

EDMUND G. BROWN JR.  
Governor

June 27, 2012

**State of California**  
Governor's Office

I object to the following appropriations contained in Assembly Bill 1464.

Item 0510-001-0001—For support of Secretary of State and Consumer Services. I reduce this item from \$246,000 to \$0 by reducing:

(1) Support from \$1,530,000 to \$1,094,000,

and by deleting:

(3) Amount payable from the Central Service Cost Recovery Fund (Item 0510-001-9740) of (-\$190,000).

I am reducing this item by \$246,000 and 3.5 positions for the Office of Privacy Protection. While I am supportive of efforts in this area, I do not believe this program is of sufficient priority to justify the use of limited state 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 delete this item.

I am deleting this item to conform to the action taken in Item 0510-001-0001.

Item 2660-001-0042—For support of Department of Transportation. I reduce this item from \$2,387,730,000 to \$2,383,185,000 by reducing:

(9) 40-Transportation Planning from \$118,242,000 to \$113,697,000,

and delete Provision 3.

I am reducing this item by \$4,545,000 and 23.0 positions to reserve state funds to fund state projects and not to subsidize the development and review of project initiation documents for locally funded projects on the state highway system. I am sustaining \$3,890,000 and 28.0 positions to complete work on projects where local agencies executed cooperative agreements with Caltrans to provide reimbursements.

I am also vetoing Provision 3 because the requirements contained in this provision to expend Capital Outlay Support funds on state staff, external contracts, and operating expenses and equipment create unnecessary cost pressures and limit Caltrans' flexibility to utilize the most cost-effective portfolio of resources to meet its workload needs. Caltrans needs the flexibility to choose a staffing mix that allows it to complete the workload without resulting in unnecessary costs associated with hiring additional state staff and incur training expenses for short-term workload.

Item 3360-011-3117—For transfer by the Controller, upon order of the Director of Finance, from the Alternative and Renewable Fuel and Vehicle Technology Fund to the State Parks and Recreation Fund. I reduce this item from (\$10,000,000) to (\$3,000,000).

I am reducing this item by \$7,000,000 to conform to the action I have taken in Item 3790-001-0392.

Item 3600-001-0200—For Support, the Department of Fish and Game. I revise this item by deleting Provisions 3 and 4.

I am deleting Provision 3 because the requirement contained in this provision to expend funds on a plan to redirect Fish and Game Preservation Fund to other priorities increases overall cost pressures within this item. The Fish and Game Preservation Fund is structurally imbalanced with expenditures exceeding revenues by approximately \$17 million. While the intent of this provision is to identify a plan that could reduce the imbalance, any activities that would be redirected to the Greenhouse Gas Reduction Fund would not result in Fish and Game Preservation Fund savings as permit fees currently cover the Department's renewable energy activities.

I am also deleting Provision 4 because it would require up to \$2 million to be appropriated from the Salton Sea Restoration Fund to the Salton Sea Authority to update previous analyses of restoration planning efforts for the Salton Sea. I am vetoing the provision because the Salton Sea Restoration Fund has a reserve of \$675,000 for the 2012-13 fiscal year, and using other departmental funds would result in an unallocated reduction to other Fish and Game programs. I will be directing the Department of Fish and Game to continue conversations with the Salton Sea Authority and environmental stakeholders in an effort to identify other options for conducting the proposed feasibility study and enhancing restoration efforts.

Item 3790-001-0392—For support of Department of Parks and Recreation. I reduce this item from \$147,946,000 to \$126,946,000 by reducing:

(1) Support of Department of Parks and Recreation from \$430,099,000 to \$399,099,000,

and by deleting:

(9.5) Amount payable from State Water Pollution Control Revolving Fund (Item 3790-001-0617) (-\$10,000,000).

The Department has readied the closure of 70 state parks based on criteria included in the 2011 Budget Act. As of today, the state has signed its 32nd agreement with a local partner to continue to operate a park slated for closure. This achievement is a testament to the work and dedication of the Department, nonprofit organizations, local governments, and others—along with the state Legislature—to keep state parks available to the public.

The Budget includes one-time funding to attempt to resolve an ongoing structural imbalance by using funds that were intended for other important uses to support state parks. While a portion of these funds will help ensure a successful transition as the state develops a long-range vision for state parks, I cannot fully support this action because proposed funding either takes from other important purposes or may violate the state's agreement with the federal government regarding the State Water Pollution Control Revolving Fund.

Therefore, I am reducing this item by \$31 million and sustaining \$10 million in new funding to support the needs of the state's parks system. These funds will allow, among other purposes a transition window for park operating agreements that are currently being negotiated, but are not yet final. I am also sustaining \$13 million in redirected bond expenditures, which will now be used for projects that can aid the Department to increase park revenues.

Item 3790-001-0617—For support of Department of Parks and Recreation. I delete this item and Provision 1.

I am deleting this item to conform to the action I have taken in Item 3790-001-0392.

Item 3940-001-0439—For support of State Water Resources Control Board. I revise this item by deleting Provision 3.

I am deleting Provision 3 because the requirement contained in this provision to expend funds on a proposal increases overall cost pressure with this item. This provision requires the State Water Resources Control Board to submit a proposal to increase program efficiencies through reduction of the number of regional water quality control boards by January of 2013. This provision is unnecessary.

Item 4265-001-0001—For support of Department of Public Health. I revise this item by deleting Provision 4.

I am deleting Provision 4 because the requirement contained in this provision to expend funds on an annual work plan for the Nursing Home Administrator's Program creates unnecessary cost pressures. Elimination of this report is consistent with my plan to eliminate unnecessary reports and reporting requirements.

Item 4265-111-0001—For local assistance, Department of Public Health. I reduce this item from \$49,332,000 to \$48,832,000 by reducing:

(3) 20.20—Infectious Diseases from \$258,897,000 to \$258,397,000.

I am reducing this item by \$500,000, which eliminates funding for the Public Health Laboratory Director Training Program. This reduction is necessary to help bring ongoing expenditures in line with existing resources and to build a prudent reserve.

Item 4440-011-0001—For support of Department of State Hospitals. I revise this item by deleting Provisions 5 and 13.

I am deleting Provision 5 because the requirement contained in this provision to expend funds by providing quarterly progress reports on the hiring plan related to federal court monitoring of compliance with the Civil Rights of Institutionalized Persons Act (CRIPA) creates unnecessary cost pressures. This provision would require the Department to continue reporting on a hiring plan when facilities have achieved substantial compliance with CRIPA and are in the process of being released from further court monitoring. Elimination of these reports is consistent with my plan to eliminate unnecessary reports and reporting requirements.

I am also deleting Provision 13, which permits up to \$3,600,000 to be used for the Adult Education program, and eliminating 37.6 unfunded positions added separately by the Legislature for this program, because the requirement creates unnecessary cost pressures and

restricts the Department's efforts to achieve planned General Fund cost savings. The Budget reflects my Administration's efforts to close a structural gap in the Department's budget. Authorizing this program without providing the necessary resources would undermine these efforts.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$34,505,000 to \$34,420,000 by reducing:

- (2) 20-Instructional Support from \$140,134,000 to \$139,944,000,
- (9) Amount payable from the Federal Trust Fund (Item 6110-001-0890) from -\$162,299,000 to -\$162,194,000,

and by deleting Provision 19.

I am reducing this item by \$85,000 and 1.0 position at the State Department of Education to conform to my veto of local assistance funding for the Early Mental Health Initiative in Item 6110-162-0001.

I am deleting Provision 19 to conform to this action.

I am also revising these schedules to conform to the actions I have taken in Item 6110-001-0890.

Item 6110-162-0001—For support of Department of Education (Proposition 98), Early Mental Health Services. I delete this item.

I am eliminating the \$15,000,000 appropriation for the Early Mental Health Initiative. While I appreciate the importance of prevention and early intervention services, I believe that school districts are in the best position to determine whether these services should be funded at the local level.

Item 6110-196-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from \$510,975,000 to \$481,003,000 by reducing:

- (1) 30.10.010-Special Program, Child Development, Preschool Education from \$510,975,000 to \$481,003,000.

I am reducing \$29,972,000 from preschool programs, which are administered by Title 5 centers that contract directly with the Department of Education. While I would have preferred to restructure rates and reform the program to achieve savings, this across the board reduction in slots is necessary to help bring ongoing expenditures in line with existing resources.

Item 6110-202-0001—For local assistance, Department of Education. I delete this item and Provisions 1, 2, and 3.

I am eliminating the \$10,100,000 legislative augmentation which would provide a supplemental child nutrition reimbursement to private schools, private child care centers, and other meal sponsors that are not eligible for Proposition 98 funding. This reduction is necessary to bring ongoing expenditures in line with available General Fund resources.

I am also deleting Provisions 1, 2, and 3 to conform to this action.

Item 6440-004-0001—For support of University of California. I delete Provisions 1, 2, and 3.

I am deleting Provisions 1, 2, and 3 because the requirements contained in these provisions to expend funds on the University of California, Merced campus create unnecessary cost pressures and are unnecessarily restrictive. Eliminating these provisions will give the University greater flexibility to manage the \$750 million permanent reduction in state funding enacted in 2011-12.

Item 6440-005-0001—For support of University of California. I delete Provision 1.

I am deleting Provision 1 because the requirement contained in this provision to expend funds on the California Institutes for Science and Innovation creates unnecessary cost pressures and is unnecessarily restrictive. Eliminating this provision will give the University greater flexibility to manage the \$750 million permanent reduction in state funding enacted in fiscal year 2011-12.

Item 6600-001-0001—For support of Hastings College of the Law. I delete Provision 3.

I am deleting Provision 3 because the requirement contained in this provision to expend funds on retired annuitant health and dental benefits creates unnecessary cost pressures and is unnecessarily restrictive.

Item 8885-295-0001—For local assistance, Commission on State Mandates. I reduce this item from \$50,586,000 to \$48,786,000 by reducing:

- (1) For payment of the following mandate claims for costs incurred in the 2004–05 through 2010–11 fiscal years from \$50,586,000 to \$48,786,000,


and by deleting:

(1)(n) Crime Statistics Reports for the Department of Justice, Homicide Reports: Ch. 1338, Stats. 1992 Hate Crime Reports: Ch. 1172, Stats. 1989; Ch. 933, Stats. 1998; Ch. 626, Stats. 2000; Ch. 700, Stats. 2004) (02- TC-04, 02-TC-11, and 07-TC-10). (1,800,000)

and by deleting Provision 4.

The activities related to this mandate should already be standard procedure as they provide information to the federal government that ultimately enables local agency receipt of federal grant funds. Therefore, the existence of the mandate is unnecessary as an incentive to collect and report this information.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 1464.

  
EDMUND G. BROWN JR.