



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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

APR - 1 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 8620-001-0001, Support, Fair Political Practices
Commission**

It is requested that Item 8620-001-0001 be increased by \$651,000 and 5 positions (1 permanent position and 4 two-year limited-term positions) to provide funding and support for the development and operation of an online system for filing Statement of Economic Interest (SEI) forms, the SEI Enhanced Filing System, as authorized by Chapter 634, Statutes of 2013 (AB 409).

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

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

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

-2-

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. Erin Peth, Executive Director, Fair Political Practices Commission
Mr. Jason Painter, Chief Information Officer, Fair Political Practices Commission
Ms. Loressa Hon, Chief, Administration Division, Fair Political Practices Commission
Ms. Jue Wang, Budget Manager, Fair Political Practices Commission
Ms. Dominique Word, Budget Officer, Fair Political Practices Commission



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

APR - 1 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 and Addition of Various Budget Bill Items and Reimbursements, Support,
California Public Utilities Commission**

Internal Audit Unit—It is requested that the following items be amended:

- Item 8660-001-0042 be increased by \$30,000 and 0.2 position
- Item 8660-001-0046 be increased by \$40,000 and 0.3 position
- Item 8660-001-0412 be increased by \$15,000 and 0.1 position
- Item 8660-001-0461 be increased by \$106,000 and 0.9 position
- Item 8660-001-0462 be increased by \$334,000 and 2.8 positions
- Item 8660-001-0464 be increased by \$2,000
- Item 8660-001-0470 be increased by \$2,000
- Item 8660-001-0471 be increased by \$6,000 and 0.1 position
- Item 8660-001-0483 be increased by \$15,000 and 0.1 position
- Item 8660-001-0493 be increased by \$7,000 and 0.1 position
- Item 8660-001-0890 be increased by \$43,000 and 0.3 position
- Item 8660-001-3141 be increased by \$12,000 and 0.1 position

The requested changes are to establish 5 positions and \$612,000 to staff an Internal Audit Unit at the California Public Utilities Commission (Commission). The costs are allocated to various special funds based on the Commission's cost allocation plan.

Risk Assessment—It is requested that Item 8660-001-0462 be increased by \$403,000 and 3 positions to analyze energy utility General Rate case applications for safety-related investments and validate that utilities are spending specified allocations on safety. It is also requested that reimbursements be decreased by \$1.2 million. The reduction in reimbursement authority is a result of a one-time risk assessment consulting contract that is expiring as the Commission hires additional staff for this work.

Mobile Prepaid Fee Collection—It is requested that the following items be amended:

- Item 8660-001-0462 be increased by \$136,000 and 0.5 position
- Item 8660-001-0464 be increased by \$179,000 and 0.7 position
- Item 8660-001-0470 be increased by \$136,000 and 0.5 position
- Item 8660-001-0471 be increased by \$860,000 and 3.3 positions
- Item 8660-001-0483 be increased by \$150,000 and 0.6 position
- Item 8660-001-0493 be increased by \$444,000 and 1.7 positions
- Item 8660-001-3141 be increased by \$170,000 and 0.7 position

It is requested that these items be increased by a total of \$2,075,000 and 8 positions to implement Chapter 885, Statutes of 2014 (AB 1717) to establish a new statewide retail point-of-sale mechanism for collecting taxes and fees from prepaid wireless consumers in conjunction with the Board of Equalization.

Demand Response—It is requested that Item 8660-001-0462 be increased by \$486,000 and 4 limited-term positions to develop and implement consumer protection rules for residential customers who participate in demand response programs. This request supports the implementation of Chapter 627, Statutes of 2014 (SB 1414).

Electric System Modeling—It is requested that Item 8660-001-0462 be amended to increase reimbursements by \$600,000 for consulting services to develop an integration cost methodology for determining expenses resulting from integrating and operating eligible renewable energy resources in utility electricity supply portfolios. This request supports the implementation of Chapter 610, Statutes of 2014 (AB 2363).

San Joaquin Valley—It is requested that Item 8660-001-0462 be increased by \$950,000 and 3 limited-term positions to initiate a proceeding; identify disadvantaged communities in the San Joaquin Valley; and identify potential funding sources to extend natural gas pipelines to these communities, increase electrical rate subsidies, and consider other alternatives to increase access to affordable energy in the San Joaquin Valley. This request support the implementation of Chapter 616, Statutes of 2014 (AB 2672).

Rail Safety—It is requested that Item 8660-001-0890 be increased by \$2,841,000 for a one-time grant from the federal government to assist states with safety oversight of rail.

Office of Ratepayer Advocates-Utility Safety—It is requested that Item 8660-001-3089 be increased by \$384,000 and 3 positions to participate in general rate cases and analyze existing, expanded, and anticipated utility safety-related programs and expenditures.

Office of Ratepayer Advocates-Rate Design—It is requested that Item 8660-001-3089 be increased by \$185,000 and 2 positions to focus on time-of-use rate making and production cost modeling regarding Commission decisions related to the California Solar Initiative, electric rate design, and distributed energy resources.

Regional Railroad Accident Preparedness Loan—It is requested that Item 8660-011-0470 be added to authorize a \$10 million loan from the High-Cost Fund-B Administrative Committee Fund to the Regional Railroad Accident Preparedness and Immediate Response Fund. This loan is necessary until it can be repaid by revenues from a new fee proposed in the fiscal year 2015-16 budget. The language was inadvertently omitted from the Budget Bill.

Energy Crisis Litigation-Extension of Liquidation Period—It is requested that Item 8660-490 be added (Attachment 1) to extend the liquidation period for continued assistance by outside legal counsel and economic consultants as expert witnesses in litigation by the Commission before the Federal Energy Regulatory Commission. The litigation seeks refunds exceeding \$1 billion for California consumers for overcharges during the 2000-01 energy crisis.

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 Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable 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 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. Tim Sullivan, Executive Director, California Public Utilities Commission
Ms. Michelle Cooke, Deputy Executive Director, California Public Utilities Commission
Ms. Audrey Kitzes, Fiscal and Budget Manager, California Public Utilities Commission

ATTACHMENT 1

8660-011-0470--For transfer by the Controller, upon order of the Director of Finance, from the High-Cost Fund-B Administrative Committee Fund to the Regional Railroad Accident Preparedness and Immediate Response Fund as a loan (10,000,000)

Provisions:

1. The Director of Finance shall transfer \$10,000,000 as a loan to the Office of Emergency Services for regional railroad accident preparedness. No later than July 1, 2018, the loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer.

8660-490—Reappropriation, Public Utilities Commission.

Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2017:

0462—Public Utilities Commission Utilities Reimbursement Account

(1) Item 8660-001-0462, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), as reappropriated by Item 8660-490, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 8660-490, Budget Act of 2013 (Ch. 20, Stats. 2013), and as reappropriated by Item 8660-490, Budget Act of 2014 (Ch.25, Stats. 2014)



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

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

APR - 1 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 8885-295-0001, Local Assistance, Commission on State Mandates

It is requested that Schedule (5) of Item 8885-295-0001 be revised to authorize the suspension of two new mandates as follows:

(xxx) Medi-Cal Eligibility of Juvenile Offenders
(Ch. 657, Stats. 2006)

(xxx) State Authorized Risk Assessment Tool for Sex Offenders
(Chs. 336, 337, 886, Stats. 2006; Ch. 579, Stats. 2007)

On January 23, 2015, the Commission on State Mandates adopted two statewide cost estimates (SCE) that must either be funded or suspended in accordance with Article XIII B, section 6 (b) (1) of the California Constitution.

Medi-Cal Eligibility of Juvenile Offenders (Issue 225)—The SCE totals \$27,469 for costs incurred in prior years and \$4,578 in annual ongoing costs. These costs may not be reflective of the total statewide cost, as counties can continue to submit late claims for prior year costs until October 31, 2015. Suspending this mandate is appropriate, as the state already allocates hundreds of millions of dollars annually to counties to manage Medi-Cal eligibility.

State Authorized Risk Assessment Tool for Sex Offenders (Issue 226)—The SCE has been increased to \$245,080 (from \$151,012) for costs incurred in prior years and \$40,847 (from \$30,624) in annual ongoing costs. These costs may not be reflective of the total statewide cost, as counties can continue to submit late claims for prior year costs until October 31, 2015. Suspending this mandate is appropriate, as training related to the use of risk assessment tools for sex offenders is part of a best practices management strategy for public safety.

-2-

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 Evelyn Suess, Principal Program Budget Analyst, at (916) 445-3274.

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. Heather Halsey, Executive Director, Commission on State Mandates
Ms. Kathy Rios, Chief, Bureau of Payments, Accounting and Reporting Division, State Controller's Office