ch. 784, Stats. 1995) (96-365-03)
(9) Absentee Ballots (Ch. 77, Stats. 1978) (CSM 3713)
(10) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM 4357)

(11) Mandate Reimbursement Process I and II (Ch. 486, Stats. 1975 and Ch. 890, Stats. 2004) (CSM 4204, CSM 4485, and 05-TC-05)
(12) Sex Offenders: Disclosure by Law Enforcement Officers (Chs. 908 and 909, Stats. 1996) (97-TC-15)

SEC. 27. Item 9100-101-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

9100-101-0001—For local assistance, Tax Relief....................		432,001,000
Schedule:		
(1) 7500-Homeowners' Property Tax Relief..	420,000,000	
(2) 7505-Subventions for Open Space.......	1,000	
(3) 7520-Local Update of Census Address Program..	7,000,000	
(4) 7570-Reimbursement for Recall Elections..	5,000,000	

Provisions:

1. The amount appropriated in Schedule (1) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appropriation made in that schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or 16120 of the Government Code.
2. Notwithstanding any other law, the Director of Finance may authorize expenditures for Schedule (1) in excess of or less than the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
3. The amount appropriated in Schedule (2) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, 423.4, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made in that schedule shall

be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code. The Controller shall allocate these funds in accordance with Section 16144 of the Government Code. The Controller shall reduce all payments on a pro rata basis as necessary so that the total of all payments does not exceed the amount appropriated in Schedule (2).

4. The amount appropriated in Schedule (3) is for grants for cities and counties that participate in the federal Local Update of Census Addresses Program. Upon certification by the Department of Finance that a city or county has met applicable benchmarks, the funds appropriated in Schedule (3) shall be allocated to the local jurisdictions by the Controller according to schedules provided by the Department of Finance. In addition, the amount appropriated in Schedule (3) may be used by the Department of Finance for costs related to hiring a Census Outreach Coordinator for the 2017–18, 2018–19, and 2019–20 fiscal years. The amount appropriated in Schedule (3) shall be available for encumbrance or expenditure until June 30, 2020.
5. The amount appropriated in Schedule (4) is for allocation to counties to pay for the costs of state recall elections, including expenses for verifying signatures, printing ballots and voter information guides, and operating polling places in accordance with Section 11108 of the Elections Code.
   (a) Upon approval of the Director of the Department of Finance, up to $1,000,000 may be used for county signature verification and withdrawal expenses, and up to $4,000,000 may be used for county recall expenses.
   (b) Any expenditure of funds shall be authorized no sooner than 30 days following the transmittal of the approval to the Chairperson of the Joint Legislative Budget Committee.
   (c) The Controller shall allocate funds to local jurisdictions according to a schedule provided by the Department of Finance.
   (d) Any funds that are not allocated by June 30, 2018, shall revert on July 1, 2018, to the General Fund.

SEC. 28. Section 3.60 of the Budget Act of 2017 is amended to read:

SEC. 3.60. (a) Notwithstanding any other law, the employers' retirement contributions for the 2017–18 fiscal year that are chargeable to any item with respect to each state officer and employee who is a member of the

Public Employees' Retirement System (PERS) or the Judges' Retirement System II and who is in that employment or office shall be the percentage of salaries and wages by state member category, as follows:

Miscellaneous, First Tier	28.423%
California State University, Miscellaneous, First Tier	28.423%
Miscellaneous, Second Tier	28.423%
State Industrial	20.408%
State Safety	20.584%
Peace Officer/Firefighter	44.245%
California State University, Peace Officer/Firefighter	44.245%
Highway Patrol	54.104%
Judges' Retirement System II	26.409%

The Director of Finance may adjust amounts in any appropriation item, or in any category thereof, as a result of changes from amounts budgeted for employer contributions for 2017–18 fiscal year retirement benefits to achieve the percentages specified in this subdivision. Beginning in the 2013–14 fiscal year, adjustments to the California State University (CSU) rates are applied to the actual pensionable 2013–14 fiscal year payroll, which is $2,307,876,000, as identified by the Controller. This process establishes pension funding adjustments through this section for CSU, as reflected in provisional language in Item 6610-001-0001. This results in pension funding for CSU of $621,483,000 General Fund for the 2016–17 fiscal year. These amounts also will be part of the total appropriation in Item 6610-001-0001 of the Budget Act of 2017.

(b) Notwithstanding any other law, the Director of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed to be the amounts remaining after the adjustments required by subdivisions (a) and (b) are made.

(d) Of the percentage of salaries and wages by state member categories identified in subdivision (a), the following percentages are estimated to be the result of the increased employee contributions pursuant to Chapter 296 of the Statutes of 2012 (AB 340), known as the California Public Employees'

Pension Reform Act of 2013, and will be directed toward the state's unfunded pension liability:

Miscellaneous, First Tier	0.098%
California State University, Miscellaneous, First Tier	0.098%
Miscellaneous, Second Tier	0.098%
State Industrial	0.881%
State Safety	1.182%
Peace Officer/Firefighter	1.647%
California State University, Peace Officer/Firefighter	1.647%
Highway Patrol	1.319%

The contributions to the unfunded liability, as a result of the percentages of salaries and wages in this subdivision, are estimated to be $111,730,000 ($77,707,000 General Fund) for the 2017–18 fiscal year.

(e) The Director of Finance may adjust the percentage levels of the employers' retirement contributions listed in subdivisions (a) and (d) as a result of rates provided by the Board of Administration of the Public Employees' Retirement System. The Director of Finance shall notify the Controller by executive order of adjustments made pursuant to this subdivision. Within 30 days of making an adjustment pursuant to this subdivision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.

(f) (1) In addition to the employers' retirement contributions listed in subdivisions (a) and (d), the Department of Finance may direct the Controller to transfer up to $146,000,000 from the General Fund to supplement the state's retirement contributions for the 2017–18 fiscal year.

(2) The Department of Finance shall direct the Controller to transfer the amount specified in paragraph (1) to either of the following:

(A) The Public Employees' Retirement Fund.

(B) The Surplus Money Investment Fund and other funds in the Pooled Money Investment Account that accrue interest to the General Fund, for repayment of principal and interest of a cash loan that was made to supplement the state's retirement contributions.

(3) The supplemental payment described in this subdivision is for unfunded liabilities for state-level pension plans in excess of current base amounts for the 2017–18 fiscal year. Therefore, any amount transferred to a fund identified in paragraph (2) constitutes an obligation pursuant to

subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution.

(4) The Department of Finance shall provide the Controller a schedule of the timing and amounts to be used for purposes of this subdivision.

SEC. 29. Section 31.00 of the Budget Act of 2017 is amended to read:

Sec. 31.00. (a) The appropriations made by this act shall be subject, unless otherwise provided by law, to Section 13320 and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code, requiring expenditures to be made in accordance with the allotments and other provisions of departmental budgets approved by the Department of Finance.

(b) The departmental budgets shall authorize, in the manner that the Department of Finance shall prescribe, all established positions whose continuance for the year is approved. Authorization by the Department of Finance is required for (1) the reclassification of any position to a monthly maximum salary of $7,853 or above, regardless of range, (which is equivalent to the monthly maximum salary of the Staff Services Manager II Managerial classification as of July 1, 2017) and (2) the establishment of any new position not (A) specifically identified in the Governor’s Budget and approved by the Legislature or (B) approved by the Legislature and specifically documented in the Final Change Book or enacted legislation.

(c) The Department of Finance shall, for a period of not less than two years, keep and preserve documentation concerning position changes approved as specified in subdivision (b). The Department of Finance may use electronic means to keep and preserve this documentation.

(d) It is the intent of the Legislature that all positions administratively established pursuant to this section that are intended by the administration to be ongoing be submitted to the Legislature for approval through the regular budget process as soon as possible. All positions administratively established pursuant to this section during the 2017–18 fiscal year shall terminate on June 30, 2018, except for those positions that have been (1) approved by the Legislature as part of the regular budget process for the 2018–19 fiscal year as new positions or (2) approved by the Department of Finance after the 2018–19 Governor’s Budget submission to the Legislature and subsequently reported to the Legislature prior to July 1, 2018. The positions identified in (2) above may be reestablished by the Department of Finance during the 2018–19 fiscal year, provided that these positions are shown in the Governor’s Budget for the 2019–20 fiscal year as submitted to the Legislature, and provided that these positions do not result in the reestablishment of positions deleted by the Legislature through the budget process for the 2018–19 fiscal year. The Department of Finance shall provide written notification to the Chairperson of the Joint Legislative Budget Committee within 30 days of the reestablishment of positions approved in the 2018–19 fiscal year pursuant to (2) above.

(e) Moneys appropriated in the 2017–18 fiscal year may be expended for increases in salary ranges or any other employee compensation action only if appropriated for that purpose, or if the Department of Finance certifies to the salary and other compensation-setting authority, prior to the adoption of the action, that funds are available to pay the increased salary or employee compensation resulting from the action. Prior to certification, the Department of Finance shall determine whether the increase in salary range or employee compensation action will require supplemental funding in the 2018–19 fiscal year. If the Department of Finance determines that supplemental funding will be required, the department may certify only if it notifies in writing, at least 30 days before, the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or a lesser time which the chairperson of the joint committee, or his or her designee, determines.

(f) A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the Controller that these expenditures comply with this section.

(g) Requests to continue administratively established positions as ongoing positions pursuant to subdivision (d) shall include information on the date the positions were administratively established. This information shall be included in the administration's budget change proposals and finance letters. If the administration requests to establish new positions in the 2018–19 fiscal year, and subsequently decides to administratively establish the positions in the 2017–18 fiscal year, the Department of Finance shall provide written notification to the Chairperson of the Joint Legislative Budget Committee within 30 days of the administrative establishment of the positions.

(h) This section applies to all state agencies, departments, boards, bureaus, and commissions.

SEC. 30. 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 129, AB 130, AB 131, AB 132, AB 133, AB 134, AB 135, AB 136, AB 137, 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 114, SB 115, SB 116, SB 117, SB 118, SB 119, SB 120, SB 121, and SB 122.

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