



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Items 7501-001-0001, 7501-001-9740, and Reimbursements, Support, Department of Human Resources

It is requested that Item 7501-001-0001 be increased by \$468,000 and Item 7501-001-9740 be increased by \$353,000 to provide additional funding and 2.0 positions for the Examination and Certification Online System Project.

The Department of Human Resources (CalHR) inherited this project on July 1, 2012. After reevaluating the project, CalHR determined that additional project resources and an extended timeline were necessary to better ensure successful implementation. Beginning in fiscal year 2014-15, the annual project costs are expected to decrease each fiscal year until completion in May 2017.

It is also requested that Item 7501-001-0001 be amended to include provisional language allowing CalHR to extend the expenditure period of reimbursed funds received for the administration of the Alternate Retirement Program (ARP) in 2013-14 until January 31, 2017 (see Attachment 1).

For tracking purposes, it is requested that reimbursements be split into two schedules to track the administration of ARP separately from CalHR's main reimbursement schedule.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Koreen Martone, Principal Program Budget Analyst, at (916) 445-3274.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Tom Daly, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Julie Chapman, Director, Department of Human Resources
Mr. Mark Rodriguez, Chief of Administrative Services, Department of Human Resources
Ms. Robyn Malin, Fiscal Officer, Department of Human Resources
Ms. Joleen Martin, Budget Manager, Department of Human Resources

APR 1 2013

Attachment 1

Add the following provision to Item 7501-001-0001:

Provision x:

The reimbursement funds received for purposes of the administration of the Alternate Retirement Program, as identified in Schedule 7 of this item, may only be expended for the administration of the Alternate Retirement Program. Any reimbursement funds received for the administration of the Alternate Retirement Program which are not expended in the 2013-14 fiscal year shall be available for expenditure until June 30, 2017.



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Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Various Budget Bill Items, Support and Local Assistance, Department of Technology

The following issues relate to three reorganizations affecting the Department of Technology (Technology) to improve the provision of technology services. In each case the reorganizations will be implemented in a budget-neutral manner.

Public Safety Communications Office Transfer (Issue 201)—It is requested that Item 7502-001-9730 be decreased by \$71,647,000 and Item 7502-001-0022 be decreased by \$2,453,000. It is further requested that Item 7502-101-0890 be decreased by \$1,931,000 and Item 7502-101-0022 be decreased by \$110,619,000. These changes are necessary to effect the transition of the Public Safety Communications Office from Technology to the Office of Emergency Services.

Information Technology Procurement Transfer (Issue 200)—It is requested that Item 7502-001-9730 be increased by \$2,826,000 and 23.0 positions to reflect the transfer of the information technology procurement function from the Department of General Services (DGS) to Technology. Chapter 139, Statutes of 2012 required a plan for transitioning information technology procurement authority from DGS to Technology be developed. This action will transfer all information technology procurement functions to Technology from DGS.

Telecommunications Procurement Transfer (Issue 203)—It is requested that Item 7502-001-9730 be increased by \$406,000 and 4.5 positions to reflect the transfer of the telecommunications procurement functions from DGS to Technology. Chapter 404, Statutes of 2010 transferred the telecommunication procurement responsibility from DGS to Technology.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Chris Lief, Assistant Program Budget Manager, at (916) 445-8913.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Tom Daly, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Carlos Ramos, Secretary, Department of Technology
Ms. Melissa Matsuura, Assistant Secretary, Department of Technology
Mr. Robert Illa, Budget Officer, Department of Technology



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Honorable Bob Blumenfeld, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Various Budget Bill Items, Support, Department of General Services

Agnews Developmental Center Surplus Real Property Sale (Issue 100)—It is requested that Item 7760-001-0002 be increased by \$993,000 for workload associated with the surplus disposition of the Agnews Developmental Center including support for security, fire protection, repair costs, utilities, and external consultant services and marketing costs. This request also includes a General Fund loan of a like amount, which will be repaid from the proceeds of the sale of surplus properties. It is further requested that Item 7760-001-0666 be amended to reflect this change.

Information Technology Procurement Transfer (Issue 200)—It is requested that Item 7760-001-0666 be decreased by \$2,614,000 and 23.0 positions to reflect the transfer of the information technology procurement function from the Department of General Services (DGS) to the Department of Technology (Technology). Chapter 139, Statutes of 2012 required a plan for transitioning information technology procurement authority from DGS to Technology be developed. The Administration has developed a plan to move information technology procurement functions to Technology and this action is essential to move the necessary resources from DGS to Technology.

Telecommunications Procurement Transfer (Issue 203)—It is requested that Item 7760-001-0666 be decreased by \$406,000 and 4.5 positions. Chapter 404, Statutes of 2010 transferred the telecommunication procurement responsibility from DGS to Technology and this action is necessary to move the resources for this function from DGS to Technology.

Contracted Fiscal Services, High Speed Rail Authority (Issue 107)—It is requested that Item 7760-001-0666 be decreased by \$220,000 and 2.5 positions for workload associated with the High Speed Rail Authority (HSRA). The Governor's Budget includes an augmentation of \$610,000 and 6.0 positions for Contracted Fiscal Services to perform budgeting and accounting functions for three new state agency clients and to support additional services requested from three existing state agency clients. This action will reduce the Governor's Budget proposal by the requested amount for services no longer planned to be provided to the HSRA.

Technical Adjustments (Issues 102 and 103)—It is requested that Item 7760-001-0666 be increased by \$4,387,000 to reflect the following adjustments:

- Increase by \$3,426,000 to correct a posting error made during the development of the Governor's Budget.
- Increase by \$961,000 for the Office of Administrative Hearings (OAH). The 2012 Budget Act includes funding to support a contract between OAH and the Department of State Hospitals. This funding was inadvertently scheduled to reimbursements. In the Governor's Budget, reimbursements were decreased by the requested amount. This action is necessary to restore the funding to the proper fund.

Technical Adjustment: Office of Public School Construction (Issue 108)—It is requested that Item 7760-001-6057 be increased by \$68,000 to correct a posting error related to the Office of Public School Construction program reduction. It is further requested that Item 7760-001-0666 be amended to reflect this change.

Adjust Distributed Administration (Item 106)—It is requested that various items be adjusted to reflect an accurate distribution of administrative costs and Item 7760-001-0666 be amended to reflect this change. The funding shifts are as follows:

- Increase Item 7760-001-0002 by \$111,000
- Increase Item 7760-001-0003 by \$27,000
- Decrease Item 7760-001-0006 by \$50,000
- Increase Item 7760-001-0026 by \$165,000
- Decrease Item 7760-001-0328 by \$527,000
- Increase Item 7760-001-0465 by \$39,000
- Increase Item 7760-001-0602 by \$3.5 million
- Decrease Item 7760-001-0666 by \$3,360,000
- Decrease Item 7760-001-3091 by \$8,000
- Increase Item 7760-001-3144 by \$31,000
- Increase Item 7760-001-3245 by \$72,000

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Chris Lief, Assistant Program Budget Manager, at (916) 445-8913.

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Anna M. Caballero, Secretary, State and Consumer Services Agency
Ms. Jennifer Osborn, Deputy Secretary, State and Consumer Services Agency
Mr. Fred Klass, Director, Department of General Services
Mr. Miles Burnett, Chief, Administrative Services, Department of General Services
Ms. Rhonda Basarich, Chief, Office of Fiscal Services, Department of General Services



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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Budget Bill Item 7760-490, Capital Outlay, Department of General Services

It is requested that Item 7760-490 be added to reappropriate the following project:

1. 50.10.200—Central Plant Renovation—Construction (See Attachment A).

This project is substantially complete; however, a small amount of work needs to be completed on the adjacent Ranney Well site to close-out the project. Because this work is not expected to be finalized by the end of this fiscal year, the reappropriation would ensure the Department of General Services can complete this project.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Brian Dewey, Principal Program Budget Analyst, at (916) 445-9694.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Fred Klass, Director, Department of General Services
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Miles Burnett, Deputy Director, Department of General Services
Ms. Sheral Gates, Deputy Director, Real Estate Services Division, Department of General Services
Mr. Jim Derby, Assistant Deputy Director, Real Estate Services Division, Department of General Services
Ms. Julie Sanchez, Associate Construction Analyst, Department of General Services
Ms. Becky Granroth, Budget Manager, Department of General Services

Attachment A

7760-490—Reappropriation, Capital Outlay, Department of General Services. The balances of the appropriations provided in the following citation are reappropriated for the purpose and subject to the limitations, unless otherwise specified, provided for in the appropriations:

0660—Public Buildings Construction Fund

- (1) Item 1760-301-0660, Budget Act of 2007, (Ch. 171, Stats. 2007), as partially reappropriated by Item 1760-490, Budget Act of 2012 (Ch. 21, Stats. 2012)
 - (1) 50.10.200—Central Plant Renovation—Construction



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Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 7900-001-0950 and Control Section 4.20, Support, California Public Employees' Retirement System.

It is requested that Item 7900-001-0950 be increased by \$2,005,000 to provide one-time support for a Dependent Eligibility Verification Audit (audit) of state employees and annuitants with dependents enrolled in health plans. This appropriation includes \$169,000 to audit members of the California Association of Highway Patrolmen and the California Correctional Peace Officers' Association who elected to enroll in their unions' Benefit Trust plans instead of plans offered by the California Public Employees' Retirement System (CalPERS). CalPERS would conduct the audit for those members on behalf of the California Department of Human Resources, subject to an executed interagency agreement between the two departments.

It is requested that Control Section 4.20, the administrative rate paid by employers, be increased from 0.30 percent to 0.33 percent to provide increased revenue to the Contingency Reserve Fund.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Koreen Martone, Principal Program Budget Analyst, at (916) 445-3274.

ANA J. MATOSANTOS

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/s/ Michael Cohen

MICHAEL COHEN

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Rose McAuliffe, Acting Assistant Division Chief, California Public Employees' Retirement System
Mr. Michael Siu, Budget Manager, California Public Employees' Retirement System
Ms. Julie Chapman, Director, Department of Human Resources
Mr. Mark Rodriguez, Chief of Administrative Services, Department of Human Resources
Ms. Robyn Malin, Fiscal Officer, Department of Human Resources
Ms. Joleen Martin, Budget Manager, Department of Human Resources