

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 4 STATE ADMINISTRATION****ASSEMBLYMEMBER ADRIN NAZARIAN, CHAIR****TUESDAY, APRIL 7, 2015
1:30 P.M. - STATE CAPITOL ROOM 447**

VOTE-ONLY CALENDAR		
ITEM	DESCRIPTION	
2240	DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT	
VOTE-ONLY ISSUE 1	ENTERPRISE ZONE ELIMINATION	1
VOTE-ONLY ISSUE 2	PROPOSITION 1C COMPLETION	2
3100	CALIFORNIA SCIENCE CENTER	
VOTE-ONLY ISSUE 3	CALIFORNIA AFRICAN AMERICAN MUSEUM	3

ITEMS TO BE HEARD		
ITEM	DESCRIPTION	
2240	DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT	
INFORMATION ITEM 1	WHAT IS THE STATE'S ROLE IN HOUSING FUNDING AND WHAT IS THE STATUS OF THE CALIFORNIA HOUSING MARKET?	4
ISSUE 1	FUNDING FOR HOUSING ELEMENT REVIEWS	5
ISSUE 2	RECYCLED WATER SYSTEMS FOR RESIDENTIAL STRUCTURES	7
3100	CALIFORNIA SCIENCE CENTER	
INFORMATION ITEM 2	OVERVIEW OF CALIFORNIA SCIENCE CENTER	9
ISSUE 3	EXPOSITION PARK PUBLIC SAFETY STAFFING AUGMENTATION	10
ISSUE 4	PHASE III AIR AND SPACE CENTER TRAILER BILL LANGUAGE	12
8885	STATE MANDATES	
ISSUE 5	GOVERNOR'S PROPOSAL TO FUND MANDATES	14
ISSUE 6	GOVERNOR'S PROPOSAL TO SUSPEND MANDATES	16
ISSUE 7	NEW MANDATE PROPOSED TO BE SUSPENDED	18
8260	CALIFORNIA ARTS COUNCIL	
ISSUE 8	BUDGET OVERVIEW	19

VOTE-ONLY CALENDAR

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**VOTE-ONLY ISSUE 1: ENTERPRISE ZONE ELIMINATION**

The Governor's budget requests the reduction of six positions and \$987,000 from the Enterprise Zone (EZ) Fund for 2015-16, and a reduction of seven positions and \$1.2 million for 2016-17 through 2019-20, to phase out the EZ Program eliminated by AB 93 (Committee on Budget), Chapter 69, Statutes of 2013 . As a result, two positions would remain at HCD in the budget year (\$387,000) and one position (\$193,000) through 2019-20.

BACKGROUND

AB 93 eliminated the EZ Program. A new economic development program, the New Employment Credit (NEC), has been initiated which depends directly on the geographic location of applicants in order to qualify for the credit. These areas are known as designated geographic boundaries (DGAs). The Franchise Tax Board (FTB) is the administrator of the program and lacks the expertise to determine the geographic boundaries. The DGAs are comprised of:

- Designated census tracts that have the highest unemployment and highest poverty in the State.
- Former Enterprise Zones (in existence on December 31, 2011, designated in 2012) and any revision to an EZ prior to June 30, 2013, except census tracts within those EZs with lowest unemployment and lowest poverty levels.
- Former Local Agency Military Base Recovery Areas (in existence on July 11, 2013.)

STAFF COMMENTS

The budget reduction of positions is consistent with the Legislature's action to eliminate the enterprise zone program. Additionally, moving the positions to FTB to support the audits of the final EX credits and administration of NEC will ensure FTB has the expert resources it needs.

Staff Recommendation: Approve as budgeted.

VOTE-ONLY ISSUE 2: PROPOSITION 1C COMPLETION

The Governor's budget requests an extension of the liquidation period for new Infill Infrastructure Grant (IIG) awards until June 30, 2020, and new Transit Oriented Development (TOD) Program awards until June 30, 2019, to provide sufficient time for completion of projects. Budget bill language is proposed to allow for these extensions.

BACKGROUND

In 2006, California voters approved Proposition 1C. In addition to providing continuously budgeted and appropriated funds for various programs, the bond provided funds for the following two competitive programs:

- **IIG program** uses competitive grants to fund infrastructure improvements to facilitate new housing development in residential or mixed-use infill projects and infill areas. Proposition 1C authorized \$850 million for the IIG program.
- **TOD program** uses competitive loans for development and construction of housing development projects or competitive grants for infrastructure necessary for the development of higher density housing in close proximity to transit stations. Proposition 1C authorized \$300 million for the TOD program.

These two programs fund projects such as the creation, development, or rehabilitation of parks or open space, facilities that support pedestrian or bicycle transit, and the development of owned and rental housing near rail stations. For both of these programs, in 2012, unused funds were re-appropriated along with any disencumbrances, with June 30, 2018 as the liquidation date.

STAFF COMMENTS

The extension of the liquidation period for TOD round 3 and IIG rounds 3 and 4 is consistent with action taken by the committee in 2013.

Staff Recommendation: Approve provisional budget bill language to extend the liquidation period for IIG and TOD programs.

3100 CALIFORNIA SCIENCE CENTER**VOTE-ONLY ISSUE 3: CALIFORNIA AFRICAN AMERICAN MUSEUM: DEFERRED BUILDING MAINTENANCE**

The California African American Museum (CAAM) is requesting \$176,000 (\$115,000 one-time) from the Exposition Park Improvement Fund to do three things:

- Provide funding for a competitive recruitment of a new Executive Director
- Improve energy and water use efficiency
- Increase museum safety and security

BACKGROUND

The CAAM was chartered by the State of California in September of 1977. The Museum began formal operations in 1981 housed in temporary quarters at the California Museum of Science and Industry (currently the California Science Center). The current facility in Exposition Park opened its doors to the public during the Olympic Games of July 1984. CAAM researches, collects, preserves and interprets the history, art, and culture of African Americans for public enrichment. In addition to its permanent collection of more than 4,500 objects of art, artifacts and historical documents, CAAM also houses a research library containing more than 20,000 volumes.

In April 2012, Governor Brown issued Executive Order B-18-12 which required energy and water efficiency improvements in State buildings and operation to save the State money and boost California's economy by investing in green technology companies and green jobs. In addition, the safety and security of state property including both building and museum artifacts are critical to the state's future.

This budget request would address the following expenditures:

- The Executive Director salary and benefits increase - \$61,000
- Upgrade HVAC Thermostat Control System – \$35,000
- Replace old inefficient bathroom fixtures \$8,500
- Install Wrought Iron fencing \$35,000
- Retrofit existing perimeter lighting to LED and install new lighting on the Figueroa lawn - \$21,500
- Caulking of glass ceiling – \$10,000
- Additional Storage - \$5,000

STAFF COMMENTS

Staff has no concerns with this proposal.

Staff Recommendation: Approve as budgeted.

ITEMS TO BE HEARD

2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The mission of the Department of Housing and Community Development (HCD) is to preserve and expand safe and affordable housing opportunities and promote strong communities. The Department (1) administers housing finance, economic development, and community development programs; (2) develops housing policy and advocates for an adequate housing supply; and (3) develops building codes and regulates manufactured homes and mobile parks. Additionally, HCD provides technical and financial assistance to local agencies to support housing development.

The mission of the California Housing Finance Agency (CalHFA), which was statutorily chartered in 1975 to be the State's affordable, housing bank, is to create and finance progressive housing solutions so that more Californians have a place to call home. The agency is financially self-supporting, setting loan interest rates slightly above its costs and charging fees to cover investments related to bond proceeds.

Fund Source (thousands)	2013-14 Actual	2014-15 Projected	2015-16 Proposed	BY to CY Change	% Change
General Fund - HCD	\$7,097	108,728	\$9,591	\$(99,137)	(91%)
All Other HCD Funds	502,737	511,033	341,327	(169,706)	(33%)
Total Expenditure	509,834	619,761	350,918	268,843	(43%)
HCD Positions	508.9	538.1	529.1	(9)	(1.6%)
CalHFA Positions	274.5	296.9	296.9	0	0
Total Positions	783.4	835.0	826.0	9	(1%)

INFORMATION ITEM 1: WHAT IS THE STATE'S ROLE IN HOUSING FUNDING AND WHAT IS THE STATUS OF THE CALIFORNIA HOUSING MARKET?

Panel 1: What is State's Role in Housing Funding?

- Claudia Cappio, Director, Department of Housing and Community Development

Panel 2: What is the Status of California's Housing Market?

- Chas Alamo, Legislative Analyst's Office
- Brian Uhler, Legislative Analyst's Office

ISSUE 1: FUNDING FOR HOUSING ELEMENT REVIEWS

The Governor's budget includes a request for \$871,000 General Fund for seven existing positions at HCD currently through various fund sources that were established as temporary funding solutions given the challenges with the General Fund over the last several years.

The seven positions will have a workload dedicated to housing element review and enforcement activities, as well as AB 32 (Nunez/Pavley), Chapter 488, Statutes of 2006 and SB 375 (Steinberg), Chapter 728, Statutes of 2008, implementation, and the development of Sustainable Housing Outcomes.

BACKGROUND

AB 32 (Nunez, Chapter 488, Statutes of 2006), the Global Warming Act of 2006 requires the Air Resources Board (ARB) to establish a statewide greenhouse gas (GHG) emissions targets to 1990 levels by 2020. Additionally, SB 375 (Steinberg, Chapter 728, Statutes of 2008), required cities and counties to revise their housing elements every eight years in conjunction with the region's RTP. The housing element is the local government's plan for implementing housing development patterns included in a sustainable communities strategy (SCS) and RTP. The goal of the SCS/RTP is to lower vehicle miles traveled and reduce GHG emissions in order to achieve the goals outlined in AB 32.

The department currently has 12 positions (of 21 total positions in the Housing Planning Division) that review local governments housing elements. At the end of the fiscal-year when five limited-term positions expire, seven positions that conduct housing element reviews will remain. These seven positions are currently funded from Proposition 1C bond funds (five positions from the Regional Planning, Housing, and Infill Incentive Account and two positions from the Housing Urban-Suburban-and-Rural Parks Account).

The Governor's proposal would fund these seven positions with General Funds in 2015-16. The five positions that will expire currently receive funding from the Air Pollution Control Fund. According to HCD, housing element workload has a statewide application and benefits, and as a result, has historically been funded by the General Fund. In 2011-12, all General Fund for housing element review workload was cut and the Legislature approved the use of Proposition 1C bond funds to temporarily fund this workload. The nexus for the use of bond funds to pay for these positions goes away when there are no more (or minimal) elements to review that would be tied to funding rounds of these programs.

STAFF COMMENTS

Although the nexus between the use bond funding is eliminated when the bonds go away, the nexus for the use of funds from AB 32 and SB 375 remains. The Subcommittee may wish to ask if other sources were considered including the Air Pollution Control Fund before going to the General Fund?

Staff Recommendation: Hold Open.

ISSUE 2: RECYCLED WATER SYSTEMS FOR RESIDENTIAL STRUCTURES

The Governor's budget requests funding from the Building Standards Administration Special Revolving Fund for one two-year limited term district representative II (\$95,000) and \$275,000 for a contract for a California Environmental Quality Act (CEQA) study to implement AB 2282 (Gatto), Chapter 606, Statutes of 2014.

BACKGROUND

The state is committed to a 20 percent reduction in per capita water use by 2020 as required by SB X7-7 (Steinberg), Chapter 4, Statutes of 2009. AB 2282 provides for the development and adoption of mandatory building standards during the 2016 code adoption cycle for the installation of recycled water systems for newly constructed residential, commercial, and public buildings. As part of this law, HCD is required to conduct research, in consultation with the State Water Resource Control Board, the Department of Public Health, and other parties to develop and propose building standards for recycled water systems for adoption by the California Building Standards Commission (CBSC) in 2016. The State Housing Law Program prepares the adoption of National Model Codes with California-specific amendments on a triennial basis, as well as mid-cycle, and emergency code packages.

This proposal requests one staff person and funding for HCD to contract for a CEQA study. The development and installation of infrastructure for use of recycled water may include the use of new materials and water transportation methods that may pose environmental concerns and need to be evaluated through the CEQA process. Through the Department of General Services (DGS) the CBSC is also requesting funds for a CEQA study.

STAFF COMMENTS

The request for one position at HCD (and another at CBSC) to implement AB 2282 is consistent with what was anticipated in the legislation. In addition, there are adequate funds in the Building Standards Administration Special Revolving Fund to support this request. The combined cost of the CEA study between the funds requested at DGS and HCD is \$580,000 which is over twice what was anticipated in the fiscal analysis of AB 2282. It is likely that the CEQA study can be combined or coordinated with the CEQA study for which DGS is requesting funding, to ensure that efforts are not duplicated and costs are kept to a minimum. According to the request, HCD and CBSC/DGS anticipate reaching a decision on how to coordinate CEQA efforts by mid-October 2015, which may require an adjustment to one or both proposals.

The committee may wish to ask the Department the following:

- Why is the Administration requesting funding for both HCD (\$275,000) and the California Building Standards Commission (\$305,000) to conduct a CEQA study? Wouldn't one study make the most sense? Which entity is likely to be designated the lead CEQA agency?
- What is HCD doing to coordinate the CEQA process with DGS and CBSC?

Staff Recommendation: Hold Open until CBSC, HCD and DGS can coordinate on their proposals.

3100 CALIFORNIA SCIENCE CENTER

INFORMATIONAL ITEM 2: OVERVIEW OF THE CALIFORNIA SCIENCE CENTER

The Office of Exposition Park Management will provide an overview of the three departments contained under the budget item of California Science Center.

BACKGROUND

The Science Center, the Office of Exposition Park Management and the California African American Management Museum (CAAM), are located in Exposition Park, a 160-acre tract in south Los Angeles, which is owned by the state.

The mission of the Science Center is to stimulate curiosity and inspire science related learning. The Office of Exposition Park Management provides long-term leadership in the development and implementation of the park usage policy and day-to-day management, operation and promotion of the park for its tenants and the public. The mission of CAAM is to research, collect, preserve, and interpret for the public enrichment, the history, art and culture of African Americans with a focus that is global, national, and local.

The California Science Center's budget for 2015-16 is \$32.4 million, which is a 5 percent increase over the current year. The department receives General Fund, Exposition Park Improvement Fund, and Reimbursements.

This item is for information only.

ISSUE 3: EXPOSITION PARK PUBLIC SAFETY STAFFING AUGMENTATION

The Office of Exposition Park Management (OPEM) requests \$1.4 million to provide funding to continue management of the Department of Public Safety by the California Highway Patrol. The resources are needed by Exposition Park to provide the professional safety and security for both the millions of visitors to the park and employees.

BACKGROUND

The OPEM currently employs 27 employees who belong to OPEM's Department of Public Safety (DPS). DPS is responsible for security services at Exposition Park. Research indicates DPS began as the Natural Science Policy Department, under the author of California Agricultural Code Section 4108 and DPS employees were created in 1967. These classifications include Museum Security Officer (MSO) and Supervising Museum Security Officer (SMSO). The Natural Sciences Police Department was renamed Department of Public Safety in 1987, and all positions maintained their title classifications.

The last full law enforcement agency at Exposition Park was the California State Police in 1993. Since that time, DPS, SMSO, and MSO assumed the responsibility for law enforcement response within the park. Currently, DPS maintains 24-hour patrol coverage, which includes a dispatch center. The dispatch center handles all emergency landline calls within the park, along with call from 62 callboxes. DPS also monitors 128 fixed and rotating cameras throughout the park.

Budget Request. The OPEM requests \$1.4 million to fund a contract with the California Highway Patrol for the following positions:

- One – California Highway Patrol Captain to serve as Commander of Exposition Park Department of Public Safety (DPS)
- One – California Highway Patrol Lieutenant to serve as Assistant Commander of DPS
- Three – California Highway Patrol Sergeants to serve as supervisors of DPS employees.
- One – Office Services Supervisor I
- One – Office Technician
- One – Office Assistant

The current and anticipated growth of Exposition Park has placed responsibilities on DPS, which impact it daily to varying degrees. There are two State Museums, two elected officials, a charter school affiliated with Los Angeles Unified School District, and many other buildings and structures on state property which require DPS attention. The assistance provided by the addition of a California Highway Patrol Command Staff will ensure the safety and security of visitors, employees, and park needs.

STAFF COMMENTS

The additional resources will help the Office of Exposition Park meet the existing and new demands of the growing park including housing a school, the Space Shuttle, and offices of elected officials. The additional level of public safety coordination will ensure the safety of visitors to the park.

Staff Recommendation: Approve as budgeted.

ISSUE 4: PHASE III AIR AND SPACE CENTER TRAILER BILL LANGUAGE

The California Science Center Phase III Air and Space Center will be home of the Space Shuttle Endeavour. This BCP contains two components:

- Trailer bill language to authorize the Phase III Project for the purpose of the Foundation developing, constructing, equipping and furnishing the project known as the Phase III Air and Space Center
- Acknowledgement of future state operating support costs upon completion of the Phase III Project. State operating costs will be requested via a future budget change proposal as part of the regular state budget process. Future operating support costs for staffing, facility support, and exhibit maintenance, are estimated to be \$2 million and 10.5 positions in 2017-18, and \$4 million and 24 positions in 2018-19, and ongoing.

BACKGROUND

The California Science Center Phase III Air and Space Center will be the home of the Space Shuttle Endeavor. The Air and Space Center will consist of 188,000 sq. ft., four-floors and three primary galleries: Air Gallery, Space Gallery, and Space Shuttle Gallery. About 157 exhibits will be displayed and include multimedia and hands-on educational exhibits featuring aeronautics and space exploration.

Phase III has been part of the Master Plan since the inception of the Master Plan and the 1993 adoption of the Environmental Impact Report (EIR). The planning for Phase III was significantly accelerated due to the award of the Space Shuttle Endeavour in Spring 2011. An addendum to the 1993 EIR was completed in July 2014. Phase III has been reflected in the California Science Center's annual Five Year Capital Outlay Plan.

Role of Foundation. The State of California is responsible for the maintenance and operation of the Science Center's physical facilities. However, the Science Center's capital improvements for the two previous museum expansion phases of the Master Plan have been made possible through a model public/private effort between the Science Center and the Foundation.

While the original charge of the Foundation was to raise funds to support exhibits and education programs featured at the Science Center, the Foundation today raises significant funds for state capital outlay projects.

The costs for the design and construction of Phase III have been, and will continue to be, borne by the Foundation. The construction of Phase III is targeted to begin in the middle of 2015 and the estimated cost of construction is \$120 million. Construction and exhibit installation will take 2.5 to 3 years following the completion of architectural design.

Representatives from the Science Center's Staff, Board of Directors, and the Foundation's Board of Trustees, along with the Phase III architects have invested significant time and resources to ensure that Phase III will have a positive impact on all of the facilities within Exposition Park, including the CAAM. The Phase III building has been designed to avoid casting shadows on CAAM and will enhance existing pedestrian views of CAAM.

Future Operational Costs. In 2017-18, as part of Phase III, there will be additional estimated operating costs incurred to hire staff and provide for start-up operational systems for Phase III. In 2018-19, the full operational costs would be incurred as Phase III would be fully operational and open to the public. Those budget change requests will move through the budget process to be approved at that time.

Proposed Trailer Bill Language. The trailer bill language requests approval for the Science Center to authorize the Foundation to construct the Air and Space Center and educational exhibits therein. The Department will submit future BCPs for state operations costs at a later date.

STAFF COMMENTS

There are ongoing discussions between the Administration and the Foundation, regarding the trailer bill language. Staff recommends holding this item open until trailer bill language can be resolved.

Staff recognizes that there will be future operational costs, but emphasizes that those proposals will have to be vetted through the normal budget process once they are proposed.

Staff Recommendation: Hold Open.

8885 COMMISSION ON STATE MANDATES

ISSUE 5: GOVERNOR'S PROPOSAL TO FUND MANDATES

The Governor's Budget includes a proposal to fund mandates consistent with those that were funded in the previous year. Additionally, the proposal includes funding for one-time payment of back costs for the Public Records Act and funding for the Accounting for Local Revenues Realignments mandate. Those proposed mandates are outlined below.

BACKGROUND

Mandates to be Funded. The budget makes a one-time payment of \$9.6 million to fund the back costs that local agencies accrued from 2001 to 2013 while performing activities under the Public Records Act (PRA) mandate. The voters approved Proposition 42, which placed the PRA in the Constitution and removed the state's ongoing responsibility to fund the mandate. Additionally, the budget provides \$218,000 to fund the Accounting for Local Revenue Realignments mandate, which involves county administration of funding changes in 2003 through 2004 that addressed budget shortfalls at the time. (Chart on the following page)

<u>Proposed to be Funded</u>	2015-16 Proposed Budget Bill (\$ in 000s)
Accounting for Local Revenue Realignments (new)	218
Allocation of Property Tax Revenues	530
California Public Records Act	9,674
Crime Victims' Domestic Violence Incident Reports	178
Custody of Minors - Child Abduction and Recovery	12,216
Domestic Violence Arrest Policies	7,481
Domestic Violence Arrests and Victims Assistance	1,467
Domestic Violence Treatment Services	2,082
Health Benefits for Survivors of Peace Officers and Firefighters	1,816
Local Agency Ethics	36
Medi-Cal Beneficiary Death Notices	10
Peace Officer Personnel Records: Unfounded Complaints & Discovery	704
Rape Victim Counseling	351
Sexually Violent Predators	7,140
Threats Against Peace Officers	3
Tuberculosis	8
Unitary Countywide Tax Rates	260
Total Funded Costs	44,174

STAFF COMMENTS

The list of mandates proposed to be funded is consistent with action taken last year.

Staff Recommendation: Approve as budgeted.

ISSUE 6: GOVERNOR'S PROPOSAL TO SUSPEND MANDATES

The Governor's Budget proposes the suspension of mandates that were included in current year budget along with one new mandate, the ICAN mandate. Mandates suspended in prior years are listed below for a total of \$620.3 million.

2015-16 Suspended Mandates (000s)	2015-16 Total Estimate
<i>Absentee Ballots</i>	49,589
<i>Absentee Ballots – Tabulation by Precinct</i>	68
<i>AIDS/Search Warrant</i>	1,582
<i>Airport Land Use Commission/Plans</i>	1,263
<i>Animal Adoption</i>	37,188
<i>Brendon Maguire Act</i>	0
<i>Conservatorship: Developmentally Disabled Adults</i>	349
<i>Coroners Costs</i>	222
<i>Crime Statistics Reports for the Department of Justice & CSRDOJ Amended</i>	154,937
<i>Crime Victims' Domestic Violence Incident Reports II</i>	2,010
<i>Developmentally Disabled Attorneys' Services</i>	1,201
<i>DNA Database & Amendments to Postmortem Examinations: Unidentified Bodies</i>	310
<i>Domestic Violence Background Checks</i>	20,627
<i>Domestic Violence Information</i>	0
<i>Elder Abuse, Law Enforcement Training</i>	0
<i>Extended Commitment, Youth Authority</i>	0
<i>False Reports of Police Misconduct</i>	10
<i>Firearm Hearings for Discharged Inpatients</i>	157
<i>Grand Jury Proceedings</i>	0
<i>ICAN Interagency Child Abuse and Neglect Investigation *</i>	90,342
<i>Identity Theft</i>	93,918
<i>In-Home Supportive Services II</i>	443
<i>Inmate AIDS Testing</i>	0
<i>Judiciary Proceedings (for Mentally Retarded Persons)</i>	274
<i>Law Enforcement Sexual Harassment Training</i>	0
<i>Local Coastal Plans</i>	0
<i>Mandate Reimbursement Process I</i>	6,910
<i>Mandate Reimbursement Process II (includes consolidation of MRPI and MRPII)</i>	0
<i>Mentally Disordered Offenders': Treatment as a Condition of Parole</i>	4,910
<i>Mentally Disordered Offenders' Extended Commitments Proceedings</i>	7,222
<i>Mentally Disordered Sex Offenders' Reccommitments - Verify Name</i>	340
<i>Mentally Retarded Defendants Representation</i>	36
<i>Missing Person Report III</i>	0
<i>Modified Primary Election</i>	1,817
<i>Not Guilty by Reason of Insanity</i>	5,214
<i>Open Meetings Act/Brown Act Reform</i>	110,593

<i>Pacific Beach Safety: Water Quality and Closures</i>	344
<i>Perinatal Services</i>	2,338
<i>Permanent Absent Voters II</i>	12,098
<i>Personal Safety Alarm Devices</i>	0
<i>Photographic Record of Evidence</i>	(62)
<i>Pocket Masks (CPR)</i>	0
<i>Post-Conviction: DNA Court Proceedings</i>	410
<i>Postmortem Examinations: Unidentified Bodies, Human Remains</i>	(466)
<i>Prisoner Parental Rights</i>	0
<i>Senior Citizens Property Tax Postponement</i>	481
<i>Sex Crime Confidentiality</i>	0
<i>Sex Offenders: Disclosure by Law Enforcement Officers</i>	0
<i>SIDS Autopsies</i>	0
<i>SIDS Contacts by Local Health Officers</i>	0
<i>SIDS Training for Firefighters</i>	0
<i>Stolen Vehicle Notification</i>	1,117
<i>Structural Wildland Firefighter Safety</i>	0
<i>Very High Fire Hazard Severity Zones</i>	0
<i>Voter Identification Procedures</i>	10,075
<i>Voter Registration Procedures</i>	2,481
	\$620,349

* Indicates new mandate proposed to be suspended in the Governor's 2015-16 budget.

STAFF COMMENTS

The list of mandates proposed to be suspended is similar to action taken by the legislature with the exception of the proposal of the suspension of one new mandate. The one newly proposed mandate to be suspended is discussed in the next issue.

Staff Recommendation: Suspend mandates consistent with the Governor's proposal with the exception of the ICAN mandate.

ISSUE 7: NEW MANDATE PROPOSED TO BE SUSPENDED

The Governor's Budget proposes to suspend one new mandate, the Interagency Child Abuse and Neglect Investigation (ICAN).

BACKGROUND

Interagency Child Abuse and Neglect Reporting (ICAN). Starting in 1980, there have been multiple changes to statutes under the Child Abuse and Neglect Reporting Act requiring child protection and law enforcement agencies to submit information on perpetrators of substantiated instances of child abuse or neglect to the Department of Justice, and to cross report to other agencies. The latest change required these agencies to fill out a new form. Federal funding (and GF for child protection agencies only) was provided to county child protection and probation agencies, with a county share, for these reporting activities. No funding was provided to law enforcement.

A test claim was filed in 1999 with the Commission on State Mandates (CSM) alleging the changes constituted an unfunded state mandate for local law enforcement, probation and county child protection agencies. The CSM found in favor of the claimant agencies. County child protection and probation departments have filed claims with the State Controller's Office (SCO) for reimbursement. The Governor's budget reflects the ongoing county share of cost, as federal funding (and GF for child protection agencies only) has been provided to the counties for these activities. The costs are based on statewide claims that have been filed to date by these agencies with the SCO. Eligible claimants were required to file initial reimbursement claims, for costs incurred between 1999-00 and 2012-13 with the SCO by July 15, 2014. Late initial claims are due by July 15, 2015. Annual reimbursement claims for 2013-14 are due by February 18, 2015, so the amount of this premise is subject to change. As discussed in the Department of Finance's Governor's Budget Summary, this mandate is proposed for suspension, but ongoing funding for this activity is proposed to be a \$4 million optional grant program administered by the DSS.

STAFF COMMENTS

Budget Subcommittee No. 1 heard the ICAN mandate on March 18, 2015, and held the item open. Budget Subcommittee No. 4, should hold this item open and wait for a recommendation from Subcommittee No. 1.

Staff Recommendation: Hold Open.

8260 CALIFORNIA ARTS COUNCIL**ISSUE 8: BUDGET OVERVIEW**

The California Arts Council consists of eleven members, nine appointed by the Governor and one each appointed by the Senate and Assembly. The Council establishes general policy and approves program allocations.

The Council recognizes that the Arts are essential for the cultural, educational, social and economic development of California. The Council seeks to further its mandates and services to the public through the development of partnerships with the public and private sectors and by providing support to the state's non-profit arts and cultural community.

Fund Source (thousands)	2013-14 Actual	2014-15 Projected	2015-16 Proposed	BY to CY Change
General Fund	\$1,082	\$6,137	\$1,138	(4,999)
Graphic Design License Plate Account	2,815	2,889	2,227	(662)
Federal Trust Fund	1,035	1,095	1,099	4
Reimbursements	3,026	1,697	197	(1,000)
Keep Arts in Schools Fund	-	250	250	0
Total Expenditure	\$7,958	\$12,068	\$4,911	\$(7,157)
Positions	15.4	17.5	17.5	0

BACKGROUND

In 1975, the California Arts Council was created and signed into law by Governor Jerry Brown. The largest General Fund allocation included in the California Arts Commission's budget occurred in 2000-01, at a level of \$32 million. During the fiscal crisis of 2003-04, the California Arts Council lost 94 percent of its funding, which resulted in cuts to arts council programs and staff. Over the past decade, the General Fund allocation to the Arts Council has hovered about \$1 million.

In 2003-04 the California Arts Council's core programs were eliminated and limited number of grants were targeted to select organizations serving K-12 school children, seniors, at-risk youth, multicultural communities and local arts agencies. Since then, the California Arts Council has re-established several of its core efforts including support for local art agencies (State-Local Partnership) and Artists in Schools, and has designed other programs to serve rural and inner city communities, and statewide service networks. These grant-making efforts are supported with revenues from the

Sale of the Arts License Plate and Federal funds received from the National Endowment for the Arts.

Historic General Fund Contributions to the California Arts Council Budget

2013-14: On July 15, 2013, the CAC received \$2 million in savings from the State Assembly operating budget. With the one-time support, the Council was able to fund 34 grant projects and two major arts education initiatives, reaching 43 counties across California.

New Programs and Initiatives

- **Arts Education Initiatives.** The Council invested \$300,000 in each of two high-impact initiatives, partially resulting from two years of work by a statewide arts coalition known as Core Reforms Engaging Arts to Educate (CREATE) CA.
 - **Turnaround Arts CA**, a program using arts education strategies to significantly improve ten of California's lowest performing elementary schools.
 - **Creativity at the Core**, an innovative program of the County Superintendents Educational Services Association, placing arts at the forefront of Common Core adoption in California.
- **Competitive Grant Programs.** The Council created three competitive grant programs that were administered through an open call for applications, advisory panel review, and Council review and approval. These programs resulted from identified state and Council priorities, a strategic plan listening tour conducted across California, and a survey to the field.
 - **Creative California Communities (CCC)** supports projects aimed at revitalizing neighborhoods through the arts and economic development. (\$1,042,477 total grant awards)
 - **JUMP StARTS** supports high-quality arts education and artists-in-residence programs for at-risk youth. (\$209,000 total grant awards)
 - **Arts in the Air** supports original public media content about the arts in California (\$200,000 total grant awards)

2014-15 Budget Act: On June 20, 2014, the Governor signed a state budget that includes a one-time \$5 million increase in General Fund support for the California Arts Council. This is the first time in over ten years the arts have seen an increase of General Fund monies, after the support for the Council was cut by 94 percent in 2003.

The \$5 million investment from last year's budget will build on programs from 2013-14 and add new ones. The following is a list of the programs that will be funded with the investment from last year.

- **Creative California Communities**, transforming communities through the arts and economic development (\$1,467,000)
- **Local Impact**, revitalizing California's underserved and rural communities through the arts (\$1,345,000)
- **State-Local Partnership**, fostering arts and cultural development through local leadership (\$400,000)
- **Statewide Networks**, supporting multicultural, and discipline-based arts networks (\$375,000)
- **Poetry Out Loud**, helping students master public speaking skills and build self-confidence (\$50,000)
- **JUMPstArts**, supporting arts education programs for youth in juvenile justice system (\$200,000)
- **Arts on the Air**, supporting original public media content about the arts in California (\$150,000)
- **Veterans Initiative**, opportunities to enrich the lives of veterans through arts programming that is sensitive and responsive to their unique experiences (\$150,000)
- **Professional Development and Consulting**, provides opportunities for arts organizations to grow and thrive through professional development and practical services (\$100,000)
- **Creativity at the Core**, placing arts at the forefront of Common Core State Standards implementation (\$150,000)
- **Turnaround Schools**, utilizing arts education strategies to significantly improve CA's lowest performing schools (\$300,000)
- **Student Voices**, digital media training and empowerment for students (\$48,000)
- **Statewide Creative Economy Report**, the Otis Report illustrates the impact and influence of the creative sector on the state's economy (\$60,000)
- **Statewide Creative Economy Convening**, engagement and action around creative economy issues (\$50,000)

- **China Cultural Exchange Convening**, a statewide conference devoted to state cultural exchange with China (\$50,000)
- **City of San Jose: Building Public Will Initiative**, pilot research project (\$5,000)
- **OE&E: Panel Costs**, personnel/consulting services, travel (\$100,000)

2015-16 Budget Proposal. This year the Governor's proposal funds the California Arts Council at \$4.911 million, which includes \$1.138 million of General Fund dollars.

STAFF COMMENTS

For the past two years, the Assembly has led the way for increased investments in the Arts. The need for continued resources is demonstrated by the number of applicants to the grant programs administered by the Arts Council. Investment in arts has proven to be an economic stimulate and has increased the quality of life in our communities throughout the state.

Staff Recommendation: Hold Open
