



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 0250-101-0932, 0250-102-0159, 0250-111-0001,
0250-112-0001, Local Assistance, Judicial Branch**

Telecommunications Network—It is requested that Items 0250-102-0159 and 0250-112-0001 be increased by \$5,509,000 to support the expansion of the Local Area Network/Wide Area Network (LAN/WAN) telecommunications network infrastructure program to all 58 trial courts. This expansion will add the last four courts (Alpine, Los Angeles, Orange, and San Diego) not currently participating in the branch wide LAN/WAN program. The expansion of the LAN/WAN will provide a more secure, reliable, integrated network for the courts and is a more cost effective option for the overall maintenance and operation of the system.

Technical Adjustment for Cost Changes—It is requested that Items 0250-101-0932 and 0250-111-0001 be decreased by \$3,383,000 to reflect the updated Health Benefit and Retirement Rate cost changes (-\$3,923,000) and to correctly reflect a portion of the 5 percent augmentation to support trial court operations (\$540,000) in the appropriate 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 Brendan Murphy, Assistant Program Budget Manager, 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 Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Jody Patel, Chief of Staff, Judicial Council of California
Mr. Curt Soderlund, Chief Administrative Officer, Judicial Council of California
Mr. Zlatko Theodorovic, Director and Chief Financial Officer, Fiscal Services Office, Judicial
Council of California
Ms. Lucy Fogarty, Senior Manager, Fiscal Services Office, Judicial Council of California
Ms. Gwen Arafiles, Manager, Fiscal Services Office, Judicial Council of California
Mr. Stephen Chang, Manager, Fiscal Services Office, Judicial Council of California



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 0250-490 and 0250-491, and Addition of Item 0250-493,
Capital Outlay, Judicial Branch**

Mendocino County: New Ukiah Courthouse Project (Issues 917, 919, and 920)—It is requested that Items 0250-490 and 0250-491 be amended to reappropriate the acquisition and preliminary plans phases of this project. The current appropriations for these phases expire on June 30, 2015. The timeline for the acquisition phase has been slightly delayed and is scheduled to be completed in July 2015; followed immediately by the start of the preliminary plans phase. The reappropriation of both phases will allow this project to continue without delay (see Attachments 1 and 2).

Glenn County: Renovation and Addition to Willows Courthouse Project (Issues 916, 918, and 919)—It is requested that Item 0250-491 be amended and Item 0250-493 be added to reappropriate the construction phase of this project. The working drawings phase for this project is scheduled to be completed in May 2015. Upon approval of working drawings, the proceed to bid notice for the construction phase can be granted. Should there be any delay in the completion and approval of the working drawings, or if the proceed to bid notice is not approved by June 30, 2015; the construction phase appropriation would expire before these funds could be encumbered. The reappropriation of the construction appropriation will allow this project to continue without delay (see Attachments 2 and 3).

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 Andrea Scharffer, Principal Program Budget Analyst, at (916) 916-445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Curtis Child, Chief Operating Officer, Operations and Programs Division, Judicial Council of California
Mr. Cory Jaspersen, Director, Governmental Affairs, Judicial Council of California
Mr. William J. Guerin, Director, Capital Program, Judicial Council of California
Ms. Angela Guzman, Financial Manager, Capital Program, Judicial Council of California

Amend Item:

"0250-490—Reappropriation, Judicial Branch. 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, 2018.

3138—Immediate and Critical Needs Account, State Court Facilities Construction Fund

- (1) Item 0250-301-3138, Budget Act of 2012, (Chs. 21 and 29, Stats. 2012), as partially reverted by Item 0250-495, Budget Act of 2013 (Ch. 20, Stats. 2013) and Budget Act of 2014 (Ch. 25, Stats. 2014)
 - (1) 91.09.001-El Dorado County: New Placerville Courthouse—Acquisition
 - (2) 91.14.001-Inyo County: New Inyo County Courthouse—Acquisition
 - (9) 91.19.007-Los Angeles County: New Eastlake Juvenile Courthouse—Acquisition
 - (10) 91.23.001-Mendocino County: New Ukiah Courthouse—Acquisition
 - (14) 91.33.003-Riverside County: New Hemet Courthouse—Acquisition"

Amend Item:

"0250-491—Reappropriation, Judicial Branch, 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, 2016.

3138—Immediate and Critical Needs Account, State Court Facilities Construction Fund

(1) Item 0250-301-3138, Budget Act of 2014, (Ch. 25, Stats. 2014)

- (1) 91.09.001-El Dorado County: New Placerville Courthouse—Preliminary plans
- (2) 91.11.001-Glenn County: Renovation and Addition to Willows Courthouse—Construction
- (6) 91.23.001-Mendocino County: New Ukiah Courthouse—Preliminary plans
- (7) 91.33.003-Riverside County: New Mid County Civil Courthouse—Preliminary plans"

New Item:

0250-493—Reappropriation, Judicial Branch, 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, 2018.

0668—Public Buildings Construction Fund Subaccount

(1) Item 0250-301-0668, Budget Act of 2014, (Ch. 25, Stats. 2014)

(1) 91.11.001-Glenn County: Renovation and
Addition to Willows Courthouse—Construction



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Item 0530-001-0001 and Reimbursements, Support,
Health and Human Services Agency**

Expansion of the Office of Law Enforcement Support (Issues 001-A1 and 002-A1)—It is requested that Item 0530-001-0001 be increased by \$1,965,000 and 15 positions and reimbursements be increased by \$600,000 to support an expansion of the Office of Law Enforcement Support (OLES) within the Health and Human Services Agency. The OLES will conduct oversight, provide investigative and legal support, and maintain quality control over administrative investigations that occur at Department of State Hospitals (DSH) and Department of Developmental Services (DDS) facilities. Additionally, the California Highway Patrol and the Office of Inspector General will provide subject-matter expertise, technical assistance, and operational assistance to the office through an interagency agreement. This request builds on resources included in the 2014 Budget Act to establish this office. This request is consistent with recommendations made in a report requested by the Legislature to further improve the quality and stability of law enforcement and investigative functions at DSH and DDS.

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 Silva, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Holly J. Mitchell, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Tony Thurmond, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency
Mr. Kristopher Kent, Assistant Secretary, Health and Human Services Agency
Ms. Monica Flowers, Budget Bureau Chief, Department of Social Services



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Addition of Budget Bill Items 0540-101-6015 and 0540-491, Local Assistance, Secretary for Natural Resources Agency

Proposition 13—River Parkways Program—It is requested that Item 0540-101-6015 be added in the amount of \$4.4 million for the acquisition and development of river parkways and for protecting urban streams. This increase appropriates all remaining Proposition 13 funds for the River Parkways Program.

Reappropriations—It is requested that Item 0540-491 be added to reflect reappropriated funds from various local assistance appropriations from prior years to make the funds available for encumbrance or expenditure through June 30, 2018 (see Attachment 1). A number of grant programs have residual funds from projects that were unsuccessful or came in under budget. These reappropriations would allow for ongoing projects to reach completion and for remaining bond balances of programs to be awarded to new projects.

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

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Lois Wolk, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, Natural Resources Agency
Mr. Bryan Cash, Assistant Deputy Secretary, Natural Resources Agency

Attachment 1
Proposed Budget Bill Language
Secretary of Natural Resources Agency

Add new 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, 2018:

6029—California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund

- (1) Item 6120-101-6029, Budget Act of 2003 (Ch.157, Stats. 2003), as reappropriated by Item 6120-490, Budget Act of 2004 (Ch.208, Stats. 2004), Item 6120-490, Budget Act of 2007 (Chs.171 and 172, Stats. 2007), Item 6120-490, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch.1, 2009-10 4th Ex. Sess.) and Item 6120-490, Budget Act of 2010 (Ch.712, Stats. 2010) and as reverted by Item 6120-495, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) and Item 6120-495, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008).
- (2) Item 0540-101-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 0540-490, Budget Act of 2010 (Ch. 712, Stats. 2010).

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

- (1) Section 40 of Chapter 230 of the Statues of 2004, as reappropriated by Item 0540-490, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008) and Item 0540-490 Budget Act of 2012 (Chs. 21 and 29, Stats. 2012).
- (2) Item 0540-101-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 0540-491, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch.1, 2009-10 4th Ex. Sess.) and 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 2012 (Chs. 21 and 29, Stats. 2012)



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0650-001-0001, Support, Office of Planning and Research

It is requested that Item 0650-001-0001 be increased by \$138,000 General Fund and 1 limited-term position in fiscal year 2015-16 to provide one-time funding for the Office of Planning and Research to update the California Environmental Quality Act guidelines to include the consideration of tribal cultural resources as required by Chapter 532, Statutes of 2014 (AB 52).

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 Brendan Murphy, Assistant Program Budget Manager, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Ken Alex, Director, Office of Planning and Research
Mr. Scott Morgan, Deputy Director of Administration, Office of Planning and Research



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0690-301-0001, Capital Outlay, Office of Emergency Services

Southern Region Emergency Operations Center—It is requested that Item 0690-301-0001 be increased by \$613,000 to provide acquisition and preliminary plans authority for a capital outlay project that will build a new emergency operation center at the Joint Forces Training Base in Los Alamitos. The current Southern Region Emergency Operations Center, also located at the base, consists of two modular buildings. These buildings, built in 1991, were designed to be used temporarily until a permanent building was constructed. The condition of these buildings has deteriorated significantly, requiring increased maintenance and ongoing repairs to keep them operational. In addition, the Office of Emergency Services (OES) reports the existing space, approximately 7,200 square feet, is not large enough to facilitate all of the staff who should be located there for daily operations. This project will address critical infrastructure and space deficiencies by designing and constructing a new 30,000 square foot emergency operations center. OES is currently working with the Military Department to develop a ground lease between OES and the U.S. Army. While there are no anticipated acquisition costs, it is advisable to include acquisition phase authority should the development of the ground lease have some minor 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 Stephen Benson, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

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cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Nancy Ward, Chief Deputy Director, Office of Emergency Services
Mr. Rick Stolz, Assistant Director, Administrative Services Section, Office of Emergency Services
Ms. Sara Stillwell, Budget Officer, Administrative Services Section, Office of Emergency Services



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0860-001-0022, and Addition of Items 0860-001-3251 and 0860-001-3270, Support, Board of Equalization

Prepaid Mobile Telephone Services (MTS) Surcharge—It is requested that the items listed below be increased by \$5,733,000 and 22.3 positions to implement the provisions of Chapter 885, Statutes of 2014 (AB 1717), which will impose a surcharge on retail consumers of prepaid MTS, beginning January 1, 2016. These resources will provide the Board of Equalization with the information technology resources to modify its existing systems to collect the new fees, as well as provide program staff for outreach, accounting, registration, and return processing for the initial implementation. Audit and collection staff will be addressed in a future proposal.

This request proposes the following changes:

- Increase Item 0860-001-0022 (Emergency Telephone Number Account) by \$110,000 and 0.5 positions.
- Add Item 0860-001-3251 (Prepaid Mobile Telephone Services Surcharge Fund) in the amount of \$2,358,000 and 9.1 positions.
- Add Item 0860-001-3270 (Local Charges for Prepaid Mobile Telephony Service Fund) in the amount of \$3,265,000 and 12.7 positions.

It is requested that language be added to Item 0860-001-3251 and to Item 0860-001-3270 authorizing the Department of Finance, after 30 days prior notice to the Legislature, to augment those items if additional resources are required to implement the statute. Suggested Budget Bill language is attached (Attachment 1).

Additionally, it is requested that trailer bill language be adopted to exempt retailers with de minimis sales of qualified prepaid MTS products from collecting the fee, provide a short-term cash flow loan from the General Fund until fee revenue is received, and make technical changes to facilitate implementation of the program.

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 Mark Tollefson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Cynthia Bridges, Executive Director, Board of Equalization
Ms. Edna Murphy, Deputy Director, Administration, Board of Equalization
Ms. Jill O'Connell, Chief, Financial Management Division, Board of Equalization

Attachment 1

Add Item 0860-001-3251 as follows:

0860-001-3251—For support of State Board of Equalization payable from the
Prepaid Mobile Telephony Services Surcharge Fund.....2,358,000

Schedule:

(1) 0570—Administration of the Board of Equalization.....2,358,000

Provisions:

1. The Department of Finance may augment the amounts appropriated in Schedule (1) to implement Chapter 885 of the Statutes of 2014, if it is determined that the Board of Equalization requires additional resources to implement the statute. The Department of Finance shall authorize the augmentation not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee.

Add Item 0860-001-3270 as follows:

0860-001-3270—For support of State Board of Equalization payable from the
Local Charges for Prepaid Mobile Telephony Service Fund.....3,265,000

Schedule:

(1) 0570—Administration of the Board of Equalization.....3,265,000

Provisions:

1. The Department of Finance may augment the amounts appropriated in Schedule (1) to implement Chapter 885 of the Statutes of 2014, if it is determined that the Board of Equalization requires additional resources to implement the statute. The Department of Finance shall authorize the augmentation not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee.



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0950-001-0001 and Reimbursements, Support, and Various Government Code Sections, State Treasurer's Office

Information Technology Staff Augmentation—It is requested that Item 0950-001-0001 be amended by increasing reimbursements by \$1,433,000 to fund 11 permanent positions in the Information Technology Division. The 11 positions would create a five-person Data and Government Transparency Unit; a three-person Project Management Office with two additional technical positions; and a Deputy Chief of Information Technology at the Data Processing Manager IV classification. The reimbursements would be funded by the Authorities and Commissions under the purview of the State Treasurer.

Personal Services Funding Augmentation—It is requested that Item 0950-001-0001 be amended by increasing reimbursements by \$650,000 to fully fund salaries and benefits for all authorized positions. Historically, the State Treasurer's Office (STO) has managed its vacant positions to create enough savings to pay for all personal services expenditures. However, this approach has impacted operational activities and constrained the STO's effectiveness in planning and decision making. The reimbursements would be funded by the Authorities and Commissions under the purview of the State Treasurer.

Trailer Bill Language to Update Statute Reflecting Current Banking Practices—It is requested that Government Code sections 16429.1, 16522, 16551-16554, and 16626-16629 be amended to remove restrictions and references to "San Francisco," in order to allow letters of credit from any Federal Home Loan Bank to be used as securities for deposit and to allow any Federal Reserve Bank, or any branch thereof, to receive deposits of securities approved by the Treasurer (see Attachment 1). This change would bring the management of these accounts in line with current banking practices, and the aforementioned Government Code sections into conformity with other related law.

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

Attachment

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
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Attention: Mr. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable John Chiang, State Treasurer
Mr. Collin Wong-Martinusen, Chief of Staff, State Treasurer's Office
Mr. Vince Brown, Deputy Treasurer for Administration and Fiscal Policy, State Treasurer's Office
Ms. Becky Grajski, Director of Administration, State Treasurer's Office
Ms. Karma Manni, Budget Officer, 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 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 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 law or provision 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.

(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 any 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 United States 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 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.

GOVERNMENT CODE SECTION 16522

16522. The following securities may be received as security for demand and time deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as those loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue or tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

(g) Promissory notes secured by first mortgages and first trust deeds upon residential real property located in California, provided that:

(1) Notwithstanding Section 16521, the promissory notes shall at all times be in an amount in value at least 50 percent in excess of the amount deposited with the bank;

(2) The Treasurer issues regulations, establishes procedures for determining the value of the promissory notes and develops standards necessary to protect the security of the deposits so collateralized;

(3) The depository may exercise, enforce, or waive any right or power granted to it by promissory note, mortgage, or deed of trust; and

(4) The following may not be used as security for deposits:

(i) Any promissory note on which any payment is more than 90 days past due,

(ii) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust, or

(iii) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(h) Bonds issued by the State of Israel.

(i) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(j) Any municipal securities, as defined by Section 3(a)(29) of the Securities Exchange Act of June 6, 1934, (15 U.S.C. 78, as amended), which are issued by this state or any local agency thereof.

(k) Letters of credit issued by the any Federal Home Loan Bank of ~~San Francisco~~, which shall be in the form and shall contain provisions as the Treasurer may prescribe, and shall include the following terms:

(1) The Treasurer shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Treasurer may draw upon it up to the total amount in the event of the failure of the bank or if the bank refuses to permit the withdrawal of funds by the Treasurer or any other authorized state officer or employee.

GOVERNMENT CODE SECTION 16551-16554

16551. With the consent of the bank owning securities deposited or to be deposited with him as security, the Treasurer may:

(a) Authorize any qualified trust company, other than the depositor bank, or the any Federal Reserve Bank of ~~San Francisco~~ or any branch thereof or any state or national bank located in any city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System to receive as his or her agent deposits of any securities approved under this chapter.

(b) Place and maintain for safekeeping as a trust deposit with any qualified trust company, other than the depositor bank, or with the any Federal Reserve Bank of ~~San Francisco~~ or any branch thereof any securities that have been received by him or her under this chapter.

(c) Whenever any qualified trust company accepts such securities under paragraph (a) or (b) such trust company, with the prior approval of the Treasurer, may keep such securities for safekeeping with any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System.

16552. The Treasurer shall take from the qualified trust company or from the any Federal Reserve Bank of ~~San Francisco~~ or a any branch thereof a receipt for any securities received by it under this article. Neither the Treasurer nor the State is responsible for the custody and safe return of such securities until they are withdrawn from the qualified trust company or from the any Federal Reserve Bank of ~~San Francisco~~ or a any branch thereof by the Treasurer.

16553. Any qualified trust company or the any Federal Reserve Bank of ~~San Francisco~~ or any branch thereof to which securities are delivered, either as agent or depository for the Treasury, shall make such disposition of the securities as the Treasurer directs and is responsible only for strict compliance with written instructions given to it by the Treasurer. All such securities are at all times subject to the order of the Treasurer.

16554. The charges of any qualified trust company or of the any Federal Reserve Bank of San Francisco or a any branch thereof for the handling and safekeeping of such securities are not a charge against the Treasurer but shall be paid by the owner.

GOVERNMENT CODE SECTION 16626-16629

16626. With the consent of the savings and loan association or credit union owning securities deposited or to be deposited with him or her as security, the Treasurer may:

(a) Authorize any qualified trust company or the any Federal Reserve Bank of San Francisco or any branch thereof or any state or national bank located in any city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System or the any Federal Home Loan Bank of San Francisco to receive as his or her agent deposits of any securities approved under this chapter.

(b) Place and maintain for safekeeping as a trust deposit with any qualified trust company, or with the any Federal Reserve Bank of San Francisco or any branch thereof or the any Federal Home Loan Bank of San Francisco any securities that have been received by him or her under this chapter.

(c) Whenever any qualified trust company accepts securities under paragraph (a) or (b) the such trust company, with the prior approval of the Treasurer, may keep the securities for safekeeping with any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System.

16627. The Treasurer shall take from the qualified trust company or from the any Federal Reserve Bank of San Francisco, or a any branch thereof, or the any Federal Home Loan Bank of San Francisco a receipt for any securities received by it under this article. Neither the Treasurer nor the state State is responsible for the custody and safe return of such securities until they are withdrawn from the qualified trust company or from the any Federal Reserve Bank of San Francisco, or a any branch thereof, or from the any Federal Home Loan Bank of San Francisco by the Treasurer.

16628. Any qualified trust company or the any Federal Reserve Bank of San Francisco, or any branch thereof, or the any Federal Home Loan Bank of San Francisco to which securities are delivered, either as agent or depository for the Treasury, shall make such disposition of the securities as the Treasurer directs and is responsible only for strict compliance with written instructions given to it by the Treasurer. All such securities are at all times subject to the order of the Treasurer.

16629. The charges of any qualified trust company or of the any Federal Reserve Bank of San Francisco, or a any branch thereof, or the any Federal Home Loan Bank of San Francisco for the handling and safekeeping of such securities are not a charge against the Treasurer but shall be paid by the owner.



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0971-001-0528 and Reimbursements, Support, California Alternative Energy and Advanced Transportation Financing Authority

It is requested that Item 0971-001-0528 be amended by increasing reimbursements by \$85,000 in fiscal year 2015-16, \$918,000 in 2016-17, and adding 2 permanent positions in 2015-16. The additional resources are to address increased costs for administering the California Hub for Energy Efficiency Financing (CHEEF). CHEEF is a ratepayer funded pilot project started in the 2014 Budget Act.

California Alternative Energy and Advanced Transportation Financing Authority has experienced unanticipated delays in the plan to launch the pilot programs and needs an additional 2 permanent positions for program administration expected to last 15 years beyond the end of the 24-month pilot term. The requested positions will provide continued program compliance monitoring and long-term contract management support.

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 Oscar Chaves, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable John Chiang, State Treasurer
Mr. Vince Brown, Deputy Treasurer, Administration and Fiscal Policy, State Treasurer's Office
Mr. Collin Wong-Martinusen, Chief of Staff, State Treasurer's Office
Ms. Becky Grajski, Director of Administration, State Treasurer's Office
Ms. Karma Manni, Budget Manager, State Treasurer's Office



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 0984-001-8081, Support, California Secure Choice Retirement Savings Investment Board

It is requested that Item 0984-001-8081 be added in the amount of \$1 million for continuing the market analysis to determine whether the necessary conditions can be met for implementation of California Secure Choice Retirement Savings Trust Act, as specified in Chapter 734, Statutes of 2012. This market analysis studies the feasibility of a retirement savings program for workers without access to an employer-sponsored retirement plan.

It is also requested that provisional language be added to Item 0984-001-8081 to authorize additional expenditure authority beyond the \$1 million upon Department of Finance's approval and legislative notification. All spending is contingent upon the receipt of sufficient funding provided through a non-profit or private entity, or from federal funding.

Add the following provision to Item 0984-001-8081:

Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Secure Choice Retirement Savings Investment Board to conduct a market analysis pursuant to Chapter 734 of the Statutes of 2012 in excess of the amount hereby appropriated, but not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. The additional expenditure authority is contingent upon the receipt of adequate donations through a nonprofit or private entity, or from federal funds.

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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Honorable Adrin Nazarian, Chair, Assembly Budget Subcommittee No. 4
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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable John Chiang, State Treasurer
Mr. Collin Wong-Martinusen, Chief of Staff, State Treasurer's Office
Mr. Vince Brown, Deputy Treasurer for Administration and Fiscal Policy, State Treasurer's Office
Ms. Becky Grajski, Director of Administration, State Treasurer's Office
Ms. Karma Manni, Budget Officer, State Treasurer's Office



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0985-001-0890, Support, California School Finance Authority

It is requested that Item 0985-001-0890 be increased by \$35,000 Federal Trust Fund to provide the California School Finance Authority funding to cover the costs of complying with an annual single audit requirement as a result of their administration of federal funds.

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 Juan Mireles, Principal Program Budget Analyst, at (916) 445-0328.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
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Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Marty Block, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Karma Manni, Manager Budget Office, California State Treasurer



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 0989-001-3263, Support, California Educational Facilities Authority, and Amendment to Budget Bill Item 0950-001-0001, Support, State Treasurer's Office

It is requested that Item 0989-001-3263 be added in the amount of \$244,000 and 1 position, and Item 0950-001-0001 be amended by increasing reimbursements by \$134,000 and 1 position to administer the College Access Tax Credit Fund (Fund), pursuant to Chapter 367, Statutes of 2014 (SB 798).

The Chapter allows a credit for taxable years 2014 through 2016 based on contributions to the Fund. The California Educational Facilities Authority is required to establish regulations for donors to contribute to the Fund, certify contributions to the Fund, certify tax credits to donors, and communicate the tax credit certificates to the Franchise Tax Board. These positions will be used to implement this new activity.

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 Oscar Chaves, 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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Ms. Rebecca Grajski, Director of Administration, State Treasurer's Office
Ms. Karma Manni, Budget Officer, State Treasurer's Office