

State of California
Governor's Office

I object to the following appropriations contained in Senate Bill 87.

Item 0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund. I reduce this item from \$2,915,501,000 to \$2,892,629,000 by reducing:

- (1) 45.10-Support for Operation of Trial Courts from \$1,991,184,000 to \$1,969,663,000, and
- (2) 45.15-Trial Court Security from \$497,780,000 to \$496,429,000.

I am reducing this item to conform to the action I have taken in Item 0250-111-0001.

Item 0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund. I reduce this item from \$1,316,997,000 to \$1,294,125,000 and delete Provisions 1 and 2.

I am reducing this item by \$22,872,000 because the trial courts' assumption of revocation-hearing responsibilities under AB 109 (Chapter 15, Statutes of 2011) is being delayed.

I am deleting Provision 1, which would require the Judicial Branch to provide a report to the Legislature related to the AB 109. There would not be sufficient data for the Judicial Branch to include in this report because the trial courts' assumption of responsibilities is being delayed. However, because the Judicial Branch will need to track this information to determine the appropriate geographical allocation for these resources, I am requesting that the Judicial Branch provide as much information as possible. I am deleting Provision 2, which would require any unspent resources for this purpose to revert to the General Fund, because it is unnecessary.

Item 0510-001-0001—For support of Secretary of State and Consumer Services. I reduce this item from \$1,038,000 to \$793,000 by reducing:

- (1) Support from \$2,466,000 to \$2,036,000, and
- (3) Amount payable from the Central Services Cost Recovery Fund (Item 0510-001-9740) from -\$786,000 to -\$601,000.

I am reducing this item by \$245,000. This reduction to the Office of Privacy Protection is necessary to bring ongoing expenditures in line with available resources.

I am revising this item to conform to the action taken in Item 0510-001-9740.

Item 0510-001-9740—For support of Secretary of State and Consumer Services. I reduce this item from \$786,000 to \$601,000.

I am reducing this item by \$185,000 to be consistent with the action I have taken in Item 0510-001-0001.

Item 0552-001-0001—For support of the Office of the Inspector General. I reduce this item from \$21,769,000 to \$20,619,000 by reducing:

- (1) 10-Office of the Inspector General from \$21,769,000 to \$20,619,000.

I am reducing this appropriation by \$1,150,000 to reflect a reduction to the Office of the Inspector General's (OIG) special reviews, audits, and investigations. This action will provide the minimum amount of resources necessary to meet the OIG's statutory requirements. The California Department of Corrections and Rehabilitation's Office of Audits and Compliance will continue to conduct internal audits and investigations to ensure compliance with state and federal guidelines, departmental policies, and court mandates. Continuing to fund the OIG for these functions already being performed by the Department would be an unnecessary use of scarce General Fund resources.

Additionally, this action will allow the Inspector General to continue to conduct warden vettings, medical inspections, and use of force reviews at existing levels.

Item 1100-001-0001—For support of California Science Center. I revise this item by deleting Provision 3.

I am deleting Provision 3 because it eliminates funding for positions within the Office of Exposition Park Management, including the Exposition Park Manager required by Section 4108 of the Food and Agricultural Code and necessary security positions.

Item 1730-004-0001—For support of Franchise Tax Board. I delete this item and Provision 1.

I am deleting this item, which confers authority to enter into a contract for the development of a transfer pricing audit program, because this authority is unnecessary. The Internal Revenue Service has undertaken a significant amount of work of this nature and a separate state effort would likely be duplicative.

Item 2240-001-0001—For support of Department of Housing and Community Development. I delete Provision 1.

I am deleting Provision 1, which directs the Department to use \$158,000 for redevelopment agency oversight and housing preservation technical assistance. The \$158,000 referenced in this provision is no longer accurate. As part of the reductions to achieve administrative efficiencies pursuant to Control Section 3.91, \$123,000 for redevelopment oversight will be reduced, which will leave \$35,000 for the housing preservation activities. Additionally, I am deleting Provision 1 because it is unnecessary to direct the Department to expend funds for an ongoing program.

Item 2240-001-0648—For support of Department of Housing and Community Development. I revise this item by reducing:

- (3) 30-Housing Policy Development Program from \$3,711,000 to \$2,711,000,
- (20) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-001-6038) from -\$1,295,000 to -\$295,000,

and delete Provision 3.

I am reducing this appropriation because bond funding is not an appropriate or legal funding source to support on an ongoing basis the Regional Housing Needs Assessment process and housing element review.

Item 2240-001-6038—For support of the Department of Housing and Community Development. I reduce this item from \$1,295,000 to \$295,000.

I am reducing this item by \$1,000,000 to conform to the action I have taken in Item 2240-001-0648.

Item 2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund. I reduce this item from \$2,722,594,000 to \$2,716,186,000 by reducing:

(9) 40-Transportation Planning from \$114,454,000 to \$108,046,000.

I am reducing this item by \$6,408,000 to reduce personnel years by 47.5. State funds should be reserved to fund state projects and not to subsidize locally funded projects on the state highway system.

Item 2660-104-6043—For local assistance, Department of Transportation. I reduce this item from \$154,261,000 to \$7,000,000 by reducing:

(1) 30.10-Mass Transportation from \$154,261,000 to \$7,000,000.

While I am sustaining \$7,000,000 to fund positive train control safety projects in various local rail corridors, I am reducing this item by \$147,261,000. These funds are available from Proposition 1A bond proceeds to enhance local transit lines as feeder routes to the high-speed rail system. The High-Speed Rail Authority (Authority), the Department of Transportation (Caltrans), and local jurisdictions should work together to develop a comprehensive statewide rail plan. The projects identified for funding by Caltrans and the California Transportation Commission appear unrelated to the high-speed rail project or an integrated rail plan. As plans for the high speed route are further developed, the Authority should work with local agencies to build mutually beneficial projects.

Item 2660-304-6043—For capital outlay, Department of Transportation. I reduce this item from \$108,110,000 to \$20,810,000 by reducing:

(1) 30.10-Mass Transportation from \$108,110,000 to \$20,810,000.

While I am sustaining \$20,810,000 to fund positive train control safety projects on various state intercity rail corridors, I am reducing this item by \$87,300,000, consistent with the action taken in Item 2660-104-6043.

Item 2665-004-6043—For support of High-Speed Rail Authority. I reduce this item from \$17,682,000 to \$16,582,000 by reducing:

(4) 40-Fiscal and Other External Contracts from \$3,100,000 to \$2,000,000.

I am reducing this item by \$1,100,000 which would provide funding for the High-Speed Rail Authority's Memorandum of Understanding with the Peninsula Corridors Joint Powers Board (Caltrain). Workload associated with Caltrain should be charged to Schedule (1) of Items 2665-305-6043 and 2665-305-0890. These items have a combined appropriation of \$48,710,000 (\$8,308,000 for the San Francisco-San Jose segment) and an anticipated carryover of approximately \$36.8 million (\$4.4 million for the San Francisco-San Jose segment) from 2010-11 for design. If necessary, the High-Speed Rail Authority can seek an augmentation from the Public Works Board for additional capital outlay funding.

Item 3500-001-0133—For support of Department of Resources Recycling and Recovery. I revise this item by deleting Provision 2.

I am deleting Provision 2, which would require the Department of Resources Recycling and Recovery to conduct monthly work group meetings with legislative staff and the Legislative Analyst's Office. The list of issues the Legislature has identified for discussion relates to administrative and operating issues. This provision is unnecessarily burdensome.

Item 3540-001-0001—For support of Department of Forestry and Fire Protection. I revise this item by deleting Provision 6.

I am deleting Provision 6, which would require the Department of Forestry and Fire Protection (CAL FIRE) to contract for an independent analysis of wildland firefighting costs as compared to other western states. While this analysis could provide useful information to the wildland firefighting working group, the provisional language would impose an additional unfunded cost to CAL FIRE without regard to the availability of funds. In an effort to minimize state costs, I am asking CAL FIRE to gather as much useful information as possible within existing resources.

Item 3600-001-0001—For support of Department of Fish and Game. I revise this item by reducing:

- (3) 30-Management of Department Lands and Facilities from \$64,948,000 to \$64,448,000,
- (21) Amount payable from the Hatchery and Inland Fisheries Fund (Item 3600-001-3103) from -\$24,718,000 to -\$24,218,000,

and by deleting Provision 3.

I am revising this item to conform to the action I have taken in Item 3600-001-3103.

I am deleting Provision 3, which would prohibit the Department of Fish and Game from using funds appropriated in this item for suction-dredge regulation, permitting, or other activities, except enforcement and litigation costs. This provision would prohibit the Department from completing a court-ordered Environmental Impact Report regarding the impacts of suction dredge mining on Coho salmon and other threatened or endangered species. While I am vetoing this language to ensure the Department is not in violation of the court order, I direct the Secretary of Resources to examine the program and associated policies before restarting the permit process.

Item 3600-001-3103—For support of Department of Fish and Game. I reduce this item from \$24,718,000 to \$24,218,000 for the Heritage and Wild Trout Program and delete Provisions 1 through 3.

I am reducing this item by \$500,000 because these funds are unnecessary. The Department of Fish and Game already dedicates \$2 million annually to the Heritage and Wild Trout Program as specified by Chapter 689, Statutes of 2005 (AB 7).

I am also deleting Provisions 1 through 3, which directs funding from the Hatchery and Inland Fisheries Fund for timber harvest plan review, state forestry nurseries, and the Heritage and Wild Trout Program. Federal law prohibits hunting and fishing license revenue from being diverted for other purposes. Consequently, these provisions could put federal funds at risk, potentially resulting in a loss of approximately \$30 million.

Item 3790-001-0392—For support of Department of Parks and Recreation. I revise this item by deleting Provision 7.

I am vetoing Provision 7 because it would prohibit the Department of Parks and Recreation from entering into a new concession agreement prior to legislative approval. Existing law authorizes the Department to enter into a new concession agreement through a competitive bid process. Therefore, I believe this Provision interferes with the existing state competitive bidding process.

Item 3860-001-0001—For support of Department of Water Resources. I revise this item by deleting Provision 4.

I am deleting Provision 4, which would prohibit new positions, dedicated for implementation of Biological Opinions, from participating in any study or analysis supporting legal challenges to the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. This provisional language is ill advised because it would effectively preclude any revisions to existing Biological Opinions based on additional scientific information gathered from subsequent environmental studies.

Item 3960-001-0001—For support of Department of Toxic Substances Control. I revise this item by deleting subsection (b) of Provision 1. These changes are technical in nature in order to conform to Item 3960-001-0014.

“1. The Director of Toxic Substances Control may expend from this item: ~~(a)~~ \$12,052,000 for the following activities at the federal Stringfellow Superfund site: (1) operation and maintenance of pretreatment plants to treat contaminated groundwater extracted from the site, (2) site maintenance and groundwater monitoring, and (3) implementation of work to stabilize the site; and ~~(b)~~ \$802,000 for the operation of the Illegal Drug Laboratory Removal Program.”

Item 4260-101-0001—For local assistance, Department of Health Care Services. I delete Provision 13.

I am sustaining the \$60 million General Fund augmentation to be used by the Department of Health Care Services to transition current beneficiaries of the Adult Day Health Care program to other appropriate services. As part of the transition, the Department of Health Care Services will work with the Legislature to assess the needs of the population to determine to what extent additional services are needed during and after the transition. This may include seeking federal waiver services and developing alternative funding arrangements to preserve services at existing centers. The provision of any additional ongoing services after the transition must consider other existing home and community based services; ensuring that the services provided complement those of other programs; that no duplication of services occurs; and, that

the state is taking a coordinated and integrated approach to providing services that reduce Medi-Cal beneficiaries' risk of institutionalization. While I am sustaining the funding, I am deleting Provision 13 because it requires a specified spending level for the program that does not consider other services available to these individuals that preserve their ability to remain in the community.

Item 5225-001-0001—For support of Department of Corrections and Rehabilitation. I revise this item by deleting Provision 9.

I am deleting Provision 9, which would restrict the California Department of Corrections and Rehabilitation (CDCR) from implementing further reductions to its rehabilitative programs than those already included in this budget for fiscal year 2011-12. Although I support efforts to rehabilitate inmates and parolees, and sustained a \$49,000,000 augmentation in funding for these services, I am deleting this language as it could restrict CDCR's efforts to achieve sufficient savings related to the realignment of lower level adult offenders to local jurisdictions.

Item 5225-002-0001—For support of the Department of Corrections and Rehabilitation. I reduce this item from \$2,359,379,000 to \$2,358,776,000 by reducing:

- (2) 25-Adult Corrections and Rehabilitation Operations—General Security from \$282,266,000 to \$282,086,000, and
- (5) 50.30-Mental Health Services—Adult from \$385,157,000 to \$384,734,000.

This technical veto reduces this item by \$603,000 to conform with the Legislature's intent.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$34,779,000 to \$34,456,000 by reducing:

- (2) 20-Instructional Support from \$138,943,000 to \$136,496,000, and
- (9) Amount payable from Federal Trust Fund (6110-001-0890) from -\$151,689,000 to -\$149,565,000.

I am reducing the legislative augmentation of \$734,000 General Fund for workload in the Charter Schools Division by \$323,000 General Fund. With this reduction, \$411,000 in augmented funding remains to provide additional support for 1.0 Staff Counsel, 1.5 Education Fiscal Consultants, and 1.0 Education Program Consultant to be redirected from within the Department of Education to the Charter Schools Division. This level of support will ensure that core functions of the division are accomplished and will encourage the Department to identify efficiencies and streamline processes.

I am also revising this item to conform to the actions taken in the 6110-001-0890.

Item 6110-001-0890—For support of Department of Education. I reduce this item from \$151,689,000 to \$149,565,000.

I am reducing this item by \$2,124,000 federal Title II and federal Institute of Education Sciences grant funds, and 3.0 limited-term positions to eliminate funding for the California Longitudinal Teacher Integrated Data System (CALTIDES). These reductions are necessary to avoid the development of a costly technology program that is not critical.

I am deleting Provision 29 to conform to this action.

Item 6360-001-0408—For support of Commission on Teacher Credentialing. I reduce this item from \$4,779,000 to \$4,695,000 by reducing:

(1) 10-Standards for Preparation and Licensing of Teachers from \$4,929,000 to \$4,695,000,
and by deleting

(2) Reimbursements (-\$150,000)

and by deleting Provisions 5 and 6.

I am reducing this item by \$84,000 Test Development and Administration Account, Teacher Credentialing Fund, \$150,000 Reimbursements, and 2.5 limited-term positions to eliminate funding for the California Longitudinal Teacher Integrated Data System (CALTIDES). These reductions are necessary to avoid the development of a costly technology program that is not critical.

I am deleting Provisions 5 and 6 to conform to this action.

Item 6420-001-0001—For support of California Postsecondary Education Commission. I reduce this item from \$1,927,000 to \$0 by reducing:

(1) 100000-Personal Services from \$1,893,000 to \$194,000,

(2) 300000-Operating Expenses and Equipment from \$482,000 to \$253,000;

and by deleting:

(3) Reimbursements (\$-1,000)

and by deleting Provision 1.

I am vetoing the California Postsecondary Education Commission's (CPEC) \$1.9 million General Fund appropriation, and 19.1 positions. While I appreciate the importance of coordinating and guiding state higher education policy, I believe CPEC has been ineffective. I am requesting that the state's three public higher education segments, along with other higher education stakeholders, explore alternative ways to more effectively improve coordination and development of higher education policy. CPEC would continue to administer a component of the federal Improving Teacher Quality Grants Program in 2011-12. This action is consistent with my actions to reduce the cost of state operations and the size of state government through eliminations, consolidations, reductions, and efficiencies.

I am deleting Provision 1 to conform to this action.

Item 8660-001-0462—For support of California Public Utilities Commission. I delete Provision 2.

I am deleting Provision 2 prohibiting the California Public Utilities Commission (PUC) from using any funds for regulatory, statutory, or rulemaking processes related to distributed generation. This provision would prevent the Commission from implementing existing authorized renewable distributed generation programs and would preclude the PUC from working on a host of initiatives directly related to my Clean Energy Plan.

Item 8820-001-0001—For support of Commission on the Status of Women. I reduce this item from \$465,000 to \$265,000 by reducing:

(1) 10-Administration, Legislation, Research and Information from \$467,000 to \$267,000.

I am reducing this item by \$200,000 to help bring ongoing expenditures in line with existing resources. Given our constrained state resources, this reduction reflects the need for government to focus on its core functions. While the statutory goals of the Commission are worthy, I continue to believe there are other formal and informal venues for policy development and advocacy that do not require General Fund expenditures.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 87.


EDMUND G. BROWN JR.