DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR - 1 2005

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Various Budget Bill Items for Support and Local Assistance, Department of Education (SDE)

Federal Funds Adjustments

6110-001-0890, Department of Education—State Operations (Issues 165, 168, 169, and 806)

Issue 165: Public Schools Accountability Act Evaluation—It is requested that this item be reduced by $500,000 and that the requirement to conduct the biennial evaluation of the Public Schools Accountability Act be deleted since it would duplicate the existing evaluation of the High Priority Schools Grant Program. This action requires conforming statutory changes.

Issue 168: California English Language Development Test—It is requested that this item be increased by $100,000 and that one Education Research and Evaluation Consultant be approved to support additional workload for the California English Language Development Test (CELDT). This position will coordinate and provide psychometric and statistical assistance to district staff implementing the CELDT, and also ensure program compliance with federal No Child Left Behind Title III requirements.

Issue 169: Adequate Yearly Progress Determinations—It is requested that this item be increased by $200,000 and that two Education Research and Evaluation Consultant positions be approved to process and monitor statewide assessment data for determining school and district Adequate Yearly Progress and Program Improvement status.

Issue 806: Federal Career-Tech Position Authority—It is requested that position authority for two federal career-tech positions be provided to the Department of Education (SDE). Funding for these positions was included in the Governor's Budget but the position authority was inadvertently omitted. These positions are provided as one-year limited-term positions for the collection and management of data necessary to meet federal reporting requirements for career technical education.

6110-102-0890, Learn and Serve America Funding (Issue 801)

It is requested that this item be reduced by $283,000. This reduction will align expenditure authority with available federal grant funding.

6110-119-0890, Local Assistance, Neglected and Delinquent Children Program (Issue 322)

It is requested that this item be reduced by $109,000 to align the appropriation authority with the anticipated federal grant award amount.

6110-123-0890, Department of Education—Local Assistance (Issue 163)

It is requested that this item be decreased by $10,226,000 to make the amount consistent with the federal Title I Innovative Programs grant estimated for 2005-06. These grant funds are provided to districts to develop and implement innovative education programs intended to improve school, student, and teacher performance, including professional development activities.

6110-125-0890, Local Assistance, Migrant Education and Education of Limited English Proficient (LEP) Programs (Issues 323 and 325)

It is requested that Schedule (1) of this item be reduced by $217,000 and Schedule (2) of this item be reduced by $6,583,000 to align appropriation authority with the anticipated federal grant award amount.

6110-126-0890, Local Assistance, Reading First Program (Issue 641)

It is requested that this item be increased by $778,000 in order to align appropriation authority with the anticipated federal grant award amount.

6110-136-0890, Local Assistance, Title I Basic and McKinney-Vento Homeless Children Education Programs (Issues 329, 334, 725, and 726)

It is requested that Schedule (1) of this item be increased by $20,616,000. This adjustment includes an anticipated increase in the Federal Title I Basic Grant federal grant award amount of $17,574,000 and transfer of $500,000 from state operations to local assistance to be allocated on a formula basis to local education agencies for the academic improvement of disadvantaged students. This increase also includes a reduction in the Even Start Program of $3,520,000 in order to align appropriation authority with the anticipated federal grant award amount and an increase in the Even Start Program of $6,062,000 to provide carryover authority for unspent prior year funds to be allocated as follows: $266,000 from the technical assistance grant portion for professional development at the local level; $2,900,000 for a ten percent increase to existing projects to enhance Early Childhood Education components and to provide training for teachers in meeting the No Child Left Behind Act (NCLB) requirements; $2,800,000 to offset the reduction in the 2005-06 federal grant allocation to the Even Start program.

It is further requested that Schedule (2) of this item be increased by $123,000 for the McKinney-Vento Homeless Children Education program. These funds will be allocated on a competitive basis to provide grants for homeless child education. The program allows students who become homeless to continue attending the same school by providing a district liaison or transportation when necessary.

6110-137-0890, Local Assistance, Rural/Low-Income School Program (Issue 331)

It is requested that this item be reduced by $1,333,000 to align the appropriation authority with the anticipated federal grant award amount.

6110-180-0890, Local Assistance, Education Technology Program (Issue 643)

It is requested that this item be decreased by $26,565,000 to reflect a decrease in federal funding for the Education Technology Program. The federal budget proposes to eliminate state grants for Education Technology by 2006-07.

It is further requested that Provisions 1 and 2 of this item be amended as follows:

"1. Of the funds appropriated in this item, ~~$44,373,000~~ $31,090,000 is for allocation to school districts that are awarded formula grants pursuant to the federal Enhancing Education Through Technology Grant Program.
2. Of the funds appropriated in this item, ~~$44,372,000~~ $31,090,000 is available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 of Division 3 of the Education Code and the requirements of the federal Enhancing Education Through Technology Grant Program—including the eligibility criteria established in federal law to target local education agencies with high numbers or percentages of children from families with incomes below the poverty line and one or more schools either qualifying for federal School Improvement or demonstrating substantial technology needs. Under no circumstances shall the legislation designate specific local education agencies as subgrant recipients."

6110-183-0890, Local Assistance, Safe and Drug Free Schools and Communities Program (Issue 481)

It is requested that this item be decreased by $10,335,000. Specifically, the proposed budget adjustment is the result of: (1) a base $10,835,000 decrease in the federal grant for Safe and Drug Free Schools and (2) a one-time carryover of $500,000 from unused funds. This grant program provides funds to local education agencies for drug and violence prevention and intervention services.

6110-193-0890, Local Assistance, Mathematics and Science Partnership Grant Program (Issue 644)

It is requested that this item be increased by $3,896,000 in order to align appropriation authority with the anticipated federal grant award amount. Consistent with current policy, these funds will be used to provide additional competitive grant awards to institutes of higher education and low-performing schools to partner to provide staff development and curriculum support for mathematics and science teachers.

6110-195-0890, Local Assistance, Improving Teacher Quality Local Grant Program (Issue 645)

It is requested that Schedule (1) of this item be reduced by $1,488,000 in order to align appropriation authority with the anticipated federal grant award amount.

Other Adjustments

6110-001-0001, Department of Education—State Operations (Issues 081, 564, and 653)

Issue 081: Provisional Language for Principal Apportionment System Rewrite—It is requested that provisional language be added to Item 6110-001-0001 to provide carryover authority for the principal apportionment system rewrite (PASR). At the start of 2004-05, $143,000 remained unexpended. The SDE has encumbered a contract for staff training and maintenance of the new system with these funds, which otherwise will revert June 30, 2005.

It is requested that the following language be added:

21. Notwithstanding any other provision of law, any unexpended funds appropriated in any prior Budget Act for the purposes of rewriting the Principal Apportionment System shall remain available in 2005-06 and 2006-07 for expenditure for a contract for staff training and maintenance of the new apportionment system.

Issue 564: School Facilities Program—It is requested that Reimbursements for this item be increased by $50,000 and one limited-term Field Representative-Specialist position set to expire December 31, 2005 be converted to permanent to provide ongoing state operations support for the School Facilities Program. This position is funded through fees charged to school districts for approval of new school sites and review of building plans.

Issue 653: Healthy Start—It is requested that Schedule (3) of this item be reduced by $449,000. This adjustment eliminates technical assistance funding for the Healthy Start Field Office and regional network leads. This funding is no longer necessary due to the phasing out of the Healthy Start Program.

It is requested that Provision 3 of this item be amended to conform to this action:

3. Notwithstanding any other provision of law, of the funds appropriated in this item, ~~$699,000~~ $250,000 shall be used to assist in phasing out and concluding the Healthy Start Program. ~~provide technical assistance and administrative support to remaining Healthy Start grantees. The State Department of Education may use these funds to provide grant funding to the Healthy Start Field Office and regional network leads to provide technical assistance and administrative support to Healthy Start grantees.~~

6110-203-0001, Local Assistance, Reduce Reimbursement Authority for the Child Nutrition Program (Issue 652)

It is requested that the reimbursement authority (Schedule 2) in this item be reduced by $2,652,000, and that Provision 3 of this item be deleted. Approximately $2.0 million of this authority was contingent on SDE receiving a $2.0 million grant commencing in 2004-05 from the Vitamin Case Consumer Settlement Fund. SDE did not receive a grant award, thus this authority and the associated language is not necessary. An additional $652,000 originally authorized for the Linking Education Activity and Food (LEAF) pilot program is no longer necessary, as this program has been completed.

6110-485, Local Assistance, Reappropriation (Proposition 98) Sunnyvale Desegregation Claim (Issue 321)

It is requested that Schedule (3) of this item be increased by $1,455,000 for a total reappropriation of $6,385,000 in order to properly account for the principle and compounded interest accrued for desegregation costs to Sunnyvale School District for the fiscal years 1983-84 through 1991-92. The Victims Compensation and Government Claims Board found in favor of the claimant for $6,385,000 for repayment of claims and for compounded interest. This funding will be reverted if an appropriation for this purpose is also included in a Victims Compensation and Government Claims Board Claims Bill.

It is further requested that the Schedule (3) is amended as follows:

"3. ~~$4,930,000~~ $6,385,000 to the State Department of Education, for the payment of Sunnyvale Desegregation claims and interest owed through fiscal year 1991-92. This funding shall not be provided for payment of claims and interest and shall be reverted to the General Fund if an appropriation is included in a Victims Compensation and Government Claims Board Claims Bill for this purpose during the 2005-06 Legislative session."

6110-001-0687, State Operations, Donated Food Revolving Fund (Issue 651)

It is requested that this item be increased by $300,000 due to the authorization of a shipping fee increase by the United States Department of Agriculture (USDA). This additional revenue will be used to pay for shipping fees and to provide other food distribution services.

6110-001-3085, State Operations, Building Capacity for Mental Health Services in California's Schools (Proposition 63) (Issue 053)—Issue carried in Department of Mental Health Finance Letter-For Information Only

It is requested that an increase of $633,000 and position authority for 3.0 three-year limited term positions be provided to develop and disseminate training for local education agencies to identify and provide appropriate response and support to students with severe mental illness pursuant to Proposition 63.

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

If you have any questions or need additional information regarding this matter, please call Dan Troy, Principal Program Budget Analyst, at 445-0328.

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office

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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 6120-011-0001 and 6120-011-6029, State Operations and Addition of Budget Bill Item 6120-495, Reversion, California State Library

California Historical and Cultural Endowment (Issue 011)

It is requested that Item 6120-495 be added to revert $4.69 million in local assistance funding from the California Historical and Cultural Endowment back to the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund to account for the independent appropriation of these funds for State Operations in the Budget Act.

It is requested that Item 6120-495 be added to the Budget Bill to conform with this action, as follows:

6120-495 – Reversion, California State Library. As of June 30, 2005, the balance specified below, of the appropriation provided in the following citations shall revert to the balance in the fund from which the appropriations were made.

6029 – California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
(1) $4,685,000 from Item 6120-101-6029, Budget Act of 2003 (Ch. 157, Stats. 2003) as reappropriated by Item 6120-490, Budget Act of 2004 (Ch. 208, Stats. 2004)

Reassessment of Attorney Fees Pursuant to Control Section 5.30, (Issues 013 and 014)

It is requested that Item 6120-011-0001 be reduced by $5,000 in the current and budget year to reflect the inadvertent assessment of attorney fees pursuant to Control Section 5.30. It is also requested that Item 6120-011-6029 be increased by $5,000 in the current and budget year to reflect the appropriate assessment of CS 5.30 attorney fees.

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The effects of my requested actions are reflected on the attachment.

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

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

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Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Hector De La Torre, Chair, Assembly Budget Subcommittee No. 1
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Honorable Richard Riordan, Secretary for Education
Mr. Cameron Robertson, Deputy State Librarian, California State Library
Ms. Lizabeth Peralta, Chief - Fiscal Services, California State Library

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Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 6360-001-0407, Support, Commission on Teacher Credentialing

It is requested that Item 6360-001-0407 be amended as follows to reflect a technical change to the Administration and Distributed Administration amounts. This adjustment will correctly reflect the Administration and Distributed Administration costs associated with employee compensation and retirement adjustments included in the Governor's Budget. It is requested that Schedule 2 be increased by $63,000 and Schedule 3 be reduced by $63,000.

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

If you have any questions or need additional information regarding this matter, please call Barbara Taylor, Principal Program Budget Analyst, at 445-0328.

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

APR - 1 2005

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
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Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Erik Skinner, Office of the Secretary for Education
Mr. Sam Swofford, Executive Director, Commission on Teacher Credentialing
Ms. Crista Hill, Budget Manager, Commission on Teacher Credentialing

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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

University of California (UC) **6440-302-6041**
6440-302-6028
6440-302-0574

It is requested that the following items be added and/or increased by a total of $47,302,000 as follows:

- Increase Item 6440-302-6041 by $32,500,000 from the Higher Education Capital Outlay Bond Fund of 2004.
- Add Item 6440-302-6028 in the amount of $5,802,000 from the Higher Education Capital Outlay Bond Fund of 2002 and the attached provisional language (Attachment I).
- Add Item 6440-302-0574 in the amount of $9.0 million from the Higher Education Capital Outlay Bond Fund of 1998 and the attached provisional language (Attachment II) to reflect a funding increase of $47,302,000 and project rescoping for the Los Angeles Campus: Life Sciences Replacement Building—Working drawings and construction.

Originally, the Life Sciences Replacement Building project was authorized in 2002 to provide for the construction of a 4-story replacement building for various academic programs (e.g., Department of Molecular, Cell and Developmental Biology, Department of Ecology and Evolutionary Biology, etc.) at a total state cost of $54.2 million. Due to changes in available space and campus funding, UC's plan for renovating the vivarium (animal research facility) has been accelerated. It is now requested that the current Project scope be amended to add replacement space for a vivarium and an additional floor of laboratory space. This change is needed because the current vivarium and laboratories are deficient (i.e., lack proper air filtration, lack adequate power, cooling and temperature controls used in contemporary research standards required by federal agencies) and severely limits the kinds of research work that can be undertaken in the building. Consequently, this request would assist UC's ability to support new initiatives to maintain the academic life sciences programs. It is noted that the construction funding would be phased over two fiscal years ($47,302,000 in 2005-06 and $36.1 million in 2006-07), with the second Phase contingent on the passage of a new Higher Education Capital Outlay Bond.

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

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

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
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Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
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Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Larry C. Hershman, Vice President, University of California
Ms. Deborah Obley, Assistant Vice President, University of California

Attachment I

Proposed Provisional Language:

Item 6440-302-6028:
Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.

2. The University of California shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made by this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated by this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated by this item. This condition does not limit the authority of the University of California to use non-state funds.

3. The University of California shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the project as determined by reference to the following elements of the budget request for that project submitted by the University of California to the Department of Finance: (a) the program elements related to project type, and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.

4. Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made by this item is available for encumbrance during the 2005-06 and 2006-07 fiscal years, except that the funds appropriated for construction only must be bid during the 2005-06 fiscal year, and are available for expenditure through 2006-07, and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. For the purposes of encumbrance funds appropriated for construction management and project contingencies purposes, as well as any bid savings, shall be deemed to be encumbered at the time a contract for that purpose is awarded; these funds also may be used to initiate consulting contracts necessary for management of the project during the liquidation period. Any savings identified at the completion of the project also may be used during the liquidation period to fund the purposes described in Provision 5.

5. Identified savings in a budget for a capital outlay project, as appropriated by this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used without further approval: (a) to augment projects consistent with Provision 2, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.

6. No later than December 1 of each year, the University of California shall submit a report outlining the expenditure for each project of the funds appropriated by this item to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of each house, the Legislative Analyst, and the Director of Finance. The report also shall include the following elements: (a) a statement of the identified savings by project, and the purpose for which the identified savings were used; (b) a certification that each project as proceeding or as completed, has remained within its scope and the amount funded for that project under this item; and (c) an evaluation of the outcome of the project measured against performance criteria.

7. The projects identified in Schedules (4) and (5) of this item may utilize design-build construction consistent with practices, policies, and procedures of the University of California.

Attachment II

Item 6440-302-0574:
Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.

2. The University of California shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made by this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated by this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated by this item. This condition does not limit the authority of the University of California to use non-state funds.

3. The University of California shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the project as determined by reference to the following elements of the budget request for that project submitted by the University of California to the Department of Finance: (a) the program elements related to project type, and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.

4. Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made by this item is available for encumbrance during the 2005-06 and 2006-07 fiscal years, except that the funds appropriated for construction only must be bid during the 2005-06 fiscal year, and are available for expenditure through 2006-07, and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. For the purposes of encumbrance funds appropriated for construction management and project contingencies purposes, as well as any bid savings, shall be deemed to be encumbered at the time a contract for that purpose is awarded; these funds also may be used to initiate consulting contracts necessary for management of the project during the liquidation period. Any savings identified at the completion of the project also may be used during the liquidation period to fund the purposes described in Provision 5.

5. Identified savings in a budget for a capital outlay project, as appropriated by this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used without further approval: (a) to augment projects consistent with Provision 2, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.

6. No later than December 1 of each year, the University of California shall submit a report outlining the expenditure for each project of the funds appropriated by this item to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of each house, the Legislative Analyst, and the Director of Finance. The report also shall include the following elements: (a) a statement of the identified savings by project, and the purpose for which the identified savings were used; (b) a certification that each project as proceeding or as completed, has remained within its scope and the amount funded for that project under this item; and (c) an evaluation of the outcome of the project measured against performance criteria.

7. The projects identified in Schedules (4) and (5) of this item may utilize design-build construction consistent with practices, policies, and procedures of the University of California.

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Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendments to Various Budget Bill Items, Local Assistance, California Community Colleges

Item 6870-101-0001, Local Assistance, Part-time Faculty Compensation Provisional Language (Issue 809)

It is requested that provisional language governing the allocation of funding for the Part-time Faculty Compensation program be restored to the Budget Bill. This language was inadvertently omitted from the Budget Bill.

It is requested that Provision 17.5 of Item 6870-101-0001 be added as follows:

17.5 The funds in Schedule (12) of this item shall be allocated solely to increase compensation for part-time faculty from the amounts previously authorized. Funds shall be distributed to districts based on the total actual full-time equivalent students served in the previous fiscal year and include a small district factor as determined by the chancellor. These funds are to be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process. These funds shall not supplant the amount of resources each district used to compensate part-time faculty or be used to exceed parity of each part-time faculty employed by each district with regular full-time faculty at the same district, as certified by the chancellor. If a district achieves parity, its allocation may be used for any other educational purpose.

Item 6870-101-0001, Local Assistance, Disabled Students Programs and Services Provisional Language (Issue 816)

It is requested that provisional language for the Disabled Students Programs and Services program (DSPS) be amended to increase the funding referenced for the support of services provided by community colleges to state developmental centers. Specifically, this change would increase the dollars referenced for support of these services from $1,000,000 to $1,702,000, to reflect the actual costs of providing adult remedial education at three developmental centers in 2005-06, including Agnews Developmental Center which had been projected to close. The closure at Agnews has been postponed until after the 2005-06 fiscal year. This change results in no net increase to the DSPS program.

APR - 1 2005

It is requested that Provision 13 of Item 6870-101-0001 be amended as follows:

"13. (a) The funds appropriated in Schedule (5) are for assisting districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges, and for state hospital programs, as mandated by federal law.
(b) Of the amount appropriated in Schedule (5), $3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the chancellor's office.
(c) Of the amount appropriated in Schedule (5) at least $943,000 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees, staff and students in the use of specialized computer equipment for the disabled. All High Tech Centers shall meet standards developed by the chancellor's office. Colleges that receive these augmentations shall not supplant existing resources provided to the centers.
(d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (5) of this item, ~~$1,000,000~~ $1,702,000 shall be for state hospital adult education programs at the hospitals served by the Coast, Kern, and West Valley Community College Districts since the 1986-87 fiscal year. If adult education services at any of the three hospitals are not supported by the community colleges in the 2005-06 fiscal year, the associated funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2005-06 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly."

Item 6870-101-0001, Local Assistance, Foster Care Education Provisional Language (Issue 818)

It is requested that provisional language for the Foster Care Education program be amended to reflect the request of the Chancellor's Office to: 1) delete unnecessary appropriation specifications, 2) clarify on the relative scope of education activities provided by local colleges and 3) specify reporting requirements as a condition for receipt of funding under this program.

It is requested that Provision 16 of Item 6870-101-0001 be amended as follows:

16. (a) ~~$1,747,000 of the f~~ Funds provided in Schedule (7) shall be allocated to ~~ensure priority~~ provide foster and relative/kinship care education and ~~for~~ training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority. ~~Districts shall make services available to foster parents to satisfy the requirements of this section as a first priority~~. Districts may use any remaining funds ~~funding for services to foster child relative caretakers and~~ for additional parenting skills and training. ~~, thereafter~~.
(b) ~~$3,000,000 of the f~~ Funds provided in Schedule (7) shall be used for ~~additional~~ foster parent and relative/kinship care provider education training services consistent with the following criteria:
(1) The chancellor shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent organizations, parent and relative/kinship care providers ~~the California State Foster Parents Association~~ and representatives from the ~~State~~ California Department of Social Services.
(2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.

~~(2)~~ (3) Each college ~~The~~ plans for ~~each~~ foster ~~parent training~~ and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, ~~and~~ small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
~~(3)~~ (4) The ~~State~~ California Department of Social Services shall facilitate the participation of county welfare departments in the foster ~~parent training~~ and relative/kinship care education program. ~~The California State Foster Parents Association, or the local chapters thereof, and the State Department of Social Services shall identify training participants and shall advise the chancellor on the form, content, and methodology of the training program. Funds shall be paid monthly to the foster parent training program until the maximum amount of funds authorized to be expended for that program is expended. No more than 10 percent or seventy-five thousand dollars ($75,000) of these moneys, whichever is greater, shall be used for administrative purposes; of the 10 percent or seventy-five thousand dollars ($75,000), no more than ten thousand dollars ($10,000) shall be expended to reimburse the State Department of Social Services for its services pursuant to this paragraph.~~

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

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

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Staff Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Erik Skinner, Office of the Secretary for Education
Mr. Robert Turnage, Vice Chancellor for Fiscal Policy, California Community Colleges

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

California Community Colleges **6870-301-6028**
6870-301-6041

It is requested that Item 6870-301-6028 be added in the amount $2,374,000 from the Higher Education Capital Outlay Bond Fund of 2002 for the addition of the Los Angeles Community College District Los Angeles Trade Technical College: Building F Structural Repair—Preliminary plans, working drawings, and construction. During a locally-funded asbestos abatement project, it was discovered that the beams/girders supporting the roof were stressed beyond a point acceptable to Title 24 construction standards. These structural problems threaten the usage of the building, which is also used as a major parking garage for the college that cannot be utilized until the structural repairs are completed. The project proposes strengthening impacted beams/girders by the addition of steel tube anchors and by adding steel cable strands tensioned between these anchors. The wall and ceiling components must be removed to expose the areas of work and will be replaced when the structural work is completed.

It is requested that Item 6870-601-6041 from the Higher Education Capital Outlay Bond Fund of 2004 be decreased by $28,142,000 to reflect the following:

1. Decrease funding by $7,823,000 for the Chaffey Community College District Chaffey College: Health/Physical Science Building Renovation—Construction and equipment. The performance of this project is dependent on completion of the science building project (Item 6870-301-6028 (7), Budget Act of 2002) that will vacate the space to be reconstructed by the Health/Physical Science Building Renovation project. The initial bid effort for the science building project resulted in bids substantially in excess of available financing and the district staff are redesigning the project to reduce project costs to levels closer to the available financing. These engineering efforts have delayed a second bid effort in the science building project and the design of the Health/Physical Science Building Renovation project to such an extent that the renovation project likely will not be ready to go to bid until the 2007-08 fiscal year.

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2. Decrease funding by $20,319,000 for the Santa Barbara Community College District Santa Barbara City College: High Technology Center—Construction. Due to completion of the soil tests and the discovery of the existence of sandstone in the soil, the design of the foundation and the completion of the preliminary plans phase of the project will be delayed. The redesign may also significantly impact the cost and schedule of the construction phase. Because of this delay and possible design change, the construction phase of the project will be postponed to the 2006-07 budget year.

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

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

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

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Honorable Rick Keene, Vice Chair, Assembly Budget Committee
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Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Robert Turnage, Executive Vice Chancellor, College Finance and Facilities Planning, California Community Colleges Chancellor's Office
Mr. Fredrick E. Harris, Assistant Vice Chancellor, Facilities Planning and Utilization Unit, California Community Colleges Chancellor's Office

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Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 7980-001-0784, Support, California Student Aid Commission (Issue 001)

It is requested that Item 7980-001-0784 be increased by $65,000 to provide the California Student Aid Commission with one two-year, limited-term position to implement and administer the National Guard Assumption Program of Loans for Education (APLE). The National Guard APLE was established to provide up to $11,000 in student loan reimbursements in exchange for completion of service enlistments in the National Guard, pursuant to Chapters 549 and 554 of the Statutes of 2004.

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

If you have any questions or need additional information regarding this matter, please call Walt Schaff, Principal Program Budget Analyst, at 445-0328.

TOM CAMPBELL
Director
By:

/s/ Stephen W. Kessler

STEPHEN W. KESSLER
Chief Deputy Director

Attachment

cc: On following page

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Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Ms. Diana Fuentes-Michel, Executive Director, California Student Aid Commission
Ms. Janet McDuffie, Chief, Management Services Division, California Student Aid Commission