



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

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

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 8570-001-0001, Support, California Department of Food and Agriculture

It is requested that Item 8570-001-0001 be increased by \$317,000 to provide funding for ratified increases in salaries and benefit rates for employees in the California Animal Health and Food Safety Laboratory System. While these employees are University of California employees governed by its bargaining contracts, salaries and benefits are funded by the California Department of Food and Agriculture via contract.

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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Karen Ross, Secretary, California Department of Food and Agriculture
Ms. Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Mr. Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture
Ms. Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture
Mr. Nathan Johnson, Budget Officer, California Department of Food and Agriculture

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 8570-491, Capital Outlay, Department of Food and Agriculture

Relocation: Yermo Agriculture Inspection Station Project (Issue 301)—It is requested that Item 8570-491 be added to reappropriate the construction phase of this project. This project is comprised of a new agriculture station and demolition of the existing station. The new station is anticipated to be complete in June 2018; however, the demolition will not be complete until December 2018. Therefore, reappropriation is requested so that the entirety of the project can be completed without further delays (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 Andrea Scharffer, 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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Karen Ross, Secretary, California Department of Food and Agriculture
Ms. Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Mr. Kevin Masuhara, Deputy Secretary of Administration and Finance, California Department of Food and Agriculture
Mr. Nathan Johnson, Budget Officer, California Department of Food and Agriculture
Mr. Carl Baum, Budget Analyst, California Department of Food and Agriculture

8570-491—Reappropriation, Department of Food and Agriculture. 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, 2019:

0660—Public Buildings Construction Fund

- (1) Item 8570-301-0660, 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 8570-491, Budget Act of 2010 (Ch. 712, Stats. 2010), Budget Act of 2011 (Ch. 33, Stats. 2011), Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), Budget Act of 2014 (Ch. 25, Stats. 2014), and Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

- (1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Construction



March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to and Addition of Various Budget Bill Item, Support and Local Assistance, California Public Utilities Commission

Supporting Statewide Presence (Sacramento)—It is requested that various items be decreased in the amount of \$52,000 in the budget year and \$124,000 ongoing, as follows:

- Decrease Item 8660-001-0042 by \$2,000 in the budget year and \$5,000 ongoing
- Decrease Item 8660-001-0046 by \$3,000 in the budget year and \$6,000 ongoing
- Decrease Item 8660-001-0461 by \$7,000 in the budget year and \$17,000 ongoing
- Decrease Item 8660-001-0462 by \$34,000 in the budget year and \$84,000 ongoing
- Decrease Item 8660-001-0464 by \$1,000 in fiscal year 2019-20 ongoing
- Decrease Item 8660-001-0471 by \$1,000 in the budget year and \$2,000 ongoing
- Decrease Item 8660-001-0483 by \$1,000 in the budget year and \$2,000 ongoing
- Decrease Item 8660-001-0493 by \$1,000 in the budget year and \$2,000 ongoing
- Decrease Item 8660-001-0890 by \$2,000 in the budget year and \$4,000 ongoing
- Decrease Item 8660-001-3141 by \$1,000 in the budget year and \$1,000 ongoing

The requested changes modify the Governor's Budget proposal to reflect cost savings from the termination of one leased location in Sacramento. If the PUC's Supporting Statewide Presence budget change proposal is approved, employees currently at that location will consolidate with staff at other PUC office locations.

Ongoing Strengthening of the Transportation Enforcement Branch—It is requested that Item 8660-001-0461 be increased in the amount of \$2,353,000 and 5 positions to provide staff for investigations and enforcement against illegally operating transportation carriers and for adequate leadership and supervision in the Transportation Enforcement Branch. Approximately \$1.4 million will fully fund existing positions (equivalent to 10 positions) for expanded investigations and enforcement workload, and \$975,000 would be for the 5 new positions. This request addresses the need for the Public Utilities Commission (PUC) to increase enforcement of laws against illegally operating transportation carriers and facilitate a fair market for compliant operators.

Regulation of Utilities Program Workload—It is requested that Item 8660-001-0462 be increased by \$996,000 and 4 positions to reflect increased workload related to natural gas reliability and regulation, legal support for an increased federal court case docket, and balancing account review requirements. This request includes the following four programmatic changes:

- **Energy Division Compliance with Audit and Statutory Balancing Account Review Requirements**—It is requested that Item 8660-001-0462 be increased by \$310,000 ongoing to support conversion of 2 currently limited-term positions to permanent positions within the Energy Division. These positions conduct utility balancing account reviews to protect ratepayers from unfair or unwarranted rate increases and were initially funded in fiscal year 2015-16, to maintain compliance with a State Auditor Report (2013-109) recommendation. The audit recommendation is now codified in Public Utilities Code section 792.5, making the workload ongoing.
- **Gas Safety, Reliability, and Policy Legal Support**—It is requested that Item 8660-001-0462 be increased by \$194,000 and 1 position to support increased workload related to natural gas reliability issues and the state's aging natural gas infrastructure. The position will also focus on regular gas market monitoring to detect market manipulation by gas operators, interstate gas transmission rate cases in front of the Federal Energy Regulatory Commission, state and federal pipeline safety matters in front of the PUC and the U.S. Department of Transportation, and defending the state's policies and stronger consumer protections in the face of intrusive or conflicting federal policies.
- **Maximize Federal Litigation Outcomes**—It is requested that Item 8660-001-0462 be increased by \$389,000 to fund 2 positions for two years to defend the PUC's implementation of state and federal legislation, policies, and rules. The PUC's federal court case docket expanded from one case in 2012-13 to 17 cases in 2017-18, with three cases filed in the last four months of calendar year 2017. Plaintiffs are challenging the state's renewable energy goals, statutory consumer privacy protections, just and reasonable rates and hearing processes, and the regulation of transportation network companies. Additional resources are necessary to address the increased workload and minimize court losses that could impede California's ability to realize executive and legislative goals and have cost implications for ratepayers in terms of consumer rates and fees, costs, or damages.
- **Natural Gas Core Transport Agent Consumer Protection**—It is requested that Item 8660-001-0462 be increased by \$103,000 and 1 position to implement a natural gas core transport agent regulatory and consumer protection program pursuant to Chapter 604, Statutes of 2013 (SB 656). This Chapter required the PUC to extend registration, oversight of, and consumer protection from core transport agents. The PUC began a two-phase rulemaking proceeding (Rulemaking 14-03-002) in 2014, and the PUC adopted the proposed decision on February 8, 2018. The position will support the decision's requirements which result in additional workload to register core transport agents, development of a "do not call" list, provision of consumer information, and mechanisms to enforce laws against core transport agents that violate PUC regulations.

Loan Repayment Extension—It is requested that Item 8660-403 be added to reflect the extension of a loan repayment from the Regional Railroad Accident Preparedness and Immediate Response Fund (3260) to the California High-Cost Fund-B Administrative Committee Fund (0470) (see Attachment 4). The Governor's Budget reflected a loan extension for both loans between these two funds, but the Budget Bill language only included the citation for one loan in Item 8660-402. This is intended to correct that oversight.

Extension of Liquidation Period, 2015 California Advanced Services Fund, Local

Assistance—It is requested that Item 8660-490 be added to extend the liquidation period for Item 8660-101-3141, Budget Act of 2015, by two years, from June 30, 2018 to June 30, 2020 (see Attachment 1). This change aligns the appropriation's period of availability with project completion dates and amends Budget Bill language to be consistent with the language included in the budget change proposal released with the Governor's Budget as intended.

Extension of Liquidation Period, 2016 California Advanced Services Fund, Local

Assistance—It is requested that Item 8660-491 be added to extend the liquidation period for Item 8660-101-3141, Budget Act of 2016, by two years, from June 30, 2019 to June 30, 2021 (see Attachment 2). This change aligns the appropriation's period of availability with project completion dates and amends Budget Bill language to be consistent with the language included in budget change proposal released with the Governor's Budget as intended.

Extension of Liquidation Period, 2017 California Advanced Services Fund, Local

Assistance—It is requested that Item 8660-492 be added to extend the liquidation period for Item 8660-101-3141, Budget Act of 2017, from June 30, 2020 to June 30, 2022 (see Attachment 3). This change aligns the appropriation's period of availability with project completion dates and amends Budget Bill language to be consistent with the language included in budget change proposal released with the Governor's Budget as intended.

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 Amanda Martin, 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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, 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. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Alice Stebbins, Executive Director, California Public Utilities Commission
Ms. Ellen Moratti, Director of Administrative Services, California Public Utilities Commission
Ms. Hazel Miranda, Director, Office of Governmental Affairs, California Public Utilities Commission
Ms. Maria Valadez, Manager, Budget and Fiscal Services Office, California Public Utilities Commission

8660-490—Reappropriation, Public Utilities Commission. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2020.

3141—California Advanced Services Fund

(1) Item 8660-101-3141, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015)

8660-491—Reappropriation, Public Utilities Commission. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2021.

3141—California Advanced Services Fund

(1) Item 8660-101-3141, Budget Act of 2016 (Ch. 23, Stats. 2016)

8660-492—Reappropriation, Public Utilities Commission. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2022.

3141—California Advanced Services Fund

(1) Item 8660-101-3141, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017)

8660-403—Notwithstanding Provision 1 of Item 8660-011-0470, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), the loan to the Office of Emergency Services for regional railroad accident preparedness shall be repaid upon order of the Director of Finance. The loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer.



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

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

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 8940-001-0001, 8940-001-0890, 8940-001-3085, and Reimbursements, Support, California Military Department

California Cadet Corps Program Expansion—It is requested that Item 8940-001-0001 be increased by \$756,000 to reflect an adjustment to the funding proposed in the Governor's Budget for a multi-year California Cadet Corps program expansion.

Accounting Staff Increase—It is requested that Item 8940-001-0001 be increased by \$430,000 and 3 positions to augment the California Military Department's accounting staff to provide additional expertise for the implementation of a new accounting system.

State Active Duty Compensation—It is requested that Item 8940-001-0001 be decreased by \$80,000, Item 8940-001-0890 be decreased by \$151,000, Item 8940-001-3085 be decreased by \$4,000, and reimbursements be decreased by \$7,000 to align the pay of the Department's State Active Duty employees to the pay of service members of similar grade in the United States Army, United States Air Force, and United States Navy.

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 Emma Jungwirth, 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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Colonel Ron Vestman, Comptroller, California Military Department
Mr. Ajit Bindra, Budget Officer, California Military Department



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 8940-301-0001 and 8940-301-0890, Capital Outlay,
California Military Department**

Bakersfield: Sustainable Armory Renovation Program—Working Drawings and Construction—It is requested that Item 8940-301-0001 be increased by \$745,000 for the working drawings and construction phases of this project (see Attachment 1). In addition, it is also requested that Item 8940-301-0890 be increased by \$745,000 (see Attachment 2).

The project has been on hold since August 2017 because the lowest responsive bids received exceeded the amount available for construction. Consequently, this increase is necessary to accommodate increased construction costs, to update the bid package, and obtain associated approvals. Project completion is anticipated by July 2019.

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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Brigadier General Frank D. Emanuel, Director, Facilities and Infrastructure Directorate, California
Military Department
Colonel Robert Spano, Director, Joint Staff, California Military Department
Colonel Darrin Bender, Director, External Affairs, California Military Department
Lieutenant Colonel Edward J. Landrith, Construction Project Officer, California Military
Department

"8940-301-0001—For capital outlay, Military Department.....~~37,361,000~~ 38,106,000
Schedule:

(1)	0000705-Statewide: Advance Plans and Studies.....	150,000
	(a) Study.....	150,000
(2)	0000703-San Diego: Readiness Center Renovation.....	1,965,000
	(a) Construction.....	1,965,000
(3)	0003238-Burbank: Sustainable Armory Renovation Program.....	2,861,000
	(a) Performance criteria.....	248,000
	(b) Design-build.....	2,613,000
(4)	0003239-Santa Rosa: Sustainable Armory Renovation Program...	2,809,000
	(a) Performance criteria.....	239,000
	(b) Design-build.....	2,570,000
(5)	0003240-San Jose: Sustainable Armory Renovation Program.....	2,460,000
	(a) Performance criteria.....	219,000
	(b) Design-build.....	2,241,000
(6)	0003241-Torrance: Sustainable Armory Renovation Program.....	2,411,000
	(a) Performance criteria.....	205,000
	(b) Design-build.....	2,206,000
(7)	0000981-Los Alamitos: National Guard Readiness Center.....	24,705,000
	(a) Construction.....	24,705,000
(8)	<u>0000761 - Bakersfield: Sustainable Armory Renovation Program...</u>	<u>745,000</u>
	<u>(a) Working Drawings.....</u>	<u>35,000</u>
	<u>(b) Construction.....</u>	<u>710,000"</u>

"8940-301-0890—For capital outlay, Military Department, payable from the Federal Trust Fund.....~~12,506,000~~ 13,251,000

(1)	0000703-San Diego Readiness Center Renovation.....	1,965,000
	(a) Construction.....	1,965,000
(2)	0003238-Burbank: Sustainable Armory Renovation Program....	2,861,000
	(a) Performance criteria.....	248,000
	(b) Design-build.....	2,613,000
(3)	0003239-Santa Rosa: Sustainable Armory Renovation Program...	2,809,000
	(a) Performance criteria.....	239,000
	(b) Design-build.....	2,570,000
(4)	0003240-San Jose: Sustainable Armory Renovation Program....	2,460,000
	(a) Performance criteria.....	219,000
	(b) Design-build.....	2,241,000
(5)	0003241-Torrance: Sustainable Armory Renovation Program....	2,411,000
	(a) Performance criteria.....	205,000
	(b) Design-build.....	2,206,000
(6)	<u>0000761 - Bakersfield: Sustainable Armory Renovation Program</u>	<u>745,000</u>
	<u>(a) Working Drawings.....</u>	<u>35,000</u>
	<u>(b) Construction.....</u>	<u>710,000"</u>



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. ■ GOVERNOR

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

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Various Budget Bill Items, Support, California Department of Veterans Affairs

Funding for the California Central Coast Veterans Cemetery—It is requested that Item 8955-001-0001 be increased by \$220,000 to enable the California Department of Veterans Affairs to continue operating the California Central Coast Veterans Cemetery. Funding from burial fees and federal burial allowances are insufficient to fully fund cemetery operations because the pace of burials is much lower than anticipated. It is also requested that Item 8955-001-0890 be decreased by \$143,000, and Items 8955-001-3013 and 8955-011-8048 be decreased by \$77,000 to reflect revised expenditure and transfer authority based on updated burial and revenue projections.

California State Approving Agency for Veterans Education—It is requested that Item 8955-001-0890 be increased by \$260,000 and 4 positions to allow the Department to receive additional federal funds that are available to the California State Approving Agency for Veterans Education, which has oversight responsibility for the approval of schools and colleges that want to enroll veterans in their programs using veterans' earned Government Issue Bill benefits.

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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Vito Imbasciani M.D., Secretary, Department of Veterans Affairs
Mr. Russell Atterberry, Undersecretary, Department of Veterans Affairs
Ms. Sherri Gastinell, Deputy Secretary, Administrative Services Division, Department of Veterans Affairs
Ms. Patty Ingram, Budget Officer, Department of Veterans Affairs



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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

March 29, 2018

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 8955-301-0001, Capital Outlay, Department of Veterans Affairs

Veterans Home of California, Yountville: Skilled Nursing Facility—Performance Criteria—

It is requested that Item 8955-301-0001 be decreased by \$8,624,000 to reflect updated costs and a shift in delivery method for this project (see Attachment 1). Funding for the preliminary plans phase of this project was included in the Governor's Budget in the amount of \$15,722,000, with total costs estimated at \$317,131,000 (\$15,722,000 for preliminary plans, \$12,984,000 for working drawings, and \$288,425,000 for construction) based on preliminary studies and cost analyses performed by the Department of General Services (DGS). Since then, DGS has completed additional geotechnical work on the site resulting in updated project costs. In addition, it has been determined that using the design-build project delivery method will provide additional cost and schedule efficiencies. This request will change the project delivery method to design-build, and update the project costs as follows: \$7,098,000 for performance criteria and \$286,411,000 for design-build, for a total project cost of approximately \$293,509,000.

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 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: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Christopher Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. David Gerard, Assistant Deputy Secretary, Capital Assets and Facilities Management,
California Department of Veterans Affairs
Ms. Patty Ingram, Budget Officer, California Department of Veterans Affairs

8955-301-0001—For capital outlay, Department of Veterans Affairs.....	15,722,000
	7,098,000

Schedule:

(1) 0000706- Veterans Home of California Yountville: Skilled Nursing Facility.....	15,722,000
	7,098,000
(a) Preliminary plans Performance criteria.....	15,722,000 7,098,000