



APR 01 2010

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

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 7100-001-0869, 7100-001-0870, and 7100-001-0871,
Support, Employment Development Department**

It is requested that Item 7100-001-0869 be increased by \$625,000 to collect, analyze, and disseminate labor market information related to green market jobs and to enhance the labor exchange infrastructure for careers in the energy efficiency and renewable energy sectors. These efforts are funded through an American Recovery and Reinvestment Act (ARRA) grant.

It is requested that Item 7100-001-0870 be increased by \$4,426,000 to provide improvements to Automated Integrity Systems. This proposal includes improvements to the services provided to the unemployed and to various information technology (IT) systems, supporting programs, and compliance with federal corrective action plans. This proposal includes provisional language restricting the use of \$2,419,000 of this request for IT activities. The language requires the department to meet all applicable IT report and notification requirements prior to expending the funds for IT. The Department of Finance (Finance) is to notify the Legislature 30-days prior to expending the IT funds in this request. The proposed language is included in the attachment.

It is requested that Item 7100-001-0871 be increased by \$9,079,000 and Item 7100-001-0870 be amended to reflect this change to provide additional federal ARRA funds for the Unemployment Insurance (UI) Modernization projects. The Modernization projects have been previously approved by Finance, the Office of the Chief Information Officer, and the Legislature.

Additionally, it is requested that trailer bill language be enacted to amend UI Code Sections 1088, 1113.1, 13021, and 1350 to change employer tax reconciliation from annual reconciliation to quarterly reconciliation. The purpose of this change is to improve collection efforts by reconciling employer taxes owed and paid more frequently.

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

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

ANA J. MATOSANTOS
Director
By:

/s/ Todd Jerue

TODD JERUE
Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee
Attention: Mr. Bob Franzoia, Staff Director
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Denise Moreno Ducheny, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Warren Furutani, Chair, Assembly Budget Subcommittee No. 4
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Honorable Victoria Bradshaw, Secretary, Labor and Workforce Development Agency
Ms. Marisa Duek, Assistant Secretary, Labor and Workforce Development Agency
Ms. Pam Harris, Chief Deputy Director, Employment Development Department
Ms. Laura J. Anderson, Deputy Director, Administration, Employment Development Department
Mr. Tad Allred, Budget Officer, Employment Development Department

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7100-001-0870 – For support of the Employment Development Department, payable from the Unemployment Administration Fund – FederalXXXXXXXXX
Provisions:

1. The Director of Finance may authorize expenditure of up to \$2,419,000 in this item for technological improvements to the Alternate Base Period and UI Modernization Projects and the California Unemployment Insurance Appeals Board's case management automation using grant funds provided by the Department of Labor through federal Supplemental Budget Request awards. The Director of Finance shall authorize the expenditure only after the Office of the State Chief Information Officer approves required project documents. The Department of Finance shall notify the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing the expenditure of funds.



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

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

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Items 7350-001-0001, 7350-001-0223, 7350-001-0890, and 7350-001-3150, Support, Department of Industrial Relations

It is requested that Item 7350-001-0223 be increased by \$939,000 and Item 7350-001-0001 be amended to reflect this change to provide funding for ongoing operations and maintenance of the Electronic Adjudication Management Information Systems.

It is requested that Item 7350-001-0890 be increased by \$5,192,000 (\$787,000 one-time) and Item 7350-001-0001 be amended to reflect this change to provide support for the Occupational Safety and Health Program. This augmentation reflects a permanent base federal grant increase for investigation and enforcement activities.

It is requested that Item 7350-001-3150 be increased by \$6,807,000 and Item 7350-001-0001 be amended to reflect this change to implement and support the Public Works Labor Compliance Program. This program was authorized by Chapter 7, Statutes of 2009, Second Extraordinary Session (SB 9) to provide oversight of labor practices and prevailing wage requirements related to local public works projects. This request includes provisional language to authorize expenditure of these funds when adequate bond revenues have been deposited in the special fund created for this program. The provisional language is included in the attachment.

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

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: On following page

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office
Honorable Victoria Bradshaw, Secretary, Labor and Workforce Development Agency
Ms. Marisa Duek, Assistant Secretary, Labor and Workforce Development Agency
Mr. John Duncan, Director, Department of Industrial Relations
Mr. Greg Edwards, Fiscal Chief, Department of Industrial Relations

Department of Industrial Relations – 7350**Proposed Provisional Language for Item 7350-001-3150, Budget Act of 2010**

Provisions:

1. Notwithstanding any other provision of law and subject to the availability of bond funds for this purpose, the Director of Finance may authorize expenditures from this item, and may establish up to 100 positions to support the Public Works Compliance Monitoring activities of the Division of Labor Standards Enforcement. Any authorization made pursuant to this provision shall be reported in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee within 30 days of the date of augmentation.