

**CONTROL SECTIONS**

The so-called "control sections" of the Budget Bill for 1967-68, Section 4.5 through Section 36, of AB 303 and SB 188 of the 1967 session, have been arranged and numbered, for the most part, to correspond with the equivalent or a similar section in the previous Budget Bill passed by the Legislature. This accounts for the noncontiguity of the section numbers.

**Section 4.5**

**RECOMMENDATION:**

*We recommend approval.*

This section, which is similar to Section 4.5 in the Budget Act of 1966, provides that, subject to the provisions of this act and approval by the Director of Finance, obligations for expenditure during 1967-68 may be incurred prior to July 1, 1967, to be paid after June 30, 1967.

**Section 5**

**RECOMMENDATION:**

*We recommend approval.*

The Budget Act of 1961 first established a policy, which has since been continued each year, by which the Department of Finance is provided with authority to permit the placing of advance orders for equipment to be used in funded construction projects. Usually this entails the types of units which take very long lead time between order and delivery, generally highly complex and technical scientific equipment. The section authorizes the encumbrance of a maximum of \$1,500,000 to be expended sometime after July 1, 1968.

This will be the second time that the \$1,500,000 limitation has been allowed, since for the first five years it was only \$1 million. The higher allowance is based almost entirely on the fact that scientific equipment, particularly, has been rising very rapidly in cost so that today the larger sum probably buys no more pieces of equipment than the \$1 million did six or seven years ago.

**Section 6**

**RECOMMENDATION:**

*We recommend approval.*

It has been a long-standing policy of the Legislature to require that all major capital outlay projects be approved by the State Public Works Board before any expenditures can be made. The procedure requiring this is contained in Section 15790 of the Government Code and by reference to this section the procedure is assured of continuity.

**Section 7**

**RECOMMENDATION:**

*We recommend approval.*

This section requires that all appropriations for the acquisition of land or other real property contained in the bill be subject to the provisions of the Property Acquisition Law. This also continues a long-standing policy of the Legislature. However, there are four specific exceptions. These are appropriations from the California Water Fund,

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the State Highway Fund, appropriations made for allocation to junior colleges and appropriations to the Regents of the University of California.

The section also requires that not withstanding the exemptions, all agencies making acquisitions of real property or land shall report to the State Public Works Board. The purpose of this is to provide the board with useful comparative information in connection with those deliberations which the board itself must undertake when acquiring properties.

### Section 8

#### RECOMMENDATION:

*We recommend approval.*

This section continues a long-established policy of the Legislature which requires that all major projects be reviewed and approved by the State Public Works Board before working drawings are started. The section also provided that no construction project may be put out to bid, when the Department of Finance has requested the working drawings to be reviewed by it, until the project has been subsequently approved and released for bidding.

The section provides that no substantial changes may be made in the working drawings from the basic preliminary plans as approved by the Department of Finance and the Public Works Board without prior approval of these two agencies. The section also provides that no money appropriated for equipment may be expended without prior approval of the Department of Finance.

The section specifically exempts minor construction projects from these controls and while it exempts all the projects of the University of California from these same controls, as a practical matter the University submits all its major projects to the State Public Works Board for review and approval.

Although the section exempts the University of California and the Department of Public Works from the controls of the Public Works Board, it does require that both these agencies report to the board all expenditures for capital outlay, except minor projects, from appropriations contained in the act.

### Section 8.5

#### RECOMMENDATION:

*We recommend approval.*

The policy covered by this section was first contained in the Budget Act of 1964 which expressed that it was the intent of the Legislature, when making appropriations to state agencies which were eligible for federal aid, that such agencies would be required to apply for the maximum amount available under federal law.

### Section 9

#### RECOMMENDATION:

*We recommend approval.*

This section continues the policy established by the Legislature in the Budget Act of 1957 which gave legislative approval to the Univer-

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sity of California for the use of savings from capital outlay appropriations for augmentation of other capital outlay projects already approved by the Legislature which might be short of funds for various reasons. The section also specifically provides that the University may not use such savings to start or implement projects that have not previously been approved or authorized by the Legislature. The University is also required to submit to the Public Works Board a report of all allocations of its savings from construction projects. It should be pointed out that this allows the University to increase the scope of approved projects by use of savings from other projects. All other state agencies responsible to the Public Works Board are not allowed such latitude but may augment from savings only to cover price rises or unforeseen contingencies not occasioned by scope increases.

### Section 10

#### RECOMMENDATION:

*We recommend approval.*

This section proposes a list of 60 reappropriations or one-year time extensions of various capital outlay items affecting the Departments of General Services, Agriculture, Parks and Recreation, Water Resources and the University of California and the state colleges. Most of these items were appropriated in 1964 and would, therefore, lapse on June 30, 1967. There are, however, a few which go back to appropriations as early as 1956. A substantial number of projects were appropriated in 1963, mostly for acquisitions in the Department of Parks and Recreation. These are largely the result of difficulties in making the acquisitions, such as condemnation proceedings and other problems.

The extensions are proposed for a wide variety of reasons, mostly those resulting from delays which made it impossible for the specific project to be consummated within the normal three-year period for which capital outlay items were available. We have reviewed the list in detail and recommend approval of the section.

### Section 10.1

#### RECOMMENDATION:

*We recommend approval.*

This section provides that the unexpended balance of the amount appropriated to the Emergency Fund for 1966-67 by Item 316 of the Budget Act of 1966 shall revert to the unappropriated balance of the General Fund as of June 30, 1967, and that as of July 1, 1967, shall be reappropriated for expenditure until June 30, 1968, for emergencies occurring during 1966-67, on written authorization of the Director of Finance, on or before June 30, 1968.

This section is similar to Section 10.1 of the Budget Act of 1966 except the provision regarding reversion and reappropriation, the purpose of which is to clarify, for accounting purposes, the status of any unexpended balance which may exist as of June 30, 1967.

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### Section 10.2

#### RECOMMENDATION:

*We recommend approval with a language change.*

This section deals with Item 371(c) of the Budget Act of 1966 which was for statewide minor projects in the Department of the Youth Authority. In that act the appropriation was for a three-year period. This section proposes to reappropriate the amount and in addition to broaden the purpose of the funds to include the construction of a sidewalk on a portion of Bloomfield Avenue adjacent to the Southern California Reception Center in Norwalk, which is not on state property. That is to say, the work would be done on a city street. We have no conflict with the idea of permitting the funds to be used for improving the street. However, the reappropriation would mean that the total amount will be available for four years rather than the normal three years. As it is, we have already expressed our belief that a three-year period for minor projects is unnecessary and ties up scarce funds for an excessive length of time. It would seem that the purpose of permitting the street work to be done could be accomplished without also increasing the availability of all the funds by one year. We suggest that a language change would accomplish this. It should be noted that all of the minor projects in the bill now under consideration are being proposed for one year only.

### Section 11

#### RECOMMENDATION:

*We recommend a special review.*

This section proposes to revert, to the General Fund, the unexpended balances in a long series of projects most of which were appropriated by the Budget Act of 1966. They include six in the Department of General Services, two in the Department of Agriculture, 11 in the Department of Parks and Recreation, one in the Department of Finance, seven for the Reclamation Board and one for unallocated increased costs of construction, all of these in the 1966 Budget Act. In addition, there are a lesser number of reversions from the Budget Act of 1965, one in the Department of Public Health, one in the Department of Social Welfare, eight in the Department of Parks and Recreation. Two reversions go back to 1957 appropriations, one in the Department of Finance and the other in the Department of Parks and Recreation both by statute rather than by the Budget Act. With relatively few exceptions these are all projects which were justified to the Legislature and recommended by us. On this relatively short notice we have no basis for changing our prior recommended approval. *Consequently, we suggest that the section be given special review and a complete disclosure of the justification for the reversions.*

### Section 11.1

#### RECOMMENDATION:

*We recommend a special review.*

This section is somewhat similar to Section 11 in that it deals with reversions to the General Fund from appropriations made in the 1965 and 1966 Budget Acts. The major difference is that in this section

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specified amounts are connected with each item reversion whereas in Section 11 the amounts are unknown and are referred to as unencumbered balances.

In a number of instances the reversions are either for the entire item or for an entire subitem in the schedule attached to the item. Most of them, however, are for partial reversions of items or scheduled subitems. They represent among other things, for example, a radical reduction in the program of construction, both major and minor, in the Division of Forestry, a significant reduction in the programs for both 1965 and 1966 in the Military Department, a significant reduction in the 1966 development program in the Department of Parks and Recreation and so on. With relatively few exceptions these were recommended by us and approved by the Legislature in both 1965 and 1966. If these reversions are to take place, there should be a thorough review of the reasons and the justifications for the change.

### Section 11.2

#### RECOMMENDATION:

*We recommend a special review.*

This section proposes to revert to the State Construction Program Fund one 1966 Budget Act appropriation for the Department of General Services and one for the Department of Conservation. The first is the \$15 million appropriation that was made for the acquisition of a site and some development and site preparation for the then hoped for AEC nuclear facility which has since been awarded to the State of Illinois. We believe that the reversion is completely in order.

The second reversion deals with the acquisition of land for the so-called "Beaver Creek Conservation Camp", the reasons for which are not now apparent. We suggest that this proposal be carefully reviewed by the Legislature since it was recommended by us for approval and adopted by the Legislature in 1966.

### Section 11.3

#### RECOMMENDATION:

*We recommend a special review.*

This section proposes to revert three appropriations made in the 1966 Budget Act, two of which were for the Highway Patrol and one for the Department of Motor Vehicles.

The two for the Highway Patrol were for acquisition of land for future office buildings at Tracy and Taft. We have no information, at this time, to indicate the justification for this reversal.

The item for the Department of Motor Vehicles was the construction of alterations in the Sacramento headquarters building to permit the installation of the automatic data-processing equipment for the registration function. In connection with the support budget of the Department of Motor Vehicles we have indicated that it is our position that this automation proposal should move ahead in the best interests of the state and in the interests of clear ultimate economy. We have no basis, at this time, for reversing our position on this nor do we understand the position of the Department of Finance with respect to it.

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### Section 11.4

#### RECOMMENDATION:

*We recommend disapproval.*

Chapter 20 of the Statutes of 1965 appropriated \$2 million from the General Fund in furtherance of the Emergency Flood Relief Law for damages occurring to public property between December 1, 1964, and June 30, 1965. Chapter 74 of the Statutes of 1966, First Extraordinary Session, extended the availability of these and other funds to cover damage occurring between December 1, 1965, and June 30, 1966. As of January 10, 1967, none of the \$2 million appropriation had as yet been used and there were other funds available for the same general purposes from the Water Fund.

This section now proposes to revert the unencumbered balance of the \$2 million, which in effect is the total amount, to the unappropriated balance of the General Fund. There has been introduced in the Assembly AB 60, which proposes to extend the availability of the General Fund moneys and the other moneys to cover damages occurring between December 1, 1966, and June 30, 1967, with a limitation that application must have been made by October 1 of 1967. Further the bill reappropriates the funds without regard to fiscal years, an amendment proposed by the Department of Finance, which supported the bill. This is a clear conflict which should be resolved. As of February 8, AB 60 had passed the Assembly, been submitted to the Senate, where it was read for the second time, amended and sent to the Finance Committee.

It has been the historic policy of the state, after requiring local jurisdictions to make maximum efforts with their own resources to care for damage to public property, to then use the broader tax base of the state to provide such relief as was beyond the ability of the local jurisdiction. We believe this policy is reasonable and we have heretofore endorsed it. Consequently, we can see no reason for the proposed reversion of funds, particularly since the storm damage occurring thus far in the winter of 1966-67 has been relatively extensive.

### Section 12

#### RECOMMENDATION:

*We recommend approval.*

Control Section 12 specifies that all amounts for the 1967-68 fiscal year in excess of 1 percent of the total State School Fund in the preceding fiscal year which will not be required to be transferred to the State School Fund to meet the apportionment formulas shall revert to the General Fund on June 30, 1968, and shall be available for any appropriation made from the General Fund. The main purpose of the control section added last year is to authorize the expenditure of funds for nonschool purposes if the funds were earmarked for but not required to be transferred to the State School Fund. The budget for the State School Fund includes a sum of \$40,000,000 which is comprised of \$36,278,386 for other estimated savings and \$3,523,854 for the purposes of the County School Service Fund and \$197,760 for prior year balances which it is anticipated will not be required to meet the apportionment formulas in 1967-68 and therefore could be used for other General Fund purposes.

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### Section 18.5

#### RECOMMENDATION:

*We recommend approval.*

In the Budget Act of 1962 the Legislature, for the first time, gave the Director of Finance the authority to convert any capital outlay appropriation made from the State Construction Program Fund to financing from the General Fund at his discretion. This section proposes to continue that authority.

### Section 18.6

#### RECOMMENDATION:

*We recommend approval.*

This section proposes to grant to the State Director of Finance the same authority as is mentioned in Section 18.5 with respect only to Section 2.4 of this Budget Bill in which is contained the items fundable from the State Higher Education Construction Bond Fund. This section will, at his discretion permit him to convert these to financing from the Capital Outlay Fund for Public Higher Education, which is a special fund that was established by the Legislature in 1966 with revenues accruing from certain oil and gas income which otherwise would probably have gone directly into the General Fund. The Budget Bill now contains appropriations for the University of California and the state colleges totaling \$3,180,304 from this source.

### Section 18.7

#### RECOMMENDATION:

*We recommend approval with language change.*

This section proposes to provide an augmentation procedure from the Capital Outlay Fund for Public Higher Education which would cover the amount by which any appropriation in the Budget Bill made from the Capital Outlay Fund for Public Higher Education was inadequate by virtue of bids received. We are in accord with the basic intent of providing some augmentation technique which does not now exist for projects covered by this fund, but we would suggest that the language be modified to repose in the Public Works Board clear authority to grant or reject such proposals for augmentation. This authority now exists with respect to the State Construction Program Fund and the General Fund, and while it might be construed that existing language in Government Code sections also covers this we feel that there is just sufficient ambiguity to make it desirable that the section specifically refer to the Public Works Board.

### Section 19

#### RECOMMENDATION:

*We recommend approval.*

This section, which is similar to Section 19 of the Budget Acts of 1962, 1963, 1964, 1965 and 1966 and Sections 19.4 and 19.5 of the Budget Act of 1961, and Section 15.5 of the Budget Act of 1959, provides as follows:

1. Amounts of surplus and working capital advances in the Service Revolving Fund for the Office of State Printing in excess of \$6,472,197

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as of June 30, 1967, shall be transferred to the General Fund. This amount represents the following:

	Amount	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
General Fund appropriations at June 30, 1966.....	\$1,522,809	63	80
Accumulated surplus at June 30, 1966.....	3,649,012	63	81
Loss from operations during 1965-66.....	20,420	63	81
Augmentation, 1966-67.....	1,279,956	65	-
<b>Total</b> .....	<b>\$6,472,197</b>		

Transfers to the General Fund pursuant to comparable provisions in the past have been as follows:

<i>Budget Act</i>	<i>Section</i>	<i>Year of transfer</i>	<i>Amount</i>
1959	15.5	1960-61	\$221,701
1964	19	1964-65	285,672
<b>Total</b> .....			<b>\$507,373</b>

2. No machinery or equipment shall be purchased for the Office of State Printing unless authorized by the Budget Act except for emergency replacements which shall be reported to the Joint Legislative Budget Committee quarterly.

3. No augmentation shall be made to the capital of the Service Revolving Fund for the benefit of the Office of State Printing during 1967-68 unless authorized by this act.

4. Any proposed capital addition to the Service Revolving Fund for the benefit of the Office of State Printing for 1968-69 shall be included in the proposed budget for that year as an appropriation out of the General Fund.

Item 41 of the current Budget Bill proposes an augmentation of \$475,465 to the Service Revolving Fund all of which in effect is for new equipment or replacements for the Office of State Printing, as commented upon in our analysis under Item 42.

### Section 19.1

#### RECOMMENDATION:

*We recommend approval.*

This section proposes to transfer from the Department of Employment Contingent Fund to the General Fund any unencumbered balance during the fiscal year which exceeds \$1 million. This technique has been used in prior budget acts and we have heretofore recommended approval.

### Section 19.5

#### RECOMMENDATION:

*We recommend disapproval.*

This new section would amend Section 19.6 of the Budget Act of 1966 to delete authorization to award graduate fellowship funds, as authorized by Education Code Sections 31240-31251, during the current fiscal year. This amendment reflects a decision in the Governor's Budget to delete the Graduate Fellowship Program from the budget of the State Scholarship and Loan Commission for at least one year.



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We are recommending restoration of funds for the Graduate Fellowship Program, and we therefore recommend disapproval of this section. In any case, it is unlikely that this section would become effective in time to provide a clear policy directive of its stated purpose.

### Section 19.6

#### RECOMMENDATION:

*We recommend disapproval pending legislative review of budgeted expenditures for the State Scholarship Program and the Graduate Fellowship Program.*

Section 19.6 authorizes the State Scholarship and Loan Commission to incur scholarship award obligations during 1967-68 in an amount not to exceed \$5,328,000 for awards effective 1968-69. This advance authorization was first introduced in 1964 in recognition of the fact that the commission must announce new awards in the spring of the fiscal year preceding the fiscal year in which the awards are actually paid. This section authorizes the early announcement of awards so that recipients may make plans for the following fall term.

The amount of \$5,328,000 established as a ceiling reflects a decision in the Governor's Budget to delete the Graduate Fellowship Program and to hold scholarship funds to the amount authorized for the current year. This action is in opposition to recent legislation which established the Graduate Fellowship Program and increased the number of scholarships and the amount of each award. We cannot recommend approval of this section until the Legislature has reviewed the budget for this purpose. We have specifically recommended restoration of support for the Graduate Fellowship Program.

### Section 20

#### RECOMMENDATION:

*We recommend approval.*

This section, which is similar to Section 20 of the Budget Act of 1966 and like sections in previous budget acts, provides that no money appropriated by this act shall be used to pay the salary of any authorized state position which was vacant or continuously unfilled between October 1, 1966, and July 1, 1967, except with the specific approval of the Director of Finance subsequent to July 1, 1967.

This section also provides that the Director of Finance shall make a report of all positions vacant for the period specified to the Joint Legislative Budget Committee not later than 30 days prior to the convening of the 1968 Regular Session of the Legislature. A report of positions authorized to be filled and positions abolished pursuant to this section is also required.

The report submitted to the Legislative Budget Committee pursuant to Section 20 of the Budget Act of 1966 lists 482.6 positions continuously unfilled during the period October 1, 1965, and July 1, 1966.

Action taken on these positions by the Department of Finance as well as that taken in the six previous years is shown in the following :

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Period	Total positions reported	Authorized for continuance		Abolished	
		Number	Percent	Number	Percent
October 1, 1959, to July 1, 1960---	337	304	90.2	33	9.8
October 1, 1960, to July 1, 1961---	457	401	87.7	56	12.3
October 1, 1961, to July 1, 1962---	452	367	81.2	85	18.8
October 1, 1962, to July 1, 1963---	457	394.5	86.3	62.5	13.7
October 1, 1963, to July 1, 1964---	384	325	84.6	59	15.4
October 1, 1964, to July 1, 1965---	542.6	440.6	81.2	102	18.8
October 1, 1965, to July 1, 1966---	482.6	434	89.9	48.6	10.1

As indicated in the foregoing, the vacant positions abolished are a relatively low percentage of the total involved. This appears to indicate that this section is not being administered in accordance with legislative intent that, in general, positions continuously vacant for long periods of time should be abolished and rejustified as new positions in the budget currently before the Legislature.

### Section 21

#### RECOMMENDATION:

*We recommend approval.*

This section continues, without change, authorization for the University of California and the California State Colleges to incur academic salary obligations during the budget year for the following year to the extent of \$1,500,000 for the University and \$1,500,000 for the state colleges. This authorization is to enable these institutions to recruit the additional faculty required to maintain accepted staffing standards in the face of rapid enrollment growth. Recruitment of new faculty members occurs, in large part, six to eight months prior to actual employment.

### Section 21.2

#### RECOMMENDATION:

*We recommend approval.*

This section authorizes the state colleges to incur obligations to partially reimburse new faculty recruited from out of state for travel expenses up to a total of \$100,000. This provision is similar in purpose to the preceding section. Moving expense allowances serve as an aid to recruitment if included with other compensation offered to prospective new faculty members.

### Section 21.3

#### RECOMMENDATION:

*We recommend approval.*

Item 228 of the Budget Bill includes approximately \$2 million to replace slightly over 1,000 California Highway Patrol vehicles. The unexpended funds appropriated by that item revert as of June 30, 1968. However, in order for the California Highway Patrol to place its order for all the replacement automobiles required from one model year of the automobile manufacturers, it needs to be in a position to be able to obligate funds for the delivery of vehicles that will occur subsequent to June 30, 1968. The language of this section is designed to satisfy that requirement.

Section 22

RECOMMENDATION:

*We recommend approval.*

This section, which is similar to Section 22 of the Budget Act of 1966, provides that the Department of Finance must investigate and establish the necessity for the acquisition or replacement of motor vehicles. It also provides that all passenger automobiles shall be of the light class, except for constitutional officers or unless the Director of General Services determines that unusual requirements, such as use by the California Highway Patrol, would justify a heavier class automobile.

Section 23

RECOMMENDATION:

*We recommend approval.*

This section, which is similar to Section 23 of the Budget Act of 1966, establishes the same restriction of light automobiles for the Department of Public Works as is provided by Section 22.

Section 24

RECOMMENDATION:

*We recommend approval.*

This section prohibits the expenditure of any funds appropriated by the Budget Act for the purchase of furnishings for any house or apartment of three or more rooms, other than a dormitory, except for a house occupied by a superintendent of an institution, a warden of a prison, or a physician. This provision does not apply to refrigerators, heaters, air-conditioning equipment, stoves, linoleum, or equipment normally furnished in the construction of the house. This control section continues a long-standing policy of the Legislature.

Section 25

RECOMMENDATION:

*We recommend approval.*

This section limits the purchase of rugs or carpets for state offices to those occupied by elected officials or department heads and requires an annual report by the Director of Finance to the Joint Legislative Budget Committee giving details of all rugs or carpets purchased. This section continues a long-time legislative policy.

Section 26

RECOMMENDATION:

*We recommend approval.*

The meaning of words, terms and phrases found in the categorical schedules of the several Budget Act items are defined by this section. It also restricts expenditures to categories or projects set forth in the Budget Act schedule unless otherwise provided in other sections of the Budget Act. This section also continues a long-standing policy of the Legislature.

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### Section 26.5

#### RECOMMENDATION:

*We recommend approval.*

This section provides that appropriations made by the Budget Act of 1967 for support of commissions, boards, departments, etc., shall, in those portions from which salaries and wages are paid, include charges for the state's contributions to the State Employees' Retirement Fund, the Teachers' Permanent Fund and Annuity Retirement Fund, the Old Age and Survivors Insurance Revolving Fund, the State Employees' Contingency Reserve Fund, and the cost to the state for settlement of workmen's compensation insurance claims and the cost of basic health plans for participating state employees.

Each such support budget item has included funds as required to meet these statutory obligations of the state.

### Section 27

#### RECOMMENDATION:

*We recommend approval.*

This section, which is similar to Section 27 of the Budget Act of 1966, authorizes the Director of Finance, when requested by the agency to which the appropriation is made, to transfer amounts between categories or projects within the same schedule in any item of appropriation. The Director of Finance is required to report quarterly to the Joint Legislative Budget Committee all transfers pursuant to this authority.

### Section 28

#### RECOMMENDATION:

*We recommend approval.*

This item, which is similar to Section 28 of the Budget Acts of 1965 and 1966, authorizes the Director of Finance to increase the amount available for expenditure in any category in the schedule set forth in the appropriation items where amounts over and above the amount considered in determining the amount in the Budget Act are received from other sources. Conversely, it permits the Director of Finance to reduce the amount in any category when the amount to be received is less than the amount considered in establishing the schedule.

The 1965 Budget Act added a new provision to this section under which the Director of Finance may authorize expenditures for: (1) new programs not identified as such in the budget, or (2) purposes which constitute an increase in the level of services above that authorized by the Budget Act or other existing law. Such expenditures can be made not sooner than 30 days after notification in writing has been made to the Joint Legislative Budget Committee, or such lesser time as the chairman or his designee may determine.

### Section 29

#### RECOMMENDATION:

*We recommend approval.*

This section, which is identical with Section 29 of the Budget Act of 1966, permits the payment of premiums for official bonds covering a period in excess of one fiscal year.

**Section 30**

**RECOMMENDATION:**

*We recommend approval.*

This section, which is identical with Section 30 of the Budget Act of 1966, provides that an expenditure authorized from the Emergency Fund, salary increase funds, price increase funds, or from a special fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by the Budget Act, may, for accounting purposes, be deemed an augmentation and increase of the appropriation made by the Budget Act.

**Section 31.5**

**RECOMMENDATION:**

*We recommend approval.*

Section 31.5 continues for the state colleges the exemptions from Section 31 which were first adopted in 1962 and substantially expanded during the 1966 session. In order that the Trustees of the California State Colleges shall have primary responsibility for the fiscal management of the colleges, they are authorized to: (1) transfer funds from one line item or object category to another within the major budgetary functions (instruction, libraries, etc.) without prior approval; (2) approve the substitution of one item of equipment for another within the same function and the use of equipment savings; (3) approve travel expenditures within established allowances; and (4) temporarily establish new positions or make changes in existing positions subject to review by the Legislature during the regular budget process. All of these actions must be reported to the Department of Finance and any augmentation of expenditures within a category must be reported quarterly to the Joint Legislative Budget Committee.

**Section 32**

**RECOMMENDATION:**

*We recommend approval.*

This section, which is similar to Section 32 of the Budget Act of 1966, prohibits and declares invalid any action by any public officer which would cause any expenditure to be in excess of amounts appropriated, except with the written consent of the Director of Finance. Copies of all written consent documents must be submitted by the Director of Finance, quarterly, to the Joint Legislative Budget Committee and must contain a reference to the code section or budget act section under which the consent was given.

**Section 33**

**RECOMMENDATION:**

*We recommend approval.*

This section is a severability clause which declares the intent of the Legislature that an item veto by the Governor shall not affect other items of the Budget Bill.

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### Section 34

#### RECOMMENDATION:

*We recommend approval.*

This section is a severability clause which states the legislative intent that a finding of unconstitutionality with respect to any part of the Budget Bill shall not affect other parts.

### Section 35

#### RECOMMENDATION:

*We recommend approval.*

This section is the urgency clause which, under the Constitution, is necessary for the bill to have immediate effect.

### Section 36

#### RECOMMENDATION:

*We recommend approval.*

This section defines the urgency stated in Section 35.

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