

State of California
Governor's Office

I object to the following appropriations contained in Assembly Bill 110.

Item 0250-101-0932—For local assistance, Judicial Branch. I revise this item by deleting Provision 15.

I am deleting Provision 15, eliminating the appropriation which would require the Judicial Council to spend local assistance funds to adopt rules of court for all groups that review issues for the Judicial Council. This spending provision would create cost pressures on trial courts. I urge the Judicial Council to continue efforts to provide greater public access to Judicial Branch committee activities.

Item 1110-001-0777—For support of Veterinary Medical Board. I reduce this item from \$3,530,000 to \$3,171,000 by reducing:

(1) 90-Veterinary Medical Board from \$3,556,000 to \$3,197,000.

I am reducing this item by \$359,000 and 5 positions from the Board's enforcement program because this augmentation is premature. In the coming year, my Administration will review the Department of Consumer Affairs' enforcement workload for the healing arts boards, including the Veterinary Medical Board, to determine appropriate resource levels.

Item 2660-001-0042—For support of Department of Transportation. I revise this item by reducing:

(9) 40-Transportation Planning from \$134,280,000 to \$133,800,000, and

(16) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046) from -\$176,596,000 to -\$176,116,000.

Consistent with my May Revision proposal, I am deleting \$480,000 and 5 positions for the Complete Streets program. The program began in 2008 and the Department of Transportation (Caltrans) delivered the Complete Streets Implementation Action Plan in 2010. A zero-base budget review of the Planning program found that these positions are no longer necessary because the work has been completed. Caltrans has incorporated Complete Streets design concepts into the Highway Design Manual and the Project Development Procedures Manual used in collaboration with local transportation agencies. One position remains to continue providing Complete Streets program updates and support.

Item 2660-001-0046—For support of Department of Transportation. I reduce this item from \$176,596,000 to \$176,116,000.

I am reducing this item by \$480,000 to conform to the action I have taken in Item 2660-001-0042.

Item 3720-001-0001—For support of California Coastal Commission. I sustain this item.

I am sustaining the \$3,000,000 augmentation for the California Coastal Commission on a one time basis. This augmentation is intended to address the current backlog of Local Coastal Plans awaiting review. I prefer to focus any additional resources on assisting local jurisdictions to complete and revise their plans in a timely manner. I am directing the Department of Finance to examine what level of resources, if any, the Coastal Commission requires for this purpose in 2014-15.

Item 3860-001-6029—For support of Department of Water Resources. I delete this item.

I am deleting \$653,000 for the American River Water Information System. Although there may be a benefit to refining water flow measurements for the American River, previous Proposition 40 bond expenditures and high-priority activities funded in the Budget fully expend the allocation from which this augmentation would be drawn.

Item 3860-101-8018—For local assistance, Department of Water Resources. I delete this item.

I am deleting the \$3,000,000 augmentation for extension of the Salton Sea Financial Assistance Program. While I am supportive of restoration efforts for the Sea, the Salton Sea Restoration Fund is limited. It is essential to reserve funds to implement recommendations based on the funding and feasibility study to be completed by the Secretary of Natural Resources Agency and the Salton Sea Authority.

Item 3930-001-0106—For support of Department of Pesticide Regulation. I reduce this item from \$55,793,000 to \$55,543,000 by reducing:

(1) 10-Pesticide Programs from \$58,867,000 to \$58,617,000.

I am reducing the augmentation to increase enforcement of state pesticide regulations by \$250,000 and 2 positions. This reduction is necessary to help bring ongoing expenditures in line with ongoing revenues in the Department of Pesticide Regulation Fund. However, I am sustaining \$383,000 and 3 positions to develop mitigation measures for toxic air contaminants. I will be working with the Legislature over the next few months to enact legislation that requires the development of control measures on pesticides.

Item 3940-001-0193—For support of State Water Resources Control Board. I reduce this item from \$106,270,000 to \$105,951,000 for the Irrigated Lands Regulatory Fee Program.

I am reducing the augmentation to increase enforcement under the Irrigated Lands Program by \$319,000 and 2 positions. This reduction is necessary to prevent an excessive fee increase on farmers. However, I am sustaining \$650,000 and 5 positions to develop greater expertise in agricultural production at the Central Coast Regional Water Quality Control Board and the Central Valley Regional Water Quality Control Board. The two largest agricultural regions of the state will benefit from the regional boards having greater internal expertise in agroecology, and agricultural soil and plant science.

Item 3940-001-0439—For support of State Water Resources Control Board.. I revise this item by reducing:

- (1) 10-Water Quality from \$484,962,000 to \$484,643,000, and
- (9) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193) from -\$106,270,000 to -\$105,951,000.

I am revising this item to conform to the action I have taken in Item 3940-001-0193.

Item 5225-001-0001—For support of Department of Corrections and Rehabilitation. I revise this item by deleting Provisions 5 and 6.

I am deleting Provision 5, eliminating the appropriation which would require the Department of Corrections and Rehabilitation (CDCR) to spend funds reporting to the Legislature on cost containment efforts and cost drivers for legal services provided by the Department of Justice. This language is unnecessary, as the Legislature adopted Supplemental Report Language for the Attorney General to report on the hours and costs associated with handling CDCR's legal cases.

I am deleting Provision 6, eliminating the appropriation which would require the expenditure of funds for parole agents to refer parolees to state-funded adult literacy programs at local libraries and require the California State Library to provide a list of those programs.

Item 5227-001-0001—For support of Board of State and Community Corrections. I revise this item by deleting Provision 2.

I am deleting Provision 2, eliminating the appropriation which would require the Board of State and Community Corrections to spend funds by dedicating 1 position to juvenile justice research.

This language is unnecessarily restrictive and interferes with the Board's ability to manage its programs and resources. This requirement would restrict the Board's ability to identify and prioritize overall research needs and advancements of best practices.

Item 6110-001-0001—For support of Department of Education. I revise this item by reducing:

- (2) 20-Instructional Support from \$148,334,000 to \$148,109,000,
- (9) Amount payable from the Federal Trust Fund (Item 6110-001-0890) from -\$165,830,000 to -\$165,605,000,

and by deleting Provision 21.

I am deleting Provision 21, eliminating the appropriation which would require the State Department of Education to expend funds developing a child care preschool plan based on a proposal at the federal level for a universal preschool program. The state does not have sufficient funds to support universal preschool, and the federal government has not adopted funding for implementation of a universal preschool program involving states.

I am revising this item to conform to the action I have taken in Item 6110-001-0890.

Item 6110-001-0890—For support of Department of Education. I reduce this item from \$165,830,000 to \$165,605,000 and delete Provision 30.

I am reducing this item by \$225,000 in federal Title III funding to eliminate one-time funding for the translation of parent notifications and templates. These funds are unnecessary as high priority translations have already been completed, and the remaining workload is not critical and can be absorbed by the Department.

I am deleting Provision 30 to conform to this action.

Item 6110-106-0001—For local assistance, Department of Education (Proposition 98). I sustain this item.

I am sustaining funding for the California Collaborative for Educational Excellence. Although the Budget creates this entity to provide critical assistance to local education agencies, I believe additional work is necessary to properly define its governance composition and ongoing role within the accountability structure of the Local Control Funding Formula. As such, it is my expectation that subsequent legislation will be enacted this year to define the governance of and roles and responsibilities for the Collaborative for Educational Excellence, as well as, direct the expenditure of the monies appropriated in this item. Furthermore, it is my expectation that any expenditure of these monies will reflect this forthcoming legislation and an agreed upon plan by the Department of Education, the State Board of Education, and the Department of Finance.

Item 6110-122-0001—For local assistance, Department of Education (Proposition 98). I sustain this item.

I am sustaining funding for Special Secondary Programs for the 2013-14 fiscal year. This program was eliminated in my Local Control Funding Formula proposal consistent with my belief that local education agencies are in the best position to allocate their funding to meet local needs and priorities. Given the Legislature's support of this program, I will direct my Administration to examine whether this funding should continue as a separate categorical program into the future.

Item 6110-161-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from \$3,201,317,000 to \$3,171,317,000 by reducing:

(1) 10.60.050.003-Special Education Instruction from \$3,128,351,000 to \$3,098,351,000, and by deleting Provision 25.

I am reducing \$30,000,000 from the special education program and deleting Provision 25 to conform to this action. The proposed equalization of special education funding, when phased in, would have ongoing costs in excess of \$300 million. This would reduce available resources to pay off deferrals and to implement the flexible Local Control Funding Formula.

Item 6110-167-0001—For local assistance, Department of Education (Proposition 98). I sustain this item.

I am sustaining funding for the Agricultural Career Technical Education Incentive Program for the 2013-14 fiscal year. This program was eliminated in my Local Control Funding Formula proposal consistent with my belief that local education agencies are in the best position to allocate their funding to meet local needs and priorities. Given the Legislature's support of this program, I will direct my Administration to examine whether this funding should continue as a separate categorical program into the future.

Item 6110-196-0001—For local assistance, Department of Education (Proposition 98). I revise this item from \$511,965,000 to \$506,965,000 by reducing:

- (1) 30.10.010-Special Program, Child Development, Preschool Education from \$511,965,000 to \$506,965,000.

I am reducing this item by \$5,000,000. With this reduction, funding will be \$25 million higher in the budget year, providing for increased pre-school slots consistent with the \$25 million augmentation I sustained for increased child care slots. While I am sustaining this augmentation for the preschool program, I am doing so on a one-time basis. Providing this increase on an ongoing basis would reduce future resources available for K-14 programs.

Item 6440-001-0001—For support of University of California. I revise this item by deleting Provisions 6, 8, 10, 11, 12, 13, 14, 15, and 16.

I am deleting Provisions 6, 8, 10, 11, 12, 13, 14, and 15 because the requirements included in these provisions that the University of California expend funds for various purposes create cost pressures and unnecessary restrictions. Eliminating these earmarks will give the University greater flexibility to manage its resources to meet its obligations, operate its instructional programs more effectively, and avoid tuition and fee increases.

I am deleting Provision 16 as the appropriation establishes the expectation that the University will enroll 211,499 state-supported full-time equivalent students during the 2013-14 academic year. This provision would continue to make enrollment the primary driver of state budgeting for higher education. Instead, the investments made in the University should be used to ensure the timely graduation of students and make improvements on other performance measures established in this Budget.

Item 6440-301-0658—For capital outlay, University of California. I delete this item.

I am deleting the \$375,000 from the 1996 Higher Education Capital Outlay Bond Fund for the equipment phase of the Merced, Science and Engineering Building 2 project. The funding for this item is appropriated in a separate bill.

Item 6610-001-0001—For support of California State University. I revise this item by deleting Provisions 5, 8, 9, 10, 11, and 12.

I am deleting Provisions 5, 8, 9, 10, and 12 because the requirements included in these appropriations that the California State University (CSU) expend funds for various programs create cost pressures and unnecessary restrictions. Eliminating these earmarks will give CSU

greater flexibility to manage its resources to meet its obligations, operate its instructional programs more effectively, and avoid tuition and fee increases.

I am deleting Provision 11 as the appropriation establishes the expectation that CSU will enroll 342,000 state-supported full-time equivalent students during the 2013-14 academic year. This provision would continue to make enrollment the primary driver of state budgeting for higher education. Instead, the investments made in CSU should be used to ensure the timely graduation of students and make improvements on other performance measures established in this Budget.

Item 6980-101-0890—For local assistance, Student Aid Commission. I revise this item by deleting Provision 4.

Provision 4 provides that if federal College Access Challenge Grant funds are not available by September 30, 2013, the Special Fund for Economic Uncertainties shall provide \$7,332,000 to support existing outreach programs for state financial aid programs. This Provision constitutes an item of appropriation which I cannot support. I believe the Special Fund for Economic Uncertainties should be used only to meet critical needs, emergencies, and legal obligations. Because we have put substantial new resources into higher education this year, I anticipate that California will continue to receive federal grant funds for this program.

Item 7730-001-0001—For support of Franchise Tax Board. I reduce this item from \$718,684,000 to \$718,414,000 by reducing:

(1) 10-Tax Programs from \$717,740,000 to \$717,470,000.

To correct a technical error in the Budget Bill, I am reducing this item by \$270,000. This technical veto is consistent with the legislative action taken to reduce the Franchise Tax Board's budget to reflect savings from its withdrawal from the Multi-State Tax Commission, which ends its obligation to pay annual dues. These funds were inadvertently left in the final version of the Budget Bill.

Item 8660-011-0462—For transfer by the Controller to the Public Utilities Commission Ratepayer Advocate Account. I reduce this item from (\$24,375,000) to (\$24,354,000).

I am reducing this item by \$21,000 to conform to a legislative reduction in Item 8660-001-3089. This technical veto is necessary to reflect this reduction in the transfer item and does not affect the amount of funds available for the Division of Ratepayer Advocates.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 110.


EDMUND G. BROWN JR.