



MAR 21 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

It is requested that Items 0250-111-0001 and 0250-101-0932 be decreased by \$584,000 to reflect the reduced transfer amount from the General Fund to the Trial Court Trust Fund. This reduction reflects the removal of Judicial Officer salaries from the Judicial Branch's growth factor increase that is based on the year-over-year change in the State Appropriations Limit.

It is requested that Budget Bill language (Attachment 1) be added to Item 0250-101-0932 to align expenditure authority with the generated revenue of the Equal Access Fund Program.

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

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

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: On following page

MAR 29 2007

-2-

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. William C. Vickrey, Administrative Director of the Courts, California Administrative
Office of the Courts
Mr. Stephen Nash, Acting Director, Finance Division, California Administrative Office of the
Courts
Ms. Gwen Arafles, Supervising Budget Analyst, California Administrative Office of the
Courts

Attachment 1**Judicial Branch
Proposed Budget Bill Language****Item 0250-101-0932**

Provisions:

X. Funds available for expenditure in Schedule 8 of this item may be augmented by order of the Director of Finance by the amount of any additional resources deposited for distribution to the Equal Access Fund Program in accordance with Sections 68085.3 and 68085.4 of the Government Code. Any augmentation under this provision shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 0250-301-3037, Capital Outlay, Judicial Branch

It is requested that Item 0250-301-3037 be increased by \$16,422,000 to reflect the following:

1. Increase by \$3,243,000 to amend the San Joaquin County, New Stockton Courthouse project as proposed in the Governor's Budget. This request reflects the estimated cost to acquire approximately 1.6 acres, as revised by the Administrative Office of the Courts (AOC).
2. Increase by \$4,426,000 to provide funds to acquire property in Tulare County for a new Porterville Courthouse. This project will replace court operations from two existing facilities that have a total of six courtrooms with a new nine-courtroom facility. The existing facilities are inadequate because of space and security deficiencies.
3. Increase by \$5,889,000 for the equity purchase of the Los Angeles County and City of Long Beach shares in the existing facility. This request will give the AOC full title and equity to the existing court facility. This request includes the addition of provisional language that will enable the AOC to begin the process of developing a public-private partnership for the construction of a 31-courtroom replacement facility. The AOC proposes to use this as a "pilot project" with the goal of providing cost savings. This project will replace the existing 27-courtroom facility which is inadequate because of space, security, and accessibility deficiencies.
4. Increase by \$541,000 to provide funds to acquire property in San Benito County for a new Hollister Courthouse. This project will replace court operations from three existing facilities, which are inadequate because of space and security deficiencies, with a new three-courtroom facility.
5. Increase by \$845,000 to provide funds to acquire property in Calaveras County for a new San Andreas Courthouse. This project will replace court operations from two existing facilities, which are inadequate because of space and security deficiencies, with a new four-courtroom facility.
6. Increase by \$1,478,000 to provide funds to acquire property in Lassen County for a new Susanville Courthouse. This project will replace court operations from three existing facilities, which are inadequate because of space and security deficiencies, with a new three-courtroom facility.

It is recommended that all of the provisions for this item (1-4) will be deleted and replaced with the following provisions:

Provision 1. Notwithstanding any other provision of law, each county listed in this item shall transfer responsibility, or responsibility and title, to the state prior to the release of funds for all acquisition projects. Of the funds appropriated for the San Bernardino County, New San Bernardino Courthouse project, \$4,774,000 will be reimbursed from funds donated by the County of San Bernardino.

Provision 2. Notwithstanding any other provision of law, the Administrative Office of the Courts shall gather information for a public-private partnership agreement for the Long Beach Court replacement, specify a process and criteria for developing alternative methods of project delivery, and identify variables that will be used to evaluate the alternative methods of delivery.

Provision 2 will be in conjunction with proposed trailer bill (RN 07 01789) legislation which would grant the AOC the authority to enter into public-private partnership agreements.

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 Teresa Bierer, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. William Vickrey, Administrative Director of the Courts, Administrative Office of the
Courts
Mr. Ron Overholt, Chief Deputy Director, Administrative Office of the Courts
Ms. Kim Davis, Director, Office of Court Construction and Management, Administrative
Office of the Courts
Ms. Gisele Corrie, Financial Manager, Office of Court Construction and Management,
Administrative Office of the Courts



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 0520-001-0001 and 0520-001-0044, Support, Business, Transportation and Housing Agency

International Trade and Investment Study—It is requested that Item 0520-001-0001 be decreased by \$150,000 and Item 0520-001-0044 be amended to reflect the change because the Business, Transportation and Housing Agency has identified current year savings to begin the international trade study in the current year. Chapter 663, Statutes of 2006 (SB 1513) requires the Secretary to submit a comprehensive study on the potential roles of the state in global markets to the Legislature by October 1, 2007. In order to meet this deadline, current year General Fund savings will be redirected to contract for the study. As a result, it is requested that the \$150,000 proposed for the study be deleted from budget year.

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 Kathryn Amann, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: On following page

MAR 29 2007

-2-

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Dale Bonner, Secretary, Business, Transportation and Housing Agency
Ms. Karin Fish, Chief Fiscal Officer, Business, Transportation and Housing Agency



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to and Addition of Various Budget Bill Items, Support, Secretary for Resources

CALFED Program

It is requested that Item 0540-001-0890 be increased by \$2,760,000, Reimbursements be increased by \$5,876,000, and Item 0540-001-0140 be amended to reflect these changes. This funding is necessary to enable the CALFED Science Program to support requests from state and federal implementing agencies for various research projects in the Sacramento and San Joaquin River Delta including examination of delta smelt populations and review of the CALFED Program's performance, as well as enhanced federal support of the Delta Vision process.

River Parkways Reversion

It is requested that Item 0540-495 be added to revert \$51,000 from Proposition 40 appropriations in the Budget Acts of 2003, 2005, and 2006 for the River Parkways Program (see Attachment A). The fiscal impacts of this reversion were included in the Governor's Budget; however, the reversion language was inadvertently not included in the Budget Bill.

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 Matt Almy, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

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cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Alan Lowenthal, Chair, Senate Budget and Fiscal Review Committee No. 2
Honorable Ira Ruskin, Chair, Assembly Budget Subcommittee No. 3
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Mike Chrisman, Secretary, Resources Agency
Mr. Patrick Kemp, Assistant Secretary, Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, Resources Agency

Attachment A

0540-495—Reversion, Secretary for Resources. As of June 30, 2007, the balances specified below, of the appropriations provided in the following citations shall revert to the balance in the fund from which the appropriations were made.

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

- (1) Item 0540-001-6029, Budget Act of 2003 (Ch. 157, Stats. 2003).....\$10,000
- (2) Item 0540-001-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)...\$19,775
- (3) Item 0540-001-6029, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)...\$21,225



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Items 0558-001-0001, 0650-001-0001, and 0650-011-0001,
Support, Office of the Secretary for Education and the Office of Planning and Research**

It is requested that Items 0558-001-0001 and 0650-011-0001 each be increased by \$47,000 to provide 1.0 position for administering the Governor's Office Education Transparency Website (Website). It is also requested that Item 0650-001-0001 be increased by \$120,000 and 0.5 position for technical support and hardware for the Website.

While school-specific data is available over the Internet at the present time, the ability to do a side-by-side comparison of schools in a single session is not. The Website will present data in a fashion that is simple and intuitive. The intended audience for this effort is not the researcher or the seasoned professional, but parents or members of the general public who may have very basic questions about local schools. Specifically, the Website will allow parents and others to compare and contrast data such as enrollment, test scores, pupil discipline, and teacher credentialing and experience.

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

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachments

cc: On following page

-2-

If you have any questions or need additional information regarding this matter, please call Sara Swan, Principal Program Budget Analyst, at (916) 445-0328.

MICHAEL C. GENEST
Director
By:

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Committee No. 1
Honorable Julia Brownley, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Dale Janssen, Executive Director, Commission on Teacher Credentialing
Ms. Crista Hill, Division Director, Commission on Teacher Credentialing



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 0690-001-0001, 0690-001-0029, and 0690-002-0001, Support, and Item 0690-101-0029, Local Assistance, and Elimination of Item 0690-111-3034, Local Assistance, Office of Emergency Services

It is requested that Item 0690-001-0029 be increased by \$38,000, Item 0690-101-0029 be increased by \$93,000, Item 0690-111-3034 be eliminated and Item 0690-002-0001 be adjusted to reflect the following:

- **Nuclear Planning Assessment Special Account Consumer Price Index Adjustment**—An increase from the Nuclear Planning Assessment Special Fund of \$131,000 (\$38,000 State Operations, \$93,000 Local Assistance) is requested pursuant to Government Code Section 8610.5. This is an annual adjustment based on economic changes reflected in the California Consumer Price Index.
- **Technical Adjustment to Allocate Price Adjustment Correctly**—An adjustment to Item 0690-002-0001 is requested that would decrease Program 50-Criminal Justice Projects by \$101,000, and provide a corresponding increase to Program 51-State Terrorism Threat Assessment Center of \$101,000, to more accurately schedule the Office of Emergency Services' 2007-08 Price adjustment.
- **Withdrawal of Port Security Grant Program Proposal**—An adjustment to eliminate Item 0690-111-3034 is requested to reflect the withdrawal of the fall proposal to establish a Port Security Grant Program.

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

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

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Ms. Peggy Okabayashi, Chief, Administration Division, Office of Emergency Services
Ms. Nancy Kontos, Fiscal Officer, Office of Emergency Services
Mr. Brendan Murphy, Deputy Director, Office of Homeland Security



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

It is requested that Item 0750-001-0001 be increased by \$290,000 General Fund, to reflect the following adjustments:

- **Information Technology Upgrade**—An increase of \$100,000 General Fund is requested to replace obsolete personal computers and to upgrade hardware, software, wiring, and the local area network. These upgrades are necessary to improve the operational efficiencies of the Lieutenant Governor's Office.
- **Commission for Economic Development Augmentation**—An augmentation of \$190,000 from the General Fund is requested to fund travel and per diem expenses of members of the Commission for Economic Development (CED), external consultant costs, and leasing costs for a new CED office in San Francisco. This augmentation will enable the CED to fulfill its statutory obligations and assist in California's economic development.

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

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Ms. Becky Franzoia, Capitol Director, Lieutenant Governor's Office
Ms. Laura Rios, Fiscal Officer, Lieutenant Governor's Office



MAR 23 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 0820-001-0001, 0820-001-0017, and 0820-001-9731, Support, and Addition of Item 0820-490, Reappropriation, Department of Justice

It is requested that Item 0820-001-0001 be amended to reflect the following technical adjustment:

- Consolidate the Division of Firearms and the Division of Gambling Control into the Division of Law Enforcement. This restructuring is intended to streamline policies and procedures, and to achieve operating efficiencies by placing the majority of Department of Justice (DOJ) law enforcement personnel within a single division.

It is further requested that Item 0820-001-0001 be decreased by \$76,000 to reflect that an Independent Project Oversight Consultant (IPOC) will not be hired for the Violent Crime Information Network (VCIN) renovation project. An IPOC was not required for the VCIN renovation project because the Office of Technology Review, Oversight, and Security determined the project to be of medium criticality. An IPOC is only required if the project is of high criticality.

It is requested that Item 0820-001-0017 be decreased by \$1,000,000 and Item 0820-001-0001 be amended to reflect the projected decrease in demand for the Applicant Expedite Service. Due to the success of the Fingerprint Live-Scan project, this service for expedited processing of the manual ink-and-card fingerprint record is expected to decline.

It is requested that Item 0820-001-9371 be increased by \$1,144,000 and Item 0820-001-0001 be amended to provide the DOJ the resources needed to provide state bond counsel and other public finance work for the increased number of upcoming bond transactions. The DOJ will have additional workload related to the sale of new bonds and the increasing complexity of existing bond issues.

It is requested that Item 0820-490 be added to reflect the following reappropriations (Attachment 1):

- \$405,000 General Fund to continue the renovation of the VCIN.
- \$928,000 General Fund to continue the redesign of the Criminal Justice Information System project.

MAR 20 1997

These reappropriations are necessary due to delays in the procurement process, which will prevent the DOJ from encumbering these funds in the current year.

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

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Ms. Sue Johnsrud, Director, Administrative Services Division, Department of Justice
Mr. Andy Kraus, Budget Officer, Department of Justice
Ms. Jennifer Byington, Budget Analyst, Department of Justice

MAR 23 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 0840-001-0001, 0840-001-0061, 0840-001-0062, 0840-001-0330, 0840-001-0903, 0840-001-0988, 0840-001-6044, 0840-011-0494, 0840-011-0797, 0840-011-0988, and Reimbursements, Addition of Item 0840-490, Reappropriation, and Item 0840-495, Reversion, Support, State Controller's Office

California Child Support Automation System Audits (Issue 100)

It is requested that Item 0840-001-0001 be amended by increasing Reimbursements by \$192,000 and by providing 2.0 one-year limited-term positions for workload associated with developing, implementing, and monitoring the California Child Support Automation System project. In addition, 2.5 existing positions will be permanently redirected and funded by the project. The State Controller's Office is involved with this project because of its role in the disbursement of funds and the auditing of disbursements.

Postage Rate Increase (Issues 101)

It is requested that Item 0840-001-0001 be increased by \$110,000 and Reimbursements be increased by \$312,000 to cover higher mailing cost due to the postage rate increase that will take effect on May 14, 2007.

Cannery Business Park Lease Costs (Issue 102)

It is requested that Item 0840-001-0001 be increased by \$558,000, Reimbursements be increased by \$291,000, 0840-001-0061 be increased by \$26,000, 0840-001-0062 be increased by \$1,000, 0840-001-0330 be increased by \$11,000, 0840-001-0903 be increased by \$4,000, 0840-001-0988 be increased by \$2,000, 0840-001-6044 be increased by \$9,000, 0840-011-0494 be increased by \$2,000, 0840-011-0797 be increased by \$7,000, and 0840-011-0988 be increased by \$2,000 to pay for the estimated rent increase for leased space at the Cannery Business Park location.

Since the final lease cost will not be available until later this spring and will require expenditure adjustments, it is requested that provisional language be added to the following items to achieve this purpose. Add provision 15 to Item 0840-001-0001 as follows:

15. Notwithstanding any other provision of law, the Director of Finance may authorize increases or decreases in expenditures for this item to reflect the final lease costs for the Cannery Business Park location of the State Controller's Office. The Director of Finance may authorize expenditure adjustments per this provision not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not

sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

Add provision 1 to the following Items 0840-001-0061, 0840-001-0062, 0840-001-0330, 0840-001-0903, 0840-001-0988, and 0840-001-6044 as follows:

1. Provision 15 of Item 0840-001-0001 also applies to this item.

Funding Reduction from Cancellation of Bank Reconciliation System Project (Issue 103)

It is requested that Item 0840-495 be added to revert an estimated \$308,000 from Item 0840-001-0001, Budget Act of 2006 (Chapter 47, Statutes of 2006), and \$402,000 in Reimbursements due to the cancellation of the Bank Reconciliation System project. Additionally, it is requested that Item 0840-001-0001 be decreased by \$107,000 and Reimbursements be decreased by \$141,000. Due to a variety of factors, including the anticipation that the Financial Information System for California will encompass the functionality of the Bank Reconciliation System, the project will not be undertaken.

The following language is recommended for the reversion:

- 0840-495—Reversion, State Controller's Office. As of June 30, 2007, the balance specified below, of the appropriation provided in the following citation shall revert to the balance in the fund from which the appropriations were made.
0001—General Fund
Item 0840-001-0001, Budget Act of 2006 (Ch. 47, Stats. 2006).....\$308,000
(2) 300000-Operating Expenses and Equipment.....710,000
(4) Reimbursements.....-402,000

Unclaimed Property System Replacement Project (Issue 104)

It is requested that Item 0840-490 be added to reappropriate the balance of the appropriation for this project, currently estimated at \$831,000, from Item 0840-001-0001, Budget Act of 2006 (Chapter 47, Statutes of 2006) due to a delay in procuring the primary vendor contract. This would result in 1.5 positions (one-year, limited-term) being shifted from 2006-07 to 2007-08. Additionally, it is requested that Item 0840-001-0001 be increased on a one-time basis by \$402,000 and 3.6 one-year limited-term positions be provided for workload and new costs associated with this project.

The following language is recommended for the reappropriation:

- 0840-490—Reappropriation, State Controller's Office. The balance of the appropriation provided in the following citation is reappropriated for the purpose provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2008.
0001—General Fund
Item 0840-001-0001, Budget Act of 2006 (Ch. 47, Stats. 2006). For the purpose of the Unclaimed Property System Replacement project.

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

If you have any questions or need additional information regarding this matter, please call Oscar Chaves, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable John Chiang, Controller, State Controller's Office
Mr. Michael Carter, Chief Operating Officer, State Controller's Office
Ms. Carol Nelson, Chief, Administration and Disbursements Division, State Controller's Office
Mr. Tom Yowell, Budget Officer, State Controller's Office



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Budget Bill Item 0845-001-0217, Support, and Item 0845-101-0217,
Local Assistance, Department of Insurance**

It is requested that Item 0845-001-0217 be increased by \$1,973,000 for the following purposes:

- \$1,375,000 and 6.0 positions for investigation activities to combat workers compensation insurance fraud including \$750,000 for a study on medical under or over-treatment, employer misconduct, and misrepresentation by physicians or employees.
- \$403,000 (\$216,000 one-time) and 4.0 positions (2.0 positions limited-term) for investigation activities to combat disability and healthcare insurance fraud.
- \$195,000 to provide expenditure authority for the Department of Technology Services rate increases.

It is requested that Item 0845-101-0217 be increased by \$3,186,000 to provide grants to local district attorneys. Funds are provided based on a prior record of successful prosecution of insurance fraud. This funding includes the following:

- \$2,364,000 for grants to local district attorneys to prosecute alleged workers compensation insurance fraud.
- \$822,000 for grants to local district attorneys to prosecute alleged disability and healthcare insurance fraud.

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

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Dennis Ward, Deputy Commissioner, Administration and Licensing Services,
Department of Insurance
Ms. Julia Cross, Chief, Budget and Revenue Management Bureau, Department of Insurance



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

Funding for Maintenance and Repair Costs (Issue 033)—It is requested that items listed below be increased by \$524,000, to provide for annual maintenance of building life/safety systems such as elevators, and for reserves for cyclical repair such as roof replacement for the headquarters building recently purchased by the state as follows:

- 0860-001-0001 \$300,000
- Reimbursements 149,000
- 0860-001-0004 1,000
- 0860-001-0022 1,000
- 0860-001-0061 26,000
- 0860-001-0070 1,000
- 0860-001-0080 1,000
- 0860-001-0230 10,000
- 0860-001-0320 1,000
- 0860-001-0387 1,000
- 0860-001-0439 3,000
- 0860-001-0465 1,000
- 0860-001-0623 17,000
- 0860-001-0965 3,000
- 0860-001-3015 1,000
- 0860-001-3058 1,000
- 0860-001-3065 7,000

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 Chris Hill, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL C. GENEST

Director

By:

/s/ Vincent P. Brown

VINCENT P. BROWN

Chief Deputy Director

Attachment

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Ms. Meg Svoboda, Budget Officer, Franchise Tax Board
Mr. Steve Mercer, Budget Officer, Franchise Tax Board



MAR 29 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

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

It is requested that Item 0950-001-0001 be amended by increasing reimbursement expenditure authority by \$403,000.

The additional reimbursements are needed to establish 4.0 permanent positions to address additional workload related to bond issuance and interim financing in the Public Finance Division of the State Treasurer's Office.

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

If you have any questions or need additional information regarding this matter, please call Oscar F. Chaves, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Bill Lockyer, State Treasurer
Mr. Steve Coony, Chief of Staff, State Treasurer's Office
Mr. Hugo Lopez, Chief of Administration, State Treasurer's Office
Ms. Becky Grajski, Budget Officer, State Treasurer's Office



Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 0954-001-0001 and 0954-001-0564, Support, and Education Code Section 69999.7, Local Assistance, Scholarshare Investment Board

Issues 001 and 002: Positions for the Scholarshare Savings Trust Program—It is requested that Item 0954-001-0001 be reduced by \$108,000 and that Item 0954-001-0564 be increased by \$216,000. These adjustments would result in the transfer of 1.0 position and operating expenses from the Governor's Scholarship Programs, due to decreased workload for that program, to address increased workload for the Scholarshare Savings Trust Program. Furthermore, this request would appropriate an additional \$108,000 from the Scholarshare Administrative Fund to establish 1.0 new position to further support increased workload for the Scholarshare Savings Trust Program. These 2.0 positions would help the Scholarshare Investment Board meet its statutory responsibility to administer and market the Scholarshare Savings Trust Program.

Issue 003: Reduce General Fund Available for the Governor's Scholarship Programs—It is requested that the funding scored per Education Code Section 69999.7 be eliminated to reflect a savings of \$2.0 million in both the current year and budget year (for a total of \$4.0 million). This funding was originally scored as an estimate of possible General Fund transfers to the Governor's Scholarship Programs pursuant to Education Code Section 69999.7(b). It is anticipated that General Fund transfers will not be required in either fiscal year.

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

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

-2-

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Committee No. 1
Honorable Julia Brownley, Chair, Assembly Budget Subcommittee No. 2
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Hugo Lopez, State Treasurer's Office
Ms. Carrie Douglas Fong, Scholarshare Investment Board



MAR 23 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 0968-001-0448, Support, California Tax Credit Allocation Committee

It is requested that Item 0968-001-0448 be increased by \$567,000 to address increased workload associated with federal compliance monitoring requirements. The funds would be used to fund a one-time contract (\$30,000) to study the appropriate level of ongoing resources to meet existing/future program needs. In the interim, we are requesting the establishment of three permanent positions and one-time contract (\$250,000) to address workload until the results of the study are available.

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

If you have any questions or need additional information regarding this matter, please call Oscar F. Chaves, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Honorable Bill Lockyer, State Treasurer
Mr. Steve Coony, Chief of Staff, State Treasurer's Office
Mr Bill Pavao, Executive Director, California Tax Credit Allocation Committee
Mr. Hugo Lopez, Chief of Administration, State Treasurer's Office
Ms. Becky Grajski, Budget Officer, State Treasurer's Office



MAR 23 2007

Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Item 0985-001-9735, State Operations, California School Finance Authority

0985-001-9735, Increase Staff for the Implementation of Proposition 1D (Issue 217)

It is requested that two positions and \$129,000 in bond funds be added to this item to support workload demands associated with the implementation of Proposition 1D and the Charter School Facilities Program.

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

If you have any questions or need additional information regarding this matter, please call Thomas Todd, Principal Program Budget Analyst, at (916) 445-0328.

MICHAEL C. GENEST
Director
By:

/s/ Vincent P. Brown

VINCENT P. BROWN
Chief Deputy Director

Attachment

cc: On following page

MAR 29 2007

-2-

cc: Honorable Tom Torlakson, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mark Leno, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Michael Machado, Chair, Senate Budget and Fiscal Review Committee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Hugo Lopez, Director, Administration, State Treasurer's Office
Ms. Katrina Johantgen, Executive Director, California School Finance Authority