

**Assembly Bill No. 72**

**CHAPTER 1**

An act to amend the Budget Act of 2018 (Chapters 29 and 30 of the Statutes of 2018) by amending Items 3940-101-0001, 3940-491, 8860-001-0001, and 9210-102-0001 of, and adding Items 0650-101-0001, 0690-011-0001, and 0690-103-0001 to, Section 2.00 of, amending Sections 39.00 and 99.50 of, and adding Section 23.20 to, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.

[Approved by Governor February 13, 2019. Filed with Secretary of State February 13, 2019.]

LEGISLATIVE COUNSEL’S DIGEST

AB 72, Committee on Budget. Budget Act of 2018.

The Budget Act of 2018 made appropriations for the support of state government for the 2018–19 fiscal year.

This bill would amend the Budget Act of 2018 by amending and adding items of appropriation and making other changes.

The 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 0650-101-0001 is added to Section 2.00 of the Budget Act of 2018, to read:

0650-101-0001—For local assistance, Office of Planning and Research .....	30,000,000
Schedule:	
(1) 0365-California Volunteers.....	30,000,000
Provisions:	
1. Funds appropriated in this item are for an emergency preparedness campaign primarily focused on California’s most vulnerable populations, including the elderly, disabled, and those in disadvantaged communities.	

SEC. 2. Item 0690-011-0001 is added to Section 2.00 of the Budget Act of 2018, to read:

0690-011-0001—For transfer by the Controller, upon order of the Department of Finance, to the State Emergency Telephone Number Account as a loan ..... (10,000,000)  
 Provisions:

1. The Controller, upon order of the Department of Finance, shall transfer \$10,000,000 from the General Fund as a loan to the State Emergency Telephone Number Account, which shall be repaid by June 30, 2023. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.

SEC. 3. Item 0690-103-0001 is added to Section 2.00 of the Budget Act of 2018, to read:

0690-103-0001—For local assistance, Office of Emergency Services ..... 20,000,000  
 Schedule:

- (1) 0385-Special Programs and Grant Management..... 20,000,000

Provisions:

1. Funds appropriated in this item are for grants to community-based organizations and other local entities to conduct outreach on emergency preparedness and provide resources for California’s most vulnerable populations.

SEC. 4. Item 3940-101-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

3940-101-0001—For local assistance, State Water Resources Control Board..... 51,300,000  
 Schedule:

- (1) 3560-Water Quality..... 51,300,000

Provisions:

1. Of the amounts appropriated in this item, \$9,500,000 shall be used for emergency repairs to the Oxnard Waste Water Treatment Plant.
2. Not more than 5 percent of the amount appropriated in this item may be used for administrative costs of these programs.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and for liquidation until June 30, 2023.
4. Of the amounts appropriated under this item, \$5,000,000 shall be made available to the State Water Resources Control Board to provide grants or contracts

for drinking water testing for lead at licensed child care centers, as defined, remediation of lead in plumbing and drinking water fixtures, and technical assistance for licensed child care providers to apply for testing and remediation.

- (a) The board shall give priority to the following licensed child care centers:
  - (1) Those that at least serve children zero to five years of age, with the highest priority for centers that service children zero to three years of age.
  - (2) Those that have 50 percent or more of their registered children who receive subsidized care.
  - (3) Those that operate only one facility.
- (b) The board shall coordinate with the California Child Care Resource and Referral Network to provide technical assistance to the child care providers. The technical assistance shall include, but not be limited to:
  - (1) Outreach to licensed child care providers to inform them about the opportunity to have drinking water tested for lead and the opportunity for remediation should lead be detected.
  - (2) Assistance communicating and coordinating with landlords about the availability and need for drinking water testing for lead at a licensed child care center, should that provider be a tenant in a rented facility.
- (c) This provision does not apply to any licensed child care provider that currently receives, or is eligible to receive, state or local funding for drinking water testing for lead.
- (d) The board may adopt guidelines to implement this provision. Those guidelines are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
- (e) Administrative and managerial contracts entered into under this section are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and the board may award those contracts on a noncompetitive bid basis as necessary to implement the purposes of this provision.

- (f) For purposes of this provision, “licensed child care center” means a licensed child day care center, as defined in Section 1596.76 of the Health and Safety Code.
- 5. Of the amount appropriated in this item, \$6,800,000 shall be used for the State Water Resources Control Board’s Safe Drinking Water for Schools grant program, including up to \$1,000,000 for technical assistance.
  - (a) Notwithstanding limitations established in Section 116276 of the Health and Safety Code, the State Water Resources Control Board may award grants to public agencies, public water systems, or non-profit organizations.
- 6. (a) Of the amounts appropriated in this item, \$10,000,000 shall be used for the State Water Resources Control Board to provide emergency relief grants to households to fund well replacement, septic system replacement, permanent connections to public systems, well or septic abandonment, point-of-use and point-of-entry treatment systems, and debt relief for households who have financed well replacement as a result of the drought emergency.
  - (b) Of the amount described in subdivision (a) of this Provision 6, \$750,000 shall be used for the board to create a pilot program to provide grants for wells and septic replacements in households affected by the wildfire and not covered by insurance. To the extent there is a greater demand for this pilot program, upon approval from the Department of Finance, the board may authorize a higher amount of funding, from the amount described in subdivision (a) of this Provision 6, for this purpose.
- 7. Of the amounts appropriated in this item, \$10,000,000 shall be available to provide grants or contracts to address urgent drinking water needs in disadvantaged communities, local educational agencies in or serving disadvantaged communities, or nonprofits, including, but not limited to, provision of interim alternate drinking water supplies including bottled or hauled water, and emergency improvements or repairs to existing water systems, such as well rehabilitation or replacement, extension of service, consolidation projects, treatment systems, or critical operation and maintenance activities that are cost prohibitive considering

the population and median household income of the community served by the water system.

- (a) The board may adopt guidelines to implement this provision. Those guidelines are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
  - (b) Administrative and managerial contracts entered into under this section are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and the board may award those contracts on a noncompetitive bid basis as necessary to implement the purposes of this provision.
8. Of the amounts appropriated in this item, \$10,000,000 shall be available for grants or contracts for administrators to provide administrative, technical, operational, or managerial services to a designated water system to support compliance with current drinking water standards.

SEC. 5. Item 3940-491 of Section 2.00 of the Budget Act of 2018 is amended to read:

3940-491—Reappropriation, State Water Resources Control Board. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2021, except as otherwise stated:

0001—General Fund

(1) Section 49, Chapter 29, Stats. 2016

- (a) The State Water Resources Control Board shall disburse the unexpended balance of the funding appropriated pursuant to subdivision (a) of Section 49 of Chapter 29 of the Statutes of 2016 to a county office of education to improve access to, and the quality of, drinking water in public schools consistent with the intent of Section 116276 of the Health and Safety Code. These funds shall be made available by the county office of education for a contract with a nonprofit entity to provide services to requesting school districts consistent with the intent of Section 116276 of the Health and Safety Code. The county office of education receiving the disbursement of funds from the State Water Resources Control Board

shall collaborate with the State Water Resources Control Board to select the nonprofit entity.

- (b) The selected nonprofit entity shall have demonstrated expertise in providing support for the following: (1) the installation of water bottle filling stations, (2) the installation or replacement of drinking water fountains with devices that are capable of removing contaminants that are present in the facility’s water supply, and (3) the installation of point-of-entry or point-of-use treatment devices for drinking fountains, and up to three years of post-installation replacement filters, and operation, maintenance, and monitoring of the devices, including training on how to operate and maintain the treatment devices and community outreach and education about their use.
- (c) The unexpended balance of the funding appropriated pursuant to Section 49 of Chapter 29 of the Statutes of 2016 to be disbursed pursuant to subdivision (a) shall be available for encumbrance and expenditure until June 30, 2020.

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006  
 (1) Item 3940-101-6051, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014  
 (1) Item 3940-101-6083, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as added by Chapter 1, Statutes of 2015  
 (2) Item 3940-101-6083, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

SEC. 6. Item 8860-001-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

8860-001-0001—For support of Department of Finance.....	54,057,000
Schedule:	
(1) 6770-State Budget.....	38,067,000
(2) 6775-Financial Information System for California (FI\$Cal) Project Support.....	3,099,000
(3) 6780-State Audits and Evaluations.....	20,989,000
(4) 6785-Statewide Accounting Policies, Consulting and Training.....	8,355,000
(5) 6790-Department of Justice Legal Services.....	359,000
(6) 9900100-Administration.....	9,765,000

(7) 9900200-Administration—Distributed.....	-9,765,000
(8) Reimbursements to 6770-State Budget.....	-2,600,000
(9) Reimbursements to 6775-Financial Information System for California (FI\$Cal) Project Support.....	-3,099,000
(10) Reimbursements to 6780-State Audits and Evaluations.....	-8,700,000
(11) Reimbursements to 6785-Statewide Accounting Policies, Consulting and Training.....	-2,413,000

Provisions:

1. The funds appropriated in this item for the California State Accounting and Reporting System (CALSTARS) shall be transferred by the Controller, upon order of the Director of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CALSTARS-related activities by the Department of Finance.
2. The funds appropriated in this act for purposes of data-processing costs related to the California State Accounting and Reporting System (CALSTARS) may be transferred between any items in this act by the Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS-related data-processing costs incurred.
3. Notwithstanding any other law, the Director of Finance may authorize a loan from the General Fund to the Department of Finance for the purpose of meeting operational cashflow obligations for the 2018–19 fiscal year. The loan shall not exceed the estimated amount of uncollected reimbursements for the final quarter of the fiscal year.
4. For the purpose of evaluating and continuing development and enhancement of the Governor’s Budget Presentation System (GBPS), the following provision applies:
  - (b) Notwithstanding any other law, the Department of Finance may amend its existing contract with the Internet Web development firm to augment and continue consulting services until June 30 of each year, for the purpose of providing continuity of services.
5. The amount appropriated in Schedule (5) shall be used to reimburse the Department of Justice for legal services. In addition to the amount in Schedule (5), upon

order of the Director of Finance, any non-General Fund Budget Act item for support of the Department of Finance may be augmented to reimburse the Department of Justice for legal services. No augmentation shall be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

6. Notwithstanding any other law, the Director of Finance is authorized to select private firms or individuals for implementing the requirements of Chapter 496 of the Statutes of 2011. The resulting contracts for services shall not require the review, consent, or approval of the Department of General Services or any other state department or agency as they need not comply with requirements under the Public Contract Code or any other law that otherwise would apply. Such contracts for services may include those terms and conditions that the Director of Finance finds to be in the state's best interest.
7. Notwithstanding any other law, the Director of Finance is authorized to contract with auditors, lawyers, and other types of advisors and consultants to assist, advise, and represent the director and the Department of Finance in any matter arising out of or contemplated by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. The resulting contracts for services shall not require the review, consent, or approval of the Department of General Services or any other state department or agency as they need not comply with requirements under the Public Contract Code or any other law that otherwise would apply. Such contracts for services may include those terms and conditions that the Director of Finance finds to be in the state's best interest.
8. Of the funds appropriated in Schedule (1), \$15,000,000 is for unanticipated costs regarding public utility liability issues, and shall be available for encumbrance or expenditure until June 30, 2022. Notwithstanding any other law, the Director of Finance is authorized to contract with auditors, lawyers, and other types of advisors and consultants to assist, advise, and represent the director and the Department of Finance in any public utility liability issue. The resulting contracts for services shall not require the review, consent, or approval of the Department of General Services or any other state department or agency as they need not

comply with requirements under the State Contracting Manual, the Public Contract Code, the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, or any other law that otherwise would apply. Those contracts for services may include those terms and conditions that the Director of Finance finds to be in the state’s best interest.

SEC. 7. Item 9210-102-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

9210-102-0001—For local assistance, Local Government Financing, to be allocated by the Controller..... 64,312,000

Schedule:

(1) 7540-Aid to Local Government..... 64,312,000

Provisions:

1. The amount appropriated in this item is to reimburse counties for property tax losses incurred in the 2017–18 and 2018–19 fiscal years as a result of the 2017 and 2018 wildfires.
2. Each county shall submit to the Department of Finance a countywide claim detailing the losses incurred by the county and the cities and special districts located therein. The Department of Finance shall review the claims for accuracy and, upon determining the claims are accurate and complete, shall notify the Controller who will provide reimbursement in the amount specified by the Department of Finance.
3. Notwithstanding any other law, the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2022.
4. If the amount appropriated in this item is insufficient to backfill actual property tax revenue losses, the county auditor-controller may submit to the Department of Finance a claim detailing the insufficiency no later than December 1, 2021. The Department of Finance may review the insufficiency claim and include the approved claim amounts in a subsequent Governor’s Budget. By December 1, 2021, county auditor-controllers shall also determine if a local agency that received reimbursement was reimbursed in an amount that exceeded its actual property tax revenue loss. If a county auditor-controller makes such a determination, the county auditor-controller shall notify the

Department of Finance and remit the excess portion to the Controller.

5. Of the amount appropriated in Schedule (1) of this item, \$31,331,000 shall be available to reimburse counties for property tax losses incurred in 2018–19 as a result of the 2018 wildfires. The amount appropriated is also to (1) reimburse Lake County for property tax losses incurred in the 2019–20 and 2020–21 fiscal years as a result of wildfires that occurred in 2015, 2016, and 2017, and (2) to reimburse Butte County for property tax losses incurred in the 2019–20 and 2020–21 fiscal years as a result of the 2018 Camp Fire.
6. The Legislature finds and declares that Butte and Lake counties require reimbursement for multiple fiscal years' worth of wildfire-related property tax losses due to the magnitude of the associated property damage.

SEC. 8. Section 23.20 is added to the Budget Act of 2018, to read:

SEC. 23.20. (a) The Rapid Response Reserve Fund is hereby established in the State Treasury.

(b) The sum of five million dollars (\$5,000,000) is hereby appropriated from the General Fund to the Rapid Response Reserve Fund to address costs, such as shelter and transportation, arising from immigration or human trafficking emergency situations that occur during the 2018–19 fiscal year.

(c) Notwithstanding any other provision of law, the Department of Finance may use funding from the Rapid Response Reserve Fund to adjust any General Fund item of appropriation contained in Section 2.00 of this act to assist qualified community-based organizations and nonprofit entities during immigration or human trafficking emergency situations when federal funding is not available to support such services. The reserve will also be available to fund the redirection of state-level staff who directly assist in response efforts.

(d) Within 30 days of making any adjustments pursuant to this section, the Department of Finance shall report the adjustments in writing to the Joint Legislative Budget Committee.

(e) Notwithstanding any other law, allocations pursuant to this section for the purpose of providing grants to qualified community-based organizations and nonprofit entities providing services during immigration or human trafficking emergency situations shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

SEC. 9. Section 39.00 of the Budget Act of 2018 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 1807, AB 1808, AB 1809, AB 1810, AB 1811, AB 1812, AB 1813, AB 1814, AB 1815, AB 1816, AB 1817, AB 1818, AB 1819, AB 1820, AB 1821, AB 1822, AB 1823, AB 1824, AB 1825, AB 1826, AB 1827, AB 1828, AB 1829, AB 1830, AB 1831, AB 1832, AB 1833, AB 1834, AB 1835, AB 1836, AB 1837, AB 1838, AB 1839, AB 1840, AB 1841, AB 1842, AB 1843, AB 1844, AB 1845, AB 1846, SB 841, SB 842, SB 843, SB 844, SB 845, SB 846, SB 847, SB 848, SB 849, SB 850, SB 851, SB 852, SB 853, SB 854, SB 855, SB 856, SB 857, SB 858, SB 859, SB 860, SB 861, SB 862, SB 863, SB 864, SB 865, SB 866, SB 867, SB 868, SB 869, SB 870, SB 871, SB 872, SB 873, SB 874, SB 875, SB 876, SB 877, SB 878, and SB 879 of the 2017–18 Regular Session, and AB 73 of the 2019–20 Regular Session.

SEC. 10. Section 99.50 of the Budget Act of 2018 is amended to read:

## INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and identify restrictions concerning the appropriations contained in this act.

1.00	Budget Act Citation
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2.00	Items of Appropriation
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- 38.00 Provides That This Bill Is a Budget Bill
- 39.00 Identification of Bills Related to the Budget Bill
- 99.00 Alphabetical Organization Index
- 99.50 Numerical Control Section Index

SEC. 11. 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.