



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, 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, and 0250-112-0001, Local Assistance, Judicial Branch

Technical Adjustment for Cost Changes—It is requested that Items 0250-101-0932 and 0250-111-0001 be increased by \$531,000 to reflect the updated Health Benefit and Retirement Rate cost changes for trial court employees.

Civil Case Management System (V3) Replacement—It is requested that Items 0250-102-0159 and 0250-112-0001 be increased by \$12.4 million replace the V3 Court Case Management Systems in the Superior Courts of California—Orange, Sacramento, San Diego, and Ventura counties. This request supports the transition to a modern and supportable case management system.

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

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Nora Campos, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Zlatko Theodorovic, Director and Chief Financial Officer, Judicial Council



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0500-001-0001, Support, Governor's Office

It is requested that Item 0500-001-0001 be increased by \$200,000 to provide funding for the Statewide Director of Immigrant Integration, who was appointed in March 2016. Chapter 25, Statutes of 2015 established the Statewide Director of Immigrant Integration within the Governor's Office. The director shall serve as the statewide lead for the planning and coordination of immigrant services and policies in California. This request will provide the resources necessary to fund the position.

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/ Amy M. Costa

AMY M. COSTA

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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Julie Lee, Director of Operations, Governor's Office



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

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

It is requested that Item 0509-001-0001 be increased by \$1.5 million on a one-time basis. This funding will be used as a match to draw down additional federal funds that will be made to the Small Business Development Center Network for efforts to expand small businesses in California.

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/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Panorea Avdis, Director, Governor's Office of Business and Economic Development
Ms. Jenifer Henneke, Administrative Manager, Governor's Office of Business and Economic
Development
Ms. Tamiko Heim, Associate Budget Analyst, Governor's Office of Business and Economic
Development



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

**Amendment to Various Budget Bill Items, Support and Local Assistance, Office of
Emergency Services**

It is requested that Item 0690-001-0001 be increased by \$10 million and 4 positions to support the implementation of the California Earthquake Early Warning System and Program. The proposed funding will provide capital and operating costs necessary for the Office of Emergency Services to build upon the state's existing seismic network and proposed implementation strategy to provide a comprehensive and reliable earthquake early warning system statewide.

It is requested that Item 0690-112-0001 be increased by \$30 million to support local jurisdictions using the California Disaster Assistance Act program, which supports recovery from all types of disasters, such as, tree mortality, wildfires, earthquakes, floods, and drought.

It is requested that Item 0690-101-0425 be decreased by \$750,000 to align expenditures with projected revenues.

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/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Nora Campos, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Nancy Ward, Chief Deputy Director, Office of Emergency Services



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 0690-495 and Eliminate Item 0690-301-0001, Capital Outlay, Office of Emergency Services, and Amendment to Item 8940-301-0001, Capital Outlay, California Military Department

Southern Region Emergency Operations Center Replacement, Los Alamitos—It is requested that Item 0690-301-0001 be eliminated to withdraw requested funding for the working drawings phase of this project. It is also requested that Item 0690-495 be added (see Attachment 1) to revert the balance of the funding appropriated in fiscal year 2015-16 for the acquisition and preliminary plans phases, and that Item 8940-301-0001 be amended (see Attachment 2) to add \$1,854,000 for the preliminary plans and working drawings phases of this project.

As a California Military Department project, the proposed facility will include the necessary components of a National Guard Armory, thereby qualifying for ongoing federal funding for operations, while still meeting the emergency response requirements as originally intended by the Office of Emergency Services. This new facility will allow for coordinated response efforts between federal agencies, state agencies, and local partners in the critical Southern California region.

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 Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Nora Campos, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Colonel Robert A. Spano, Director, Joint Staff and Chief of Staff, California Military
Department
Colonel Darrin Bender, Director, Government Affairs, California Military Department
Colonel Frank D. Emanuel, Director, Facilities and Infrastructure Directorate, California
Military Department
Mr. Eric Lamoureux, Acting Deputy Director, Division of Finance and Administration,
Office of Emergency Services
Mr. Rick Stolz, Assistant Director, Administrative Services Section, Office of Emergency
Services

0690-495—Reversion, Office of Emergency Services. As of June 30, 2016, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

(1) Item 0690-301-0001, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

(3) 0000753-Southern Region Emergency Operations Center Replacement, Los Alamitos—Acquisition and preliminary plans

"8940-301-0001—For capital outlay, Military Department.....15,652,00019,907,000

Schedule:

(1)	0000705-California Military Department, Sacramento: Advance Planning and Studies.....	150,000
(2)	0000615-California Military Department, Sacramento: Consolidated Headquarters Complex—Performance criteria....	6,889,000
(3)	0000917-Sustainable Armory Renovation Program: Eureka—Performance criteria and design-build.....	2,828,000
(4)	0000918-Sustainable Armory Renovation Program: Escondido—Performance criteria and design-build.....	2,064,000
(5)	0000919-Sustainable Armory Renovation Program: Santa Cruz—Performance criteria and design-build.....	2,006,000
(6)	0000703-San Diego Readiness Center Renovation—Construction.....	1,715,000
(7)	0000759-Sustainable Armory Renovation Program: San Bernardino—Construction.....	2,401,000
<u>(8)</u>	<u>0000981-California Military Department, Los Alamitos: Southern Region Emergency Operations Center Replacement—Preliminary plans and working drawings.....</u>	<u>1,854,000</u>

Provisions:

1. Funds appropriated in Schedule (1) are available for expenditure by the Military Department upon approval of the Department of Finance to be used to develop design and cost information for new projects, for which funds have not been appropriated previously, but which are anticipated to be included in the Governor's Budget for the 2017-18 or 2018-19 fiscal year.
2. Funds appropriated in Schedule (1) will be matched by \$150,000 in federal funds. These federal funds do not flow through the Treasury of the State of California because they are paid by the Department of Defense directly to the Military Department. Thus, the federal contribution to design and cost information will not be reflected in the Budget Act.
3. Notwithstanding any other provision of law, the funds appropriated in Schedules (3), (4), (5), and (7) shall be available for encumbrance until June 30, 2019.
4. Notwithstanding any other provision of law, the funds appropriated in Schedule (8) shall be available for encumbrance until June 30, 2018."



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

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

May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0750-001-0001, Support, Lieutenant Governor

It is requested that Item 0750-001-0001 be increased by \$9,000 to provide additional funding due to an increase in operational costs for personnel related activities.

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/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Rhys Williams, Chief of Staff, Office of the Lieutenant Governor
Mr. Conrad Gregory, Chief Consultant, Office of the Lieutenant Governor



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

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

May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 0820-001-3053, 0820-001-3087, and 0820-001-9731,
Support, Department of Justice**

Technical Adjustment—It is requested that Item 0820-001-3053 be increased by \$5,724,000 and 24 positions, Item 0820-001-3087 be increased by \$10,746,000 and 13.3 positions, and Item 0820-001-9731 be decreased by \$16,470,000 and 37.3 positions, to align funding authority with program activities. This request will realign current program activities with existing special funds that have a direct nexus to the activities preformed.

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/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Nora Campos, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Dave Harper, Assistant Director of Administration, Department of Justice



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 0840-001-0001 and 0840-001-9740, Support,
State Controller's Office**

It is requested that Item 0840-001-0001 be increased by \$2,053,000 in fiscal year 2016-17, \$1,387,000 in 2017-18, and \$932,000 in 2018-19; Item 0840-001-9740 be increased by \$1,550,000 in 2016-17, \$1,045,000 in 2017-18, and \$703,000 in 2018-19; and reimbursements be increased by \$972,000 in 2017-18 and 2018-19 as follows:

21st Century Project: Project Management Assessment and Project Approval Lifecycle (PAL) Workload—An increase of \$1,550,000 in 2016-17, \$1,060,000 in 2017-18, and \$932,000 in 2018-19 for Item 0840-001-0001; an increase of \$1,170,000 in 2016-17, \$799,000 in 2018-19, and \$703,000 for Item 0840-001-9740; and an increase of \$972,000 in 2017-18 and 2018-19 in reimbursements to support 8 positions to complete the independent 21st Century project management assessment as previously approved. The Controller will enter into an interagency agreement with the California Department of Technology (CDT) to secure a contractor to perform the assessment. The results of this assessment will be used in part to complete a Post Implementation Evaluation Report, which is required by CDT at the closure of technology projects.

The Controller will also develop the new information technology system through collaborative discussions with the California Department of Human Resources, the FI\$Cal project, the Department of Finance, and select departmental human resources offices. Once completed, the Controller will prepare the first phase of CDT's PAL process (which is required for any major technology project) to move forward with a new statewide payroll and human resources management system.

Other Post-Employment Benefits (OPEB) Workload Automation—An increase of \$503,000 in 2016-17 and \$372,000 in 2017-18 for Item 0840-001-0001; and an increase of \$380,000 in 2016-17 and \$246,000 in 2017-18 for Item 0840-001-9740 to support 8 positions in 2016-17 and 5 positions in 2017-18. These resources will be used to address the increased workload resulting from OPEB prefunding for Bargaining Unit 6 beginning July 1, 2016, and to automate the deduction, remittance, and reporting for OPEB prefunding process for all bargaining units within the Controller's payroll system.

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 Bill Steffenhagen, Assistant Program Budget Manager, at (916) 445-5332.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Betty Yee, State Controller
Ms. Karen Greene Ross, Chief of Staff, State Controller's Office
Mr. George Lolos, Chief Operating Officer, State Controller's Office
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Larry Norris, Chief of Administration and Disbursements, State Controller's Office
Ms. Paula Harrod, Bureau Chief, Administration and Disbursements



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Various Budget Bill Items, Support, Board of Equalization

Centralized Revenue Opportunity System (CROS) Project Resources—It is requested that funding for the Board's CROS Project be increased by \$17,509,000 and 43.1 positions (including 20.6 full-time equivalents of temporary help) to enable the Board to complete the procurement phase and to begin the implementation phase of the project.

The CROS Project is an information technology modernization effort designed to expand services for both taxpayers and fee payers; improve the efficiency and effectiveness of Board operations; and enhance the Board's ability to generate increased revenues, reducing the tax gap.

This request includes changes to the following items:

- Increase Item 0860-001-0001 by \$9,379,000 and 23.2 positions, and reimbursements by \$5,530,000 and 13.6 positions
- Increase Item 0860-001-0004 by \$7,000
- Increase Item 0860-001-0022 by \$32,000 and 0.1 position
- Increase Item 0860-001-0061 by \$1,909,000 and 4.8 positions
- Increase Item 0860-001-0070 by \$1,000
- Increase Item 0860-001-0080 by \$7,000
- Increase Item 0860-001-0230 by \$92,000 and 0.2 position
- Increase Item 0860-001-0320 by \$9,000
- Increase Item 0860-001-0387 by \$14,000
- Increase Item 0860-001-0439 by \$96,000 and 0.2 position
- Increase Item 0860-001-0465 by \$19,000
- Increase Item 0860-001-0623 by \$177,000 and 0.4 position
- Increase Item 0860-001-0965 by \$1,000
- Increase Item 0860-001-3015 by \$175,000 and 0.4 position
- Increase Item 0860-001-3058 by \$2,000
- Increase Item 0860-001-3065 by \$58,000 and 0.2 position
- Increase Item 0860-001-3067 by \$1,000

It is also requested that provisional language be added to Item 0860-001-0001 (see Attachment 1) to authorize the Director of Finance to augment this item, no sooner than 30 days after notification to the Joint Legislative Budget Committee, by up to \$5 million from revenues generated by the CROS Project if the selected contractor completes the milestones and deliverables required by the contract prior to June 30, 2017.

Prepaid Mobile Telephony Services (MTS) Surcharge Resources—It is requested that the Board's funding for administration and collection of the prepaid mobile telephony surcharge and the associated local charge be increased by \$1,415,000.

This request includes changes to the following items:

- Decrease Item 0860-001-0001 by 2.2 positions
- Increase Item 0860-001-0022 by \$88,000 and 0.3 position
- Increase Item 0860-001-3251 by \$1,032,000 and 4.3 positions
- Increase Item 0860-001-3270 by \$295,000 and 1.3 positions

The surcharge, effective January 1, 2016, creates a complex program, involving thousands of sellers of prepaid mobile telephony services. The requested resources will allow the Board to continue to register fee-paying retailers, process returns, engage in collection activities, conduct audits, complete system changes, and process appeals related to the prepaid mobile telephony surcharge.

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/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. David Gau, Executive Director, Board of Equalization
Ms. Edna Murphy, Deputy Director, Administration, Board of Equalization
Ms. Julia Findley, Acting Chief, Financial Management Division, Board of Equalization

Add the following provision to Item 0860-001-0001:

2. The Department of Finance may augment the amount appropriated in Schedule (1) by an amount not to exceed \$5,000,000, if the state's contractor for the Centralized Revenue Opportunity System (CROS) meets revenue generation targets specified in the contract. The Director of Finance may authorize the augmentation not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee. This provision shall apply to any item currently assessed for support of the CROS project. Any funds provided that are not expressly used for the specified purposes shall revert to the fund from which they were appropriated.



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 0890-001-0001, Support, Secretary of State

It is requested that Item 0890-001-0001 be increased by \$10 million to provide one-time funding for costs associated with printing the voter information guide (VIG) for the 2016 General Election. With as many as 21 potential measures qualifying for the ballot, the Secretary of State will experience significantly higher printing costs for the General Election. This request will provide additional funding for the printing and publishing of the principal and supplemental VIGs.

It is further requested that provisional language be added to Item 0890-001-0001 to specify that these resources only be used for the purpose of printing the VIG for the 2016 General Election. Suggested Budget Bill language is attached (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 John Fitzpatrick, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Alex Padilla, Secretary of State
Ms. Kim L. Gauthier, Deputy Secretary of State, Operations, Secretary of State
Mr. James Schwab, Chief, Legal Affairs, Secretary of State
Ms. Cindy Hanneman, Chief, Management Services Division, Secretary of State
Ms. Kristin Dagsher, Fiscal Affairs Manager, Secretary of State

Add the following provision to Item 0890-001-0001:

3. Of the funds appropriated in Schedule (2), an additional \$10,000,000 is available for preparing, printing, and mailing the state ballot pamphlet for the 2016 General Election pursuant to Article 7 (commencing with Section 9080) of Chapter 1 of Division 9 of the Elections Code. Prior to expending these funds, the Secretary of State shall provide a detailed report to the Department of Finance. Any unexpended funds pursuant to this provision shall revert to the General Fund.



May 13, 2016

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 0985-001-0001 and 0985-001-0890, Support, California School Finance Authority

Item 0985-001-0001, Charter School Facility Grant Program Workload (Issue 101)—It is requested that Schedule (1) of Item 0985-001-0001 be increased by \$132,000 General Fund to provide the California School Finance Authority with 1 position to address Charter School Facility Grant Program workload. The program provides grants to charter schools for rent and lease expenditures subject to eligibility criteria.

Item 0985-001-0001, Charter School Startup Grant Program (Issue 103)—It is requested that Item 0985-001-0001 be increased by \$50,000 General Fund and Schedule (3) be added to provide the California School Finance Authority with one-time funding to support the administration and implementation of the proposed Charter School Startup Grant Program. The program will provide grants to new charter schools for startup costs, as discussed on page two, and initial operating capital to assist in establishing high quality, high performing charter school operations.

It is further requested that provisional language be added to Item 0985-001-0001 as follows to conform to this action:

1. Of the funds appropriated in Schedule (3), up to \$50,000 is available on a one-time basis for consulting services to implement the Charter School Startup Grant Program.

Item 0985-001-0890, State Charter School Facilities Incentive Grants Program Workload (Issue 102)—It is requested that Schedule (1) of Item 0985-001-0890 be increased by \$230,000 Federal Trust Fund to provide the California School Finance Authority with 2 positions to support workload associated with increased participation in the State Charter School Facilities Incentive Grants Program. The program provides grant funding to charter schools for the cost of rent, leases, or construction.

Trailer Bill Language Amendments (See Attachment 1)

Charter School Startup Grant Program—The Administration proposes amending trailer bill legislation to appropriate \$20 million one-time Proposition 98 General Fund for the Charter School Startup Grant Program. Specifically, the May Revision proposes shifting the administration of the program from the Superintendent of Public Instruction to the California School Finance Authority. Other proposed amendments to the trailer bill language would further clarify the program's administrative processes and programmatic eligibility.

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

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
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: Vacant, Appropriations Fiscal Director
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, 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. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Colin Wong-Martinusen, Chief of Staff, State Treasurer's Office
Mr. Vince Brown, Deputy Treasurer, Administration and Fiscal Policy, State Treasurer's Office
Ms. Becky Grajski, Director of Administration, State Treasurer's Office
Mr. Karma Manni, Budget Manager, State Treasurer's Office
Ms. Katrina Johantgen, Executive Director, California School Finance Authority

2016-17 May Revision

The May Revision proposes the following trailer bill language changes. Incremental changes to the Governor's Budget proposal are highlighted in bold font.

Charter School Start-Up Grants (Uncodified Section)

“SEC. XX (a)(1) The sum of twenty million dollars (\$20,000,000) is hereby appropriated from the General Fund to the **Superintendent of Public Instruction for transfer to Section A of the State School Fund California School Finance Authority** to support charter school start-up grants in an amount not to exceed \$575,000 per eligible applicant.

(2) An eligible applicant shall be a charter school that is governed by a not-for-profit public benefit corporation that is authorized to operate in California and (1) a charter petitioner that has submitted a petition to a charter authorizer; (2) a charter school that has been authorized but is not yet operating as a charter school; or (3) a charter school that has not yet completed its first full year of operation as a charter school.

(3) A charter school may apply for a startup grant prior to authorization, however No grant awards shall be provided to any charter school or charter petitioner prior to authorization of its charter petition.

(4) Priority for grants shall be given to those applicants in counties with few or no charter schools, and in underserved communities with high populations of students eligible for free or reduced price meals pursuant to Section 42238.01.

(5) An start-up grant recipient is eligible applicant may to receive their first grant award six months prior to commencing pupil instruction and may expend those funds until June 30, 2019, **so long as the funds are used only in the applicant's first or second year of operation.**

(b) Grant recipients shall use funds in their first or second year of operation A grant may be awarded for one-time costs associated with the start-up of a new charter school, including but not limited to all of the following:

(1) Supplies, furnishings, equipment, and instructional materials.

(2) Professional development, coaching, and support services for teachers and charter school staff.

(3) Curriculum and policy development and acquisition.

(4) Facility and school site preparation or modifications necessary to implement the program in compliance with applicable laws.

(c) Within 60 days of an approved application for funding, the State Department of Education-The California School Finance Authority shall apportion funding to **each charter school the approved applicant** that meets the following conditions:

(1) The charter school has submitted its County-District-School code to the Department, or has submitted verification that the school has been approved by a public charter school authorizer and has submitted a request for a charter school number and County-District-School code from the Department.

(2) The charter school submits documentation of current enrollment or reasonable estimates of anticipated enrollment for the first year of operation based on information that has been confirmed by its authorizer through the charter petition signature process or review of the school's start-up budget.

(d) Grant funds shall be disbursed within 60 days to an approved applicant based on evidence of anticipated or incurred costs provided by the applicant.

(d) (e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the funds appropriated pursuant to this section shall be deemed to be

“General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016-17 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016-17 fiscal year.

~~(e)~~ ~~(f)~~ Funding apportioned pursuant to this section is subject to the annual audits required by Section 41020 of the Education Code.

(g) Actions taken to implement provisions of this item by the California School Finance Authority shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.