



APR 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0250-301-3138, Capital Outlay, Judicial Branch

Lake County: New Lakeport Courthouse—It is requested that Item 0250-301-3138 be increased by \$900,000 for the working drawings phase of the Lake County: New Lakeport Courthouse project to incorporate design changes to reduce the size of the project by an additional 2,000 square feet (sf), or 4.2 percent, from a total of 47,300 sf to 45,300 sf. The proposed reductions include the downsizing of the in-custody holding, the jury assembly room, the sally port, and staff working areas. These incremental changes are in addition to the 2,858 sf reduction reflected in the Governor's Budget.

While these additional changes are needed to control construction costs by removing non-critical program space, the Administrative Office of the Courts (AOC) notes these changes do not result in a corresponding reduction to the construction estimate, as would normally be anticipated, because the savings identified in the Governor's Budget (\$11,250,000) were too aggressive and not achievable. Even with these additional reductions, the AOC's construction estimate has increased by \$4,946,000 to a total of \$40,507,000. However, this revised estimate is still \$6,374,000 below the last legislatively recognized construction estimate and reflects the savings associated with the cumulative scope reductions proposed to date.

Various Reductions: Courthouse Projects—This request also includes similar scope reductions to the projects listed below, which are intended to reduce costs where possible, by removing non-critical program space. Because these projects have not started preliminary plans, specific reductions by program space cannot be finalized at this time. However, these changes are expected to be similar in nature to those described above and should result in additional savings, as noted.

1. Tuolumne County: New Sonora Courthouse. This change will reduce the size of the project from 66,724 sf to a range of 61,000 to 62,200 sf. This is a decrease of 4,524 to 5724 sf, or 6.7 to 8.6 percent. Estimated project savings are \$2,049,000.
2. Sonoma County: New Santa Rosa Courthouse. This change will reduce the size of the project from approximately 173,500 sf, to a range of 167,600 to 171,000 sf. This is a decrease of 2,500 to 5,900 sf, or 1.4 to 3.4 percent. Estimated project savings are \$2,661,000.

3. Shasta County: New Redding Courthouse. This change will reduce the size of the project from approximately 173,350 sf, to a range of 163,000 to 167,000 sf. This is a decrease of 6,350 to 10,350, or 3.6 to 6 percent. Estimated project savings are \$4,420,000.
4. Santa Barbara County: New Santa Barbara Criminal Courthouse. This change will reduce the size of the project by approximately 4,800 sf from a previously established 97,266 sf, to a range of 91,400 to 93,300 sf. This is a decrease of 3,966 to 5,866 sf, or 4 to 6 percent. Estimated project savings are \$1,761,000.

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 Brian Dewey, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, 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 Reginald Byron Jones-Sawyer, Sr., Chair, Assembly Budget Subcommittee No. 5
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
Mr. Curtis Child, Chief Operating Officer, Administrative Office of the Courts
Mr. Cory Jasperson, Director, Office of Governmental Affairs, Administrative Office of the Courts
Mr. William J. Guerin, Director, Judicial Branch Capital Program Office, Administrative Office of the Courts
Ms. Gisele Corrie, Financial Manager, Judicial Branch Capital Program Office, Administrative Office of the Courts



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Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Item 0509-001-0001 and Reimbursements, Support,
Governor's Office of Business and Economic Development**

Zero Emission Vehicle (ZEV) Action Plan Ombudsman (Issue 201)—It is requested that Item 0509-001-0001 be amended by increasing reimbursements by \$150,000 and providing 1 two-year limited-term position for a ZEV infrastructure project manager. This request will provide assistance to those seeking permits for hydrogen fueling station projects. Funding for this position will be provided by the California Energy Commission through an interagency agreement.

Administrative Staffing (Issue 204)—It is requested that Item 0509-001-0001 be increased by \$251,000 and 4 positions to provide support for administrative functions including: Fiscal Services, Business Services, Contracts and Procurement, Information Technology, and Human Resources. Two of the positions will be funded by existing resources made available as a result of legislation that transferred a variety of programs to the Governor's Office of Business and Economic Development.

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 John Fitzpatrick, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
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Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
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
Mr. Kish Rajan, Director, Governor's Office of Business and Economic Development
Ms. Panorea Avdis, Chief Deputy Director, Governor's Office of Business and Economic
Development
Ms. Jenifer Henneke, Administrative Manager, Governor's Office of Business and Economic
Development



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 0530-017-0001 and 0530-001-9745, and Reimbursements, Support, Health and Human Services Agency

Expansion Needs Specific to Intrastate Data Interoperability and Health Insurance Portability and Accountability Act (Issue 401)—It is requested that Item 0530-017-0001 be increased by \$375,000 and reimbursements be increased by \$375,000 on a two-year limited term basis to provide technical assistance and oversight of the federal Health Insurance Portability and Accountability Act (HIPAA). Existing law requires the California Office of Health Information Integrity to maintain statewide leadership, coordination, and oversight of HIPAA implementation and compliance. Driven by the Affordable Care Act, the additional resources will support the implementation of new operating rules, transaction standards, and health plan certification requirements. The resources will fund three consulting contracts to provide HIPAA subject-matter expertise, technical assistance, and compliance reviews and audits.

Child Welfare Services-New System Project (Issue 402)—It is requested that Item 0530-001-9745 be increased by \$2,415,000 to align the Office of Systems Integration's spending authority with the most recent Special Project Report for the Child Welfare Services-New System (CWS-NS) Project. The requested resources will fund various external consultants to continue the planning and procurement phase of the CWS-NS. The request also includes a redirection of 2 positions from the CWS-Case Management System, an existing position reclassification, and an extension of 8 existing limited-term positions (currently set to expire June 30, 2015) through June 30, 2019.

See Item 5180-001-0001, Issue 402, for related adjustments to the Department of Social Services budget.

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 Brandon Nunes or John Silva, Principal Program Budget Analysts, at (916) 445-6423.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, 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 Ellen Corbett, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 1
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
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency
Mr. John Wordlaw, Assistant Secretary, California Health and Human Services Agency
Mr. John Boule, Director, Office of Systems Integration
Mr. Matt Schueller, Fiscal Officer, Office of Systems Integration
Mr. Miguel Salazaar, Fiscal Officer, Office of Systems Integration
Ms. Monica Flowers, Budget Bureau Chief, Department of Social Services
Ms. Elaine Scordakis, Assistant Director, California Office of Health Information Integrity
Ms. Lilly Myers, Chief of Administration, California Office of Health Information Integrity



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0540-101-6029 and Addition of Items 0540-490 and 0540-491, Local Assistance, Secretary of the Natural Resources Agency

Proposition 40—River Parkways Program—It is requested that Item 0540-101-6029 be increased by \$1,138,000 for the acquisition and development of river parkways and for protecting urban streams. This amount is the total remaining in the Proposition 40 allocation for the River Parkways Program. It is also requested that provisional language be added to make the funds available until June 30, 2017 (see Attachment 1).

Proposition 50 and Proposition 84 Reappropriation—River Parkways and Urban Greening Programs—It is requested that Item 0540-490 be added to reappropriate Proposition 50 funds provided by the 2006 Budget Act and Proposition 84 funds provided by the 2009 Budget Act for the River Parkways and Urban Greening Programs. This request will allow previously approved projects to continue to completion. It is also requested that provisional language be added making the funds available until June 30, 2017 (see Attachment 1).

Proposition 84 Reappropriation—Ocean Protection Trust Fund—It is requested that Item 0540-491 be added to reappropriate Proposition 84 funds for marine resources, sustainable fisheries, and marine wildlife conservation provided by the 2008 and 2009 Budget Acts. This request will allow previously approved projects to continue to completion. It is also requested that provisional language be added making the funds available until June 30, 2017 (see Attachment 1).

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 Will Schaafsma, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, 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 Jim Beall, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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
Mr. John Laird, Secretary, Natural Resources Agency
Mr. Patrick Kemp, Assistant Secretary, Administration and Finance, Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency
Ms. Marcy Brown, Manager, Department of Parks and Recreation

Addition of Provisional Language to Item 0540-101-6029:

Provisions:

1. The funds appropriated in this item are available for encumbrance until June 30, 2017.

Addition of Budget Bill Items:

Item 0540-490—Reappropriation, Secretary of the Natural Resources Agency. 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, 2017:

6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

- (1) Item 0540-101-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006) as reappropriated by Item 0540-490, Budget Act of 2011 (Ch. 33, Stats. 2011)
- (2) Item 0540-101-6031, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007) as reappropriated by Item 0540-490, Budget Act of 2011 (Ch. 33, Stats. 2011)

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

- (1) Item 0540-101-6051, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 0540-490, Budget Act of 2011 (Ch. 33, Stats. 2011)
- (2) Item 0540-101-6051, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.) as reappropriated by Item 0540-490, Budget Act of 2011 (Ch. 33, Stats. 2011)
- (3) Item 0540-101-6051, Budget Act of 2010 (Ch. 712, Stats. 2010) as reappropriated by Item 0540-490, Budget Act of 2013 (Ch. 20, Stats. 2013)
- (4) Item 0540-101-6051, Budget Act of 2011 (Ch. 33, Stats. 2011)

Item 0540-491—Reappropriation, Secretary of the Natural Resources Agency. 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, 2017:

6076—California Ocean Protection Trust Fund

- (1) Item 3760-301-6076, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) as reappropriated by Item 3760-490, Budget Act of 2011 (Ch. 33, Stats. 2011)
- (2) Item 3760-301-6076, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)



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Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, California Department of Insurance

Enhanced Fraud Investigation and Prevention (Issue 201)—It is requested that Item 0845-001-0001 be added (see Attachment I) in the amount of \$3,585,000 and Item 0845-101-0001 be added (see Attachment II) in the amount of \$1 million to provide additional resources to fund the California Department of Insurance's (CDI) fraud investigation and prevention efforts. The \$3,585,000 will provide CDI with additional investigators, support staff, legal resources, and training to expand efforts to combat insurance fraud over a four-year limited-term period. In addition, the local assistance increase of \$1 million will provide local district attorneys additional funding to prosecute insurance fraud cases for the next four years. This four-year limited-term program is supported by a portion of the \$46 million insurance fraud settlement with Sutter Health, of which \$20.6 million was deposited in the General Fund.

Menu Modernization Program (Issue 202)—It is requested that Item 0845-001-0217 be increased by \$1,329,000 and 4.5 positions to complete the first-year procurement phase of a five-year information technology project to replace CDI's legacy systems and database. CDI's current legacy systems are built on Integrated Database, which will no longer receive vendor support after June 2017.

Major Regulations (Issue 203)—It is requested that Item 0845-001-0217 be increased by \$121,000 and 1 position to address increased workload necessary to comply with recent statutory changes, which require the development of Standardized Regulatory Impact Assessments for major regulations.

Human Resource Information System Project Replacement (Issue 204)—It is requested that Item 0845-001-0217 be increased by \$142,000 to fund the use of the State Controller's California Leave Accounting System and Oracle's Financial Human Resources module that will replace the Human Resource Information System (HRIS), which is scheduled to sunset June 30, 2014. The funding is necessary for CDI to manage and track human resources information and transactions once HRIS sunsets. Budget Bill language is requested to restrict the expenditure of these funds until the Department of Technology provides specified project approval (see Attachment III).

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 Jeff Carosone, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, 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 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
Ms. Erika Sperbeck, Deputy Commissioner, Administration and Licensing, California Department of Insurance
Ms. Julia Cross, Chief, Financial Management Division, California Department of Insurance
Ms. Crista Hill, Budget Officer, California Department of Insurance
Ms. Elisa Diez, Section Chief, California Department of Technology
Mr. Glenn Stephens, Oversight Manager, California Department of Technology

Attachment I

Add Item 0845-001-0001

0845-001-0001—For support of Department of Insurance..... 3,585,000

Schedule:

(1) 12-Consumer Protection..... 675,000

(2) 20-Fraud Control..... 2,910,000

Attachment II

Add Item 0845-101-0001

0845-101-0001—For local assistance, Department of Insurance..... 1,000,000

Schedule:

(1) 20-Fraud Control..... 1,000,000

**Proposed Budget Bill Provisional Language
Department of Insurance**

Addition of provisional language to Budget Bill Item 0845-001-0217:

- X. Of the funds appropriated in this item, \$142,000 may be expended not sooner than the Department of Technology approves a Feasibility Study Report (FSR) or an FSR Reporting Exempt Request for the Department of Insurance's Human Resource Information System Information Technology Project Replacement, and not sooner than 30 days after the Department of Insurance provides notification of the approval to the Department of Finance.



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Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 0890-001-0001 and 0890-001-0228, Support,
Secretary of State**

Technical Adjustment: Facility Operations Funding Adjustment (Issue 100)—It is requested that Item 0890-001-0001 be decreased by \$575,000 and Item 0890-001-0228 be decreased by \$408,000. The Governor's Budget includes an augmentation of \$2,419,000 for projected facility operations costs associated with becoming a new client in the Building Rental Account portfolio. This action will reduce the Governor's Budget proposal by the requested amount to accurately reflect the level of funding necessary to cover these costs.

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 John Fitzpatrick, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
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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 Debra Bowen, Secretary of State
Ms. Cindy Hanneman, Chief, Management Services Division, Secretary of State
Ms. Kristin Dagsher, Fiscal Affairs Manager, Secretary of State
Mr. Charles Young, Budget Officer, Secretary of State



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Honorable Mark Leno, Chair
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Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Government Code, State Treasurer's Office

Trailer Bill Language relating to the Local Agency Investment Fund reimbursement cap (Issue 001)—It is requested that Government Code section 16429.1 (l) be amended to increase the reimbursement cap from 5 percent to a maximum of 8 percent of earnings if the 13-week daily Treasury bill rate on the last day of the fiscal year is below 1 percent, reverting back to 5 percent once interest rates rise above 1 percent. This change is necessary to enable the State Treasurer's Office to fully recover the authorized administrative costs of the Local Agency Investment Fund (LAIF) Program during this low interest rate environment, which has resulted in reduced interest earnings in the LAIF (see Attachment A).

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 Greg Bruss, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

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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
Mr. Steve Coony, Chief of Staff, State Treasurer's Office
Ms. Becky Grajski, Chief of Administration, State Treasurer's Office

GOVERNMENT CODE SECTION 16429.1

16429.1. (a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agent engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or

the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment Fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of 5 percent of the earnings of this fund and not to exceed the amount appropriated in the annual Budget Act for this function, shall be deducted from the earnings prior to distribution. However, if the 13-week daily Treasury bill rate, as published by the U.S. Department of the Treasury on the last day of the state's fiscal year is below 1 percent, then the above noted reasonable costs shall not exceed a maximum of 8 percent of the earnings of this fund for the subsequent fiscal year, shall not exceed the amount appropriated in the annual Budget Act for this function, and shall be deducted from the earnings prior to distribution. The amount of ~~this~~ the deduction shall be credited as reimbursements to the state agencies, including the Treasurer, the Controller, and the Department of Finance, having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

(n) As used in this section, "local agency," "local governmental unit," and "local governmental official" includes a campus or other unit and an official, respectively, of the California State University who deposits moneys in funds described in Sections 89721, 89722, and 89725 of the Education Code.