



**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 14 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

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

It is requested that Item 7501-001-0001 be increased by \$427,000 and Item 7501-001-9740 be increased by \$322,000 to provide additional funding and 8.5 two-year limited-term positions for the California Department of Human Resources (CalHR) to temporarily maintain approval authority over the Career Executive Assignment Program, unlawful appointments, and classification and/or certification action requests. CalHR will also utilize these resources to develop a pilot program to begin transitioning delegation of these responsibilities to the department level. Full delegation is anticipated to be completed by the end of fiscal year 2014-15.

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

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

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

MAY 14 2013

-2-

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



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Addition of Budget Bill Item 7760-491, Support, Department of General Services

It is requested that Item 7760-491 be added to extend the liquidation period for grant funds to construct alternative fuel stations at public fueling stations. This action is needed to ensure funds are available through the completion of the program (see Attachment I).

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

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

ANA J. MATOSANTOS

Director

By:

/s/ Michael Cohen

MICHAEL COHEN

Chief Deputy Director

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Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Tom Daly, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Jennifer Osborn, Deputy Secretary, State and Consumer Services Agency
Mr. Fred Klass, Director, Department of General Services
Mr. Miles Burnett, Chief, Administrative Services, Department of General Services
Ms. Rhonda Basarich, Chief, Office of Fiscal Services, Department of General Services

MAY 14 2013

Attachment I

Add Item:

7760-491—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2014:

0666—Service Revolving Fund

(1) Item 1760-001-0666, Budget Act of 2010 (Ch. 712, Statutes of 2010) for the balance of Reimbursement—CEC



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

Addition of Trailer Bill Language, Department of General Services

It is requested that trailer bill language be added for the Department of General Services (DGS) to address the Golden State Financial Marketplace Program commonly known as GS \$Mart.

GS \$Mart enables state departments to finance essential items of equipment or other goods such as copy machines, printers, and personal computers. The program is designed to meet the standard requirements of municipal lease financings, which ensures the interest rates on the loans are at tax-exempt rates, and therefore less costly than commercial lending rates.

This language is intended to strengthen the program by clarifying the use of the program, the structure of the program, and ensuring the state's credit rating is protected by authorizing the DGS to make the contractual lease payments on behalf of participating state agencies.

The proposed trailer bill language is attached (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 Greg Rogers, Assistant Program Budget Manager, at (916) 445-9694.

ANA J. MATOSANTOS
Director
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/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Fred Klass, Director, Department of General Services
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Miles Burnett, Deputy Director, Department of General Services
Mr. Jim Butler, Chief Procurement Officer, Department of General Services

GS \$Mart PROPOSED LANGUAGE

SECTION 1. Chapter 9 is added to the Government Code to read:

14930. This chapter shall be known as the Golden State Financial Marketplace Program or GS \$Mart Program.

14931. The department is authorized to structure, administer, and maintain the GS \$Mart Program, the state's centralized financing program available for state agencies and departments to finance certain goods and services as set forth in this chapter.

14932. (a) State agencies which are statutorily authorized to acquire assets listed in (b), are hereby eligible to apply to the GS \$Mart Program to enter into agreements for financing such assets without further competitive bidding.

(b) Assets eligible for financing pursuant to the GS \$Mart Program include energy efficiency projects under Government Code section 4217 or Public Utilities Code section 388, goods under Public Contract Code Section 10290, services under Public Contract Code section 10335, or technology goods or services as defined in Public Contract Code 12100 or Government Code section 11532 that are capital assets eligible for tax exempt financing consistent with the Internal Revenue Code as confirmed by an opinion of bond counsel (as defined in Section 14933(3) below).

(c) State agencies may refinance any eligible asset through the GS \$Mart Program for the purpose of lowering financing costs, consolidating payments, or when refinancing will achieve an overall benefit and cost savings to the state.

14933. (a) The department shall develop a process which requires, but shall not be limited to, the following:

(1) confirmation that the term of each financing will be limited to the average expected economic life of the asset(s);

(2) certification that the asset(s) to be financed are eligible under section 14932;

(3) a submission of an opinion of counsel from an independent law firm of recognized standing in the field of law relating to the exemption from federal income taxation on state or local bonds confirming that the assets subject to the financing qualify for tax exempt financing consistent with the Internal Revenue Code;

(4) the preparation and submission of payment schedules to the State Controller for use by the state controller in transferring funds appropriated to the state agency for payments due under the financing; and

(5) prior approval by the Department of Finance and prior approval of the terms and conditions of the financing by the State Treasurer's Office for each financing over \$10,000,000.

(b) The state controller is authorized and directed to transfer funds according to the schedule(s) submitted by the department pursuant to the GS \$Mart Program.

MAY 14 2013

(c) The department, in consultation with the Department of Finance, shall be responsible for the continued development and administration of, at a minimum, financing applications, instructions, and application approval pursuant to the GS \$Mart Program.

14934. As used in this Chapter, "state agency" or "state agencies" shall mean any and all organizational units, parts, and subdivisions of state agencies as defined in Government Code Section 11000, including the California State University and The Regents of the University of California.

SECTION 2

Section 12102.(e) is eliminated from the Public Contract Code.



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Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

**Amendment to Various Budget Bill Items and Reimbursements, Support, California
Public Employees' Retirement System**

It is requested that Item 7900-003-0830 be decreased by \$77,721,000, Item 7900-015-0815 be increased by \$325,000, Item 7900-015-0820 be increased by \$101,000, Item 7900-015-0822 be increased by \$4,671,000, Item 7900-015-0830 be increased by \$38,608,000 and 121.6 positions, Item 7900-015-0833 be increased by \$164,000, Item 7900-015-0884 be increased by \$248,000, and reimbursements be increased by \$3,908,000 to reflect the request by the California Public Employees' Retirement System (CalPERS) to incorporate their approved budget into the Budget Act.

The Budget Bill items mentioned above are display items for informational purposes to reflect a corresponding change in CalPERS' continuous appropriation authority. These changes reflect the fiscal year 2013-14 budget approved during the April 17, 2013 CalPERS board meeting.

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

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

ANA J. MATOSANTOS
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/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Rose McAuliffe, Interim Assistant Chief, California Public Employees' Retirement System
Mr. Michael Siu, Budget Manager, California Public Employees' Retirement System
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Operations, Government Operations Agency



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Assembly Budget Committee

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California State Teachers' Retirement System Revised Creditable Compensation

The General Fund will be increased by \$2,133,000 due to an increase in the creditable compensation reported by the California State Teachers' Retirement System for fiscal year 2011-12, which increases the state's General Fund retirement contribution for 2013-14. The Defined Benefit payment will be increased by \$814,000, the Pre-1990 Defined Benefit Level payment will be increased by \$310,000, and the Supplemental Benefit Maintenance Account contribution will be increased by \$1,009,000.

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

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

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System
Ms. Robin Madsen, Chief Financial Officer, California State Teachers' Retirement System
Mr. Ed Derman, Deputy Chief Executive Officer, California State Teachers' Retirement System
Ms. Kim Eggen, Budget Manager, California State Teachers' Retirement System
Ms. Anela Hanohano-Pompei, Budget Officer, California State Teachers' Retirement System
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Operations, Government Operations Agency