Assembly Bill No. 109

CHAPTER 249


[Approved by Governor September 16, 2017. Filed with Secretary of State September 16, 2017.]

LEGISLATIVE COUNSEL’S DIGEST


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 0540-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

0540-101-3228—For local assistance, Secretary of the Natural Resources Agency, payable from the Greenhouse Gas Reduction Fund .......................................................... 26,000,000

Schedule:
(1) 0320-Administration of Natural Resources Agency................................. 26,000,000
Provisions:
1. The funds appropriated in this item shall be used for urban greening programs.
2. The funds appropriated in this item shall be available for encumbrance and expenditure until June 30, 2019, for support or local assistance and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 2. Item 0650-001-3228 of Section 2.00 of the Budget Act of 2017 is amended to read:

0650-001-3228—For support of Office of Planning and Research, payable from the Greenhouse Gas Reduction Fund.......................................................... 12,115,000

Schedule:
(1) 0370-Strategic Growth Council......... 12,115,000

Provisions:
1. Of the funds appropriated in this item, $1,115,000 shall count toward the share of annual proceeds continuously appropriated to the Strategic Growth Council as specified in subparagraph (C) of paragraph (1) of subdivision (b) of Section 39719 of the Health and Safety Code.
2. Of the funds appropriated in this item, $11,000,000 shall be used to fund research on reducing carbon emissions, including clean energy, adaptation, and resiliency, with an emphasis on California. Grants shall be issued on a competitive basis to institutions, including the University of California, California State University, federal research laboratories, and private non-profit colleges and universities located within the state to conduct research consistent with criteria established by the Strategic Growth Council. Before issuing any grants, the Strategic Growth Council shall establish a plan that establishes research needs for carbon emission reductions including clean energy, adaptation, and resiliency.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.
SEC. 3. Item 0650-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

0650-101-3228—For local assistance, Office of Planning and Research, payable from the Greenhouse Gas Reduction Fund ................................................................. 10,000,000

Schedule:
(1) 0370-Strategic Growth Council........ 10,000,000

Provisions:
1. The funds appropriated in this item shall be used for the Transformative Climate Communities Program described in Part 4 (commencing with Section 75240) of Division 44 of the Public Resources Code.
2. The funds appropriated in this item shall be available for encumbrance and expenditure until June 30, 2019, for support or local assistance and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 4. Item 0690-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

0690-101-3228—For local assistance, Office of Emergency Services, payable from the Greenhouse Gas Reduction Fund ................................................................. 25,000,000

Schedule:
(1) 0385-Special Programs and Grant Management................................. 25,000,000

Provisions:
1. The funds appropriated in this item shall be used for local assistance grants to fire departments within High Fire Hazard Severity Zones, to support activities directly related to the reduction of greenhouse gas emissions caused by uncontrolled wildfires and regional response and readiness, including, but not limited to, pre-deployment of local resources or additional resources to meet the requirements for state resources called up for disaster response based upon the predicted scale of the emergency event and consistent with this state’s current procedures under the mutual aid system.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019.

SEC. 5. Item 0860-001-3063 of Section 2.00 of the Budget Act of 2017 is repealed.
SEC. 6. Item 2740-302-0044 is added to Section 2.00 of the Budget Act of 2017, to read:

2740-302-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund .................................................. 1,108,000

Schedule:
   (1) 0000153-Grass Valley Field Office Replacement Project—Construction........... 1,108,000

SEC. 7. Item 3340-001-0318 of Section 2.00 of the Budget Act of 2017 is amended to read:

3340-001-0318—For support of California Conservation Corps, payable from the Collins-Dugan California Conservation Corps Reimbursement Account........................................ 45,983,000

Schedule:
   (1) 2360-Training and Work Program........ 45,983,000
   (2) 9900100-Administration.................. 6,777,000
   (3) 9900200-Administration—Distributed...................................................... −6,777,000

Provisions:
1. Notwithstanding Section 14316 of the Public Resources Code, the Department of Finance may make a loan from the General Fund to the Collins-Dugan California Conservation Corps Reimbursement Account in the amount of 25 percent of the reimbursements anticipated in the Collins-Dugan California Conservation Corps Reimbursement Account, not to exceed an aggregate total of $7,300,000, to meet cashflow needs from delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency that demonstrates that sufficient funds will be available to repay the loan. All moneys so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan.

2. Notwithstanding Section 28.50, the Department of Finance may augment this item to reflect increases in reimbursements to the Collins-Dugan California Conservation Corps Reimbursement Account received from another officer, department, division, bureau, or other agency of the state that has requested services from the California Conservation Corps. Any augmentation that is deemed to be necessary on a permanent
basis shall be submitted for review as a part of the regular budget process.

3. Notwithstanding Section 28.00, the Department of Finance may augment this item to reflect increases in reimbursements to the Collins-Dugan California Conservation Corps Reimbursement Account received from a local government, the federal government, or nonprofit organizations requesting emergency services from the California Conservation Corps after it has notified the Legislature through a letter to the Joint Legislative Budget Committee. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted for review as a part of the regular budget process.

SEC. 8. Item 3340-001-3063 of Section 2.00 of the Budget Act of 2017 is repealed.
SEC. 9. Item 3340-001-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3340-001-3228—For support of California Conservation Corps, payable from the Greenhouse Gas Reduction Fund ....... 5,195,000
Schedule:
(1) 2360-Training and Work Program........ 5,195,000
(2) 9900100-Administration ..................... 960,000
(3) 9900200-Administration—Distributed ........................................... −960,000

Provisions:
1. The funds appropriated in this item are available pursuant to Section 4213.05 of the Public Resources Code.
2. The funds appropriated in this item are intended to replace those originally appropriated in Item 3340-001-3063. Any funds encumbered pursuant to Item 3340-001-3063 shall be disencumbered from that item and re-encumbered to this item. Similarly, any funds expended pursuant to Item 3340-001-3063 shall be moved and recorded as expenditures from this item instead.

SEC. 10. Item 3360-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3360-101-3228—For local assistance, State Energy Resources Conservation and Development Commission, payable from the Greenhouse Gas Reduction Fund .................... 66,000,000
Schedule:
(1) 2390019-Research and Development.... 60,000,000
(2) 2390028-Renewable Energy................. 6,000,000

Provisions:
1. Notwithstanding any other law, funds appropriated in Schedule (1) shall be used to provide grants, loans, or any financial incentives to food processors to implement projects that reduce greenhouse gas emissions.
2. Notwithstanding any other law, funds appropriated in Schedule (2) shall be used to support renewable energy projects in the agricultural sector.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support or local assistance, and shall be available for liquidation until June 30, 2023. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 11. Item 3540-001-3063 of Section 2.00 of the Budget Act of 2017 is repealed.
SEC. 12. Item 3540-001-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3540-001-3228—For support of Department of Forestry and Fire Protection, payable from the Greenhouse Gas Reduction Fund .................................................. 220,000,000

Schedule:
(1) 2465-Fire Protection......................... 200,000,000
(2) 2470-Resource Management............. 20,000,000

Provisions:
1. The funds appropriated in Schedule (1) shall be used for state and local healthy forest and fire prevention programs and projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires, including, but not limited to, vegetation management, forest overgrowth reduction, biomass energy generation, and measures to ensure future wildfires are more consistent with historic regenerative fire regime.
2. Of the amount appropriated in Schedule (1), up to $195,000,000 shall be available for the following:
   (a) Healthy forests in state responsibility areas.
   (b) Local assistance grants that benefit habitable structures within the state responsibility areas, including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions.
(c) Grants to Fire Safe Councils or certified local conservation corps for fire prevention projects and activities in the state responsibility areas.

(d) Grants to qualified nonprofit organizations with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the state responsibility areas.

(e) Inspections by the Department of Forestry and Fire Protection and local fire departments for compliance with defensible space requirements around habitable structures in state responsibility areas, as required by Section 4291 of the Public Resources Code, and in Very High Fire Severity Zones, as required by Chapter 6.8 (commencing with Section 51175) of Part 1 of Division 1 of Title 5 of the Government Code.

(f) Public education to reduce fire risk in the state responsibility areas. Fire severity and fire hazard mapping by the Department of Forestry and Fire Protection in the state responsibility areas.

(g) Other fire prevention projects in the state responsibility areas, as authorized by the State Board of Forestry and Fire Protection.

3. Notwithstanding any other law, of the amount appropriated in Schedule (1), no less than ten percent shall be granted to city, county, city and county, special district, or other political subdivisions of the state providing fire protection.

4. Of the amount appropriated in Schedule (1), no less than $5,000,000 shall be made available to the California Conservation Corps for fire prevention projects and activities in the state responsibility areas.

5. The amount appropriated in Schedule (2) shall be available for urban forestry programs.

6. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and shall be available for liquidation until June 30, 2022.

SEC. 13. Item 3540-002-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3540-002-3228—For support of Department of Forestry and Fire Protection, payable from the Greenhouse Gas Reduction Fund 74,805,000
Schedule:
(1) 2465-Fire Protection 63,487,000
(2) 2470-Resource Management .................. 10,404,000
(3) 2475-Board of Forestry and Fire Protection ......................................................... 914,000

Provisions:
1. The funds appropriated in this item are available pursuant to Section 4213.05 of the Public Resources Code.
2. The Director of Finance may adjust amounts in Schedule (1) to provide equivalent fire protection base funding changes to contract counties in accordance with Section 4130 of the Public Resources Code.
3. The funds appropriated in this item are intended to replace those originally appropriated in Item 3540-001-3063. Any funds encumbered pursuant to Item 3540-001-3063 shall be disencumbered from that item and re-encumbered to this item. Similarly, any funds expended pursuant to Item 3540-001-3063 shall be moved and recorded as expenditures from this item instead.
4. For the purposes of the 2017–18 fiscal year, the funds appropriated in this item and in Item 3340-001-3228 shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculation in Section 39719 of the Health and Safety Code.

SEC. 14. Item 3600-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3600-101-3228—For local assistance, Department of Fish and Wildlife, payable from the Greenhouse Gas Reduction Fund ................................................................. 15,000,000

Schedule:
(1) 2600-Management of Department Lands and Facilities .................................. 15,000,000

Provisions:
1. The funds appropriated in this item shall be used for wetland restoration projects that will be managed to maintain benefits for at least 50 years, underpinned by conservation easements or equivalently enforceable conservation agreements that endure at least for at least 50 years. The Department of Fish and Wildlife shall prioritize projects with longer environmental benefits.
2. The Department of Finance may transfer funding from this item to Item 3600-001-3228 for administrative expenses associated with this item.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2022,
for local assistance or capital outlay, and shall be available for liquidation until June 30, 2024.

SEC. 15. Item 3640-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3640-101-3228—For local assistance, Wildlife Conservation Board, payable from the Greenhouse Gas Reduction Fund

Schedule: (1) 2710-Wildlife Conservation Board........ 20,000,000

Provisions:

1. The funds appropriated in this item shall be used for climate adaptation projects that will result in enduring benefits. Eligible entities shall include local governments, park and open-space districts, resource conservation districts, private landowners, and nonprofit organizations.

2. At least 60 percent of the funds appropriated in this item shall be made available for grants for conservation easements and long-term conservation agreements that conserve natural and working lands for at least 50 years for the benefit of climate adaptation and resilience. The Wildlife Conservation Board shall prioritize projects with longer environmental benefits.

3. The funds appropriated in this item may also be used to develop and implement natural and working lands adaptation and resiliency planning that prioritizes the conservation and management of natural and working lands, technical assistance for natural and working land managers, and efforts that improve rural-urban coordination on climate change adaptation.

4. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2022, for support, local assistance, or capital outlay, and shall be available for liquidation until June 30, 2024. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 16. Item 3760-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3760-101-3228—For local assistance, State Coastal Conservancy, payable from the Greenhouse Gas Reduction Fund

Schedule: (1) 2805032-Conservancy Programs........ 6,000,000
Provisions:

1. Notwithstanding the funding allocations established in paragraph (2) of subdivision (d) of Section 31012 of the Public Resources Code, the funds appropriated in this item shall be distributed as follows:
   (a) $4,000,000 to the State Coastal Conservancy for the Climate Ready Program.
   (b) $1,500,000 to the California Coastal Commission.
   (c) $500,000 to the San Francisco Bay Conservation and Development Commission.

2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support, local assistance, or capital outlay, and shall be available for liquidation until June 30, 2022. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 17. Item 3900-001-3228 of Section 2.00 of the Budget Act of 2017 is amended to read:

3900-001-3228—For support of State Air Resources Board, payable from the Greenhouse Gas Reduction Fund........ 29,084,000

Schedule:
   (1) 3510-Climate Change............................. 17,384,000
   (2) 3530-Community Air Protection............. 11,700,000

Provisions:
1. The funds appropriated in Schedule (2) shall be used for implementation of Chapter 136 of the Statutes of 2017.

SEC. 18. Item 3900-001-3237 of Section 2.00 of the Budget Act of 2017 is amended to read:

3900-001-3237—For support of State Air Resources Board, payable from the Cost of Implementation Account, Air Pollution Control Fund......................................................... 48,529,000

Schedule:
   (1) 3510-Climate Change......................... 48,529,000

Provisions:
1. Of the amount appropriated in this item, up to $282,000 shall be used for implementation of Chapter 135 of the Statutes of 2017.

SEC. 19. Item 3900-002-3237 of Section 2.00 of the Budget Act of 2017 is amended to read:
3900-002-3237—For support of State Air Resources Board, payable from the Cost of Implementation Account, Air Pollution Control Fund...................................................... 3,000,000

Schedule:
(1) 3510-Climate Change............................ 3,000,000

Provisions:
1. Of the amount appropriated in this item, up to $1,000,000 shall be used for implementation of Chapter 135 of the Statutes of 2017.

SEC. 20. Item 3900-101-0115 of Section 2.00 of the Budget Act of 2017 is amended to read:

3900-101-0115—For local assistance, State Air Resources Board, payable from the Air Pollution Control Fund........ 95,682,000

Schedule:
(1) 3515-Subvention................................. 68,682,000
(2) 3530-Community Air Protection........... 27,000,000

Provisions:
1. Notwithstanding any other law, the funds appropriated in Schedule (2) shall be available to support local air districts’ implementation of Chapter 136 of the Statutes of 2017.
2. The funds appropriated in Schedule (2) shall be available for encumbrance or expenditure until June 30, 2019, and shall be available for liquidation until June 30, 2021.

SEC. 21. Item 3900-101-3117 is added to Section 2.00 of the Budget Act of 2017, to read:

3900-101-3117—For local assistance, State Air Resources Board, payable from the Alternative and Renewable Fuel and Vehicle Technology Fund ........................................... 35,000,000

Schedule:
(1) 3500-Mobile Source............................. 35,000,000

Provisions:
1. Notwithstanding any other law, the funds appropriated in this item shall be used to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support or local assistance, and shall be available for liquidation until June 30, 2021. Not more than five
percent of the amount appropriated in this item may be used for administrative costs.

SEC. 22. Item 3900-101-3119 of Section 2.00 of the Budget Act of 2017 is amended to read:

3900-101-3119—For local assistance, State Air Resources Board, payable from the Air Quality Improvement Fund.

Schedule:

(1) 3500-Mobile Source................................. 43,640,000

Provisions:

1. Notwithstanding any other law, $15,000,000 of the funds appropriated in this item shall be used to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

2. The funds specified in Provision 1 shall be available for encumbrance or expenditure until June 30, 2019, for support or local assistance, and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount specified in Provision 1 may be used for administrative costs.

SEC. 23. Item 3960-101-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

3960-101-0001—For local assistance, Department of Toxic Substances Control

Schedule:

(1) 3620011-Other Site Mitigation Activities............................... 2,000,000

Provisions:

1. These funds shall be available for the Department of Toxic Substances Control to provide a grant to the City of Commerce for purchase of land owned by Montebello Unified School District in the City of Commerce for the purposes of creating a new park. The Department of Toxic Substances Control shall provide technical assistance to the City of Commerce for the purposes of converting part or all of the Laguna Nueva School and surrounding property into a park including the review of park design plans and providing the city comments on the park design plans. Notwithstanding Section 16304.1 of the Government
Code, funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019.

SEC. 24. Item 3970-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

3970-101-3228—For local assistance, Department of Resources Recycling and Recovery, payable from the Greenhouse Gas Reduction Fund .................................................. 40,000,000

Schedule:
(1) 3700-Waste Reduction and Management........................................ 40,000,000

Provisions:
1. The funds appropriated in this item shall be used for Waste Diversion and Greenhouse Gas Reduction Financial Assistance programs specified in Section 42999 of the Public Resources Code.
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support and local assistance, and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 25. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

4260-111-0001—For local assistance, State Department of Health Care Services.................................................. 214,918,000

Schedule:
(1) 3960023-Children’s Medical Services........................................ 268,584,000
(2) 3960032-Primary, Rural and Indian Health................................. 1,033,000
(3) Reimbursements to 3960023-Children’s Medical Services............. −54,071,000
(4) Reimbursements to 3960032-Primary, Rural and Indian Health........ −628,000

Provisions:
1. Program 3960023-Children’s Medical Services: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the California Children’s Services Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.
2. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, 4260-113-0001, 4260-114-0001, and 4260-117-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code. The 10-day notification to the Legislature shall include the reasons for the transfer, the fiscal assumptions used in calculating the transfer amount, and any potential fiscal effects on the program from which funds are being transferred or reduced.

SEC. 26. Item 4700-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

4700-101-3228—For local assistance Department of Community Services and Development, payable from the Greenhouse Gas Reduction Fund .......................................................... 18,000,000

Schedule:

(1) 4180-Energy Programs......................... 18,000,000

Provisions:

1. The funds appropriated in this item shall be used for low-income multifamily, solar, and farmworker weatherization programs.

2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support or local assistance, and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 27. Item 6100-101-3309 of Section 2.00 of the Budget Act of 2017 is amended to read:

6100-101-3309—For local assistance, State Department of Education, payable from the Tobacco Prevention and Control Programs Account, California Healthcare, Research and Tobacco Tax Act of 2016 Fund, pursuant to Article 2.5 (commencing with Section 30130.55) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code........ 30,389,000
Schedule:
(1) 5205026-Tobacco Use Prevention and Reduction Program.......................... 30,389,000

Provisions:
1. The funds appropriated in this item are available for expenditure pursuant to Proposition 56 per paragraph (2) of subdivision (b) of Section 30130.55 of the Revenue and Taxation Code.

SEC. 28. 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................................................................. 1,016,706,000

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............... 105,607,000
(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 Devel-
opment 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.
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.

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.

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.

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.

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 neces-
sity 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 85 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. 29. Item 6100-196-0001 of Section 2.00 of the Budget Act of 2017 is amended to read:

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

Schedule:
(1) 5210020-Preschool Education....... 1,072,428,000
(2) 5210010-Child Development, Quality Rating Improvement System Grants..... 50,000,000

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

4. Of the amount appropriated in Schedule (1), up to $5,000,000 is available for the family literacy supplemental grant provided to California state preschool programs pursuant to Section 8238.4 of the Education Code.

5. The amount appropriated in Schedule (2) is available for Quality Rating and Improvement System grants provided to California state preschool programs pursuant to Section 8203.1 of the Education Code.

6. Of the amount appropriated in Schedule (1), $7,944,000 is available to provide 2,959 slots for full-day state preschool to local educational agencies beginning April 1, 2018. Funding will be distributed to successful applicants in the following order until funds are exhausted:
   (a) Local educational agencies (LEAs) providing full-day and full-year services.
   (b) LEAs and nonlocal educational agencies providing part-day and part-year services.

SEC. 30. Item 6100-301-0660 is added to Section 2.00 of the Budget Act of 2017, to read:

6100-301-0660—For capital outlay, State Department of Education, payable from the Public Buildings Construction Fund ................................................................. 2,156,000

Schedule:
(1) 0000409-New Gymnasium and Pool Center—Construction............... 2,156,000

Provisions:
1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design and construction of the project authorized by this item.

2. The State Department of Education and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled project.

3. The funds appropriated in this item are available for expenditure or encumbrance until June 30, 2020.
SEC. 31. Item 8570-101-3228 is added to Section 2.00 of the Budget Act of 2017, to read:

8570-101-3228—For local assistance, Department of Food and Agriculture, payable from the Greenhouse Gas Reduction Fund .................................................................................................................. 99,000,000

Schedule:
(1) 6590-General Agricultural Activities..... 99,000,000

Provisions:
1. The funds appropriated in this item shall be used for dairy digester research and development, and alternative manure management. Notwithstanding subdivision (e) of Section 16428.86 of Government Code, the expenditures of these funds for dairy digester research and development shall comply with the requirements of Section 16428.86 of the Government Code.

2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2019, for support or local assistance, and shall be available for liquidation until June 30, 2021. Not more than five percent of the amount appropriated in this item may be used for administrative costs.

SEC. 32. Section 15.14 is added to the Budget Act of 2017, to read:

15.14. (a) Notwithstanding any other law, the Director of Finance may proportionally reduce appropriations from the Greenhouse Gas Reduction Fund in the Budget Act of 2017, upon a determination that available proceeds from the cap-and-trade auctions are not sufficient to fully support the appropriations from the Greenhouse Gas Reduction Fund.

(b) The funds appropriated in Items 3340-001-3228, 3540-002-3228, and 3900-001-3228 are not subject to the restriction specified in subdivision (a).

(c) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the Greenhouse Gas Reduction Fund.

(d) For grant projects funded by the Greenhouse Gas Reduction Fund, Enhanced Fleet Modernization Subaccount of the High Polluter Repair or Removal Account, Air Quality Improvement Fund, and Air Pollution Control Fund, the State Air Resources Board shall provide advance payments of the grant award to the recipient to initiate and implement the project in a timely manner. In consultation with the Department of Finance, the State Air Resources Board shall adopt additional requirements in regulations regarding the provision of advance payments and the use of the advance payments by the recipient of the grant to ensure that the moneys are used properly.

SEC. 33. 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 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 133, 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 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 120, SB 121, and SB 122.

SEC. 34. This act is a Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution and shall take effect immediately.