

I am reducing the legislative augmentation for the Capital Fellows Programs from \$309,000 to \$82,000, reflecting an overall increase of three percent in base funding for these programs, consistent with the Compact for Higher Education.

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I revise this item by deleting Provision 6.6 to conform to the action I have taken in Control Section 24.50.

Consistent with my action in Control Section 24.50, I am deleting Provision 6.6 which states legislative intent to fund Career Technical Education pursuant to the Legislature's addition of Control Section 24.50. Control Section 24.50 would require that \$20,000,000 for Career Technical Education be linked to providing an identical amount of funding for supplemental instructional materials for English learners. These two programs do not share any legal or programmatic relationship, thus the Control Section creates an inappropriate funding link between these distinct programs. Further, this action is unconstitutional and attempts to usurp the Governor's veto authority.

I have a strong commitment to career technical education reform in order to ensure that all students have the opportunity to prepare for high paying careers in the high demand job sectors of our economy. Therefore, I am setting aside \$20,000,000 from my veto of Control Section 24.50 to provide support for Career Technical Education in separate legislation.

I am deleting Provision 6.6 to conform.

Item 6870-486—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. I revise this item from \$33,000,000 to \$15,600,000 as follows:

~~"6870-486—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. The sum of \$33,000,000 \$15,600,000 is reappropriated from the Proposition 98 Reversion Account, for the purpose of backfilling a projected shortfall in 2004-05 local property tax revenues for community colleges. To the extent that the funding provided for this purpose exceeds the amount necessary to compensate community colleges for the shortfall in local property tax revenues, the remaining funding shall be reappropriated to community colleges to further support equalizing community college apportionment rates."~~

I am reducing the Legislature's augmentation to community colleges to backfill a projected shortfall in 2004-05 local property tax revenues from \$33,000,000 to \$15,600,000. I am advised that the community colleges will experience a shortfall not greater than \$21,000,000 in the current year. Furthermore, the community colleges are not likely to earn all growth funding for 2004-05, and as such the system would not incur the costs of instruction anticipated for the current year. Given the continuing structural deficit facing the state, a portion of these resources should therefore be utilized for higher priorities. Consistent with that approach, I am setting aside this \$17,400,000, in combination with the set aside of \$20,000,000 from my action on Control Section 24.50, to provide support for Career Technical Education pursuant to separate legislation.

Item 7980-001-0784—For support of Student Aid Commission. I delete Provision 4.

I am deleting Provision 4 because it would limit the Commission's authority to carry out its statutory authority by requiring advance notification of specified actions related to the governance structure and roles and responsibilities of the EdFUND Board of Directors. Additionally, this provision's expressed intent regarding the sale or transfer of the federal loan