



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to and Addition of Various Budget Bill Items, Capital Outlay, Judicial Branch

Various Courthouse Projects (Issues 600 and 605)—It is requested that Item 0250-301-3138 be increased by \$83,716,000 to reflect the following changes (see Attachment 1):

Los Angeles County: Mental Health Courthouse (Hollywood Courthouse Modernization)—Increase by \$44,603,000 from the Immediate and Critical Needs Account (ICNA) for design and construction. A scope change is also requested to convert this project from new construction on an unidentified site to the renovation of the existing state-owned Hollywood Courthouse. The Administrative Office of the Courts (AOC) has been unable to find a suitable site for this project, which has resulted in a multi-year delay. Because of recent court operation changes, the AOC has determined that the renovation and expansion of the Hollywood Courthouse, which is no longer used for judicial proceedings, is ideal for reuse for mental health matters. The AOC estimates the renovation of this facility would save approximately \$50 million and speed up the timeline of this critical project. Savings are mainly attributed to not having to acquire land, and decreased escalation costs as this project could start sooner than if land needed to be acquired. The AOC plans to deliver this project utilizing the design-build method (see Item 0250-495 below).

This request includes the following additional changes:

- Increase the size of the project by a net of 1,555 square feet (sf), from 43,445 sf to 45,000 sf, including the addition of 11,500 sf of nonstate space and a reduction of 9,945 sf of state space, from 43,445 sf to 33,500 sf. The additional nonstate space will be used by county justice partners, consistent with the current arrangement at the existing Mental Health Courthouse and will be leased at market rates, or other equitable terms. The reduced state space is similar to other reductions intended to eliminate noncritical program space to control costs.
- Add one hearing room (900 sf), included in the net increase noted above. The currently authorized project includes a total of three courtrooms and no hearing rooms. The Los Angeles County Superior Court determined it would be more efficient to consolidate jury trials in three courtrooms and use a hearing room for all other mental health proceedings in one centralized, Mental Health Courthouse.

Los Angeles County: Mental Health Courthouse—Reversion (Issue 601)—It is requested that Item 0250-495 be amended to revert a total of \$32,883,000 from the existing acquisition funding (\$33,457,000) no longer needed for this project, as described in Item 0250-301-3138 above (see Attachment 3). The balance will be used to acquire the county's portion of equity in the Hollywood Courthouse (approximately 9 percent).

Alameda County: New East County Hall of Justice—Increase by \$39,113,000 from ICNA for acquisition to shift this project from a lease purchase, as currently-authorized, to a cash-funded acquisition project. The 2012 Budget Act reappropriated \$50 million from ICNA to acquire an equity interest in the state's portion of the New East County Hall of Justice (Project) and authorized the Judicial Branch (Branch) to enter into a Lease Purchase Agreement (LPA) with the County of Alameda (County) to develop and finance the Project, with annual lease payments to be made by the Judicial Branch to acquire the balance of equity in the project.

The proposed shift to a cash-funded acquisition project would utilize available cash resources and avoid unnecessary and potentially costly risks related to the LPA, and lowers the cost of the project. The proposed funding would allow the Branch to acquire the Project from the County upon completion in lieu of financing the acquisition over many years, as currently authorized.

Pursuant to Item 0250-491, Provision 1, Budget Act of 2012 (Chapters 21 and 29, Statutes of 2012), as amended by Chapter 5, Statutes of 2013, the Branch must notify the chairpersons of the committees in each house of the Legislature that consider appropriations and the Joint Legislative Budget Committee of the terms and conditions of the agreement on this project 30 days prior to entering into any agreements. The Judicial Council (Council) intends to provide separate notice to the Legislature, as required, with more specific details on both the cash option proposed here and the LPA option prior to the May Revision.

It is further requested that provisional language be added to clarify that the expenditures proposed from the ICNA above are considered a "loan" pursuant to and will be repaid by funds currently dedicated to cover the lease payments under the LPA.

Various Reappropriations (Issue 601)—It is requested that Item 0250-490 be added to reappropriate the projects listed below (see Attachment 2):

1. Imperial County: New El Centro Courthouse—Working drawings. The completion of preliminary plans phase was delayed by a design review mandated by the Council that resulted in a scope change, approved on November 8, 2013. The preliminary plans are currently scheduled to be complete in July 2014. The reappropriation of working drawings will allow this project to continue without further delay.

2. Riverside County: New Indio Juvenile and Family Courthouse—Working drawings. The completion of the preliminary plans phase was delayed by a pre-construction design review mandated by the Council. Preliminary plans are scheduled to be complete in November 2014. The reappropriation of working drawings will allow this project to continue without further delay.

MAY 01 2014

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 Brian Dewey, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Reginald Byron Jones-Sawyer, Sr., Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Peggy Collins, Principal Consultant, Joint Legislative Budget Committee
Mr. Curtis Child, Chief Operating Officer, Administrative Office of the Courts
Mr. Cory Jaspersen, Director, Office of Governmental Affairs, Administrative Office of the Courts
Mr. William J. Guerin, Director, Judicial Branch Capital Program Office,
Administrative Office of the Courts
Ms. Gisele Corrie, Financial Manager, Judicial Branch Capital Program Office,
Administrative Office of the Courts

"0250-301-3138—For capital outlay, Judicial Branch, payable from the Immediate and Critical Needs Account, State Court Facilities Construction Fund.....~~57,638,000~~ 142,254,000
Schedule:

| | | | |
|-------|---|-------------------|------------------|
| (.5) | <u>91.01.001-Alameda County: New East County Courthouse—</u> | | |
| | Acquisition..... | 39,113,000 | |
| (1) | 91.09.001-El Dorado County: New Placerville Courthouse— | | |
| | Preliminary plans..... | 3,696,000 | |
| (2) | 91.11.001-Glen County: Renovation and Addition to Willows | | |
| | Courthouse—Construction..... | 1,611,000 | |
| (3) | 91.14.001-Inyo County: New Inyo county Courthouse— | | |
| | Preliminary plans..... | 1,234,000 | |
| (4) | 91.17.001-Lake County: New Lakeport Courthouse— | | |
| | Working drawings..... | 3,550,000 | <u>4,450,000</u> |
| (4.5) | <u>91.19.006-Los Angeles County: New Los Angeles Mental</u> | | |
| | <u>Health Courthouse—Design/Build.....</u> | <u>44,603,000</u> | |
| (5) | 91.19.007-Los Angeles County: New Eastlake Juvenile Courthouse— | | |
| | Acquisition..... | 5,119,000 | |
| (6) | 91.23.001-Mendocino County: New Ukiah Courthouse— | | |
| | Preliminary plans..... | 4,550,000 | |
| (7) | 91.33.003-Riverside County: New Mid County Civil Courthouse— | | |
| | Preliminary plans..... | 4,259,000 | |
| (8) | 91.42.001-Santa Barbara County: New Santa Barbara Criminal | | |
| | Courthouse—Preliminary plans..... | 4,411,000 | |
| (9) | 91.45.001-Shasta County: New Redding Courthouse— | | |
| | Preliminary plans..... | 6,028,000 | |
| (10) | 91.47.001-Siskiyou County: New Yreka Courthouse— | | |
| | Working drawings..... | 4,518,000 | |
| (11) | 91.49.001-Sonoma County: New Santa Rosa Courthouse— | | |
| | Preliminary plans..... | 7,670,000 | |
| (12) | 91.50.001-Stanislaus County: New Modesto Courthouse— | | |
| | Preliminary plans..... | 7,943,000 | |
| (13) | 91.55.001-Tuolumne County: New Sonora Courthouse— | | |
| | Preliminary plans..... | 3,049,000 | |

Provisions:

1. The funds appropriated in Schedule (.5) of this item shall be a loan, as described in Government Code section 70301(a), from the Immediate and Critical Needs Account to finance a portion of the cost of acquiring the Alameda—New East County Hall of Justice project to be repaid without interest and on such other terms as established by the Judicial Council from state and county revenues available for the repayment of this loan, including the county's local courthouse construction funds."

0250-490—Reappropriation, Capital Outlay, Judicial Branch. 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, 2015:

3138—Immediate and Critical Needs Account, State Court Facilities Construction Fund

1) Item 0250-301-3138, Budget Act of 2013 (Ch. 20, Stats. 2013)

(2) 91.13.001-Imperial County: New El Centro Courthouse—
Working drawings

(4) 91.33.002-Riverside County: New Indio Juvenile and
Family Courthouse—Working drawings

"0250-495—Reversion, Judicial Council. As of June 30, 2014 the unencumbered balances of the appropriations provided in the following citations shall revert to the funds from which the appropriations were made:

3138—Immediate and Critical Needs Account,
State Court Facilities Construction Fund

- (1) Item 0250-301-3138, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), as partially reverted by Item 0250-495, Budget Act of 2010 (Ch. 712, Stats. 2010), and as reappropriated by Item 0250-490, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)
- (4) 91.19.002-Los Angeles County: New Southeast Los Angeles Courthouse—Acquisition
- (2) Item 0250-301-3138, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)
- (8) 91.19.006-Los Angeles County: New Los Angeles Mental Health Courthouse—Acquisition
- (11) 91.29.001-Nevada County: New Nevada City Courthouse—Acquisition
- (15) 91.34.001-Sacramento County: New Sacramento Criminal Courthouse—Acquisition"



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

**Amendment to Budget Bill Items 2665-301-3228 and 2665-306-3228, Capital Outlay,
High Speed Rail Authority**

It is requested that provisional language be added to Items 2665-301-3228 and 2665-306-3228 to authorize the transfer of Greenhouse Gas Reduction Fund authority between each item. The Governor's Budget proposes \$250 million in Cap and Trade funds for the High Speed Rail Authority (Authority), of which \$58,586,000 is for environmental planning and preliminary design of Phase 1 of the project (2665-301-3228) and \$191,414,000 is for acquisition and construction of the Initial Operating Segment—Section 1 portion of the project (2665-306-3228). Amounts budgeted in each item represent point-in-time estimates for each purpose and could change as the project proceeds. The proposed provisional language will provide some flexibility for the Authority to better adapt to the changing demands of the project as it moves forward (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 Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

MAY 01 2014

-2-

cc: Honorable Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, 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)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Brian Annis, Undersecretary, California State Transportation Agency
Mr. Dennis Trujillo, Chief Deputy Director, High Speed Rail Authority
Mr. Russell Fong, Chief Financial Officer, High Speed Rail Authority

Amend Budget Bill Items 2665-301-3228 and 2665-306-3228

"2665-301-3228—For capital outlay, High-Speed Rail Authority, payable from the Greenhouse Gas Reduction Fund.....58,586,000

Schedule:

(1) 20.05.010—California High Speed Rail System Planning—Acquisition and Design..... 58,586,000

Provisions:

1. Funds in Schedule (1) shall be used for purposes consistent with Sections 2704.08(b) and 2704.08(g) of the Streets and Highways Code and limited to Phase 1 of the project as defined in Section 2704.04(b)(2) of the Streets and Highways Code.
2. The project identified in this item shall be managed by the High-Speed Rail Authority.
3. The project identified in this item is subject to review by the State Public Works Board.
4. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities and acquisitions under the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) regarding the high-speed train system (as defined by Section 2704.01(e) of the Streets and Highways Code). This provision does not exempt the High-Speed Rail Authority from the requirements of the California Environmental Quality Act. This provision is declarative of existing law.
5. Funds appropriated in this item may be transferred to Item 2665-306-3228. These transfers require the prior approval of the Department of Finance."

"2665-306-3228—For capital outlay, High-Speed Rail Authority, payable from the Greenhouse Gas Reduction Fund Reduction Fund..... 191,414,000

Schedule:

(1) 20.01.010—Initial Operating Segment, Section 1—Acquisition and Build.....191,414,000

Provisions:

1. The project identified in this item may be managed by the High-Speed Rail Authority.
2. The project identified in this item is subject to review and oversight by the State Public Works Board.
3. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities and acquisitions under the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) regarding the high-speed train system (as defined by Section 2704.01(e) of the Streets and Highways Code). This provision does not exempt the High-Speed Rail Authority from the requirements of the California Environmental Quality Act. This provision is declarative of existing law.
4. Notwithstanding Section 1.80, the appropriation made in this item is available for encumbrance until June 30, 2018.
5. Funds appropriated in this item may be transferred to Item 2665-301-3228. These transfers require the prior approval of the Department of Finance."



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 3790-491, Capital Outlay, Department of Parks and Recreation

It is requested that Item 3790-491 be amended to reappropriate preliminary plans funding for the Old Town San Diego State Historic Park: Building Demolition and Immediate Public Use Facilities project. The start of the preliminary plans phase was delayed until November 2013, when the Department of Parks and Recreation (Parks) assumed jurisdiction of the property from Caltrans. The preliminary plans phase is scheduled to be completed in January 2015. The reappropriation will allow working drawings to be completed in June 2015, as currently scheduled (see Attachment 1).

This request is in addition to the April 1, 2014 Finance Letter request for the reappropriation of two other Parks projects (See Issue 603 of the April 1 Finance Letter).

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 Brian Dewey, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

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-2-

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Attention: Mr. Mark McKenzie, Staff Director
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Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, 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)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Patrick Kemp, Assistant Secretary, Natural Resources Agency
Major General Anthony L. Jackson, Director, Department of Parks and Recreation
Mr. Aaron Robertson, Chief Deputy Director, Department of Parks and Recreation
Ms. Kathy Amman, Deputy Director, Department of Parks and Recreation
Ms. Rachele Manges, Budget Officer, Department of Parks and Recreation

Attachment 1

3790-491—Reappropriation, Department of Parks and Recreation. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations: 6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3790-301-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as partially reappropriated by Item 3790-491 and partially reverted by Item 3790-495, Budget Acts of 2006 (Chs. 47 and 48, Stats. 2006) and 2007 (Chs. 171 and 172, Stats. 2007), as partially reappropriated by Item 3790-491, Budget Acts of 2008 (Chs. 268 and 269, Stats. 2008), 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), 2010 (Ch. 712, Stats. 2010), and 2011 (Ch. 33, Stats. 2011)

(3) 90.E4.104-Chino Hills SP: Entrance Road and Facilities—
Construction

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

(5) Item 3790-301-6051, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.), as partially reappropriated by Item 3790-491, Budget Acts of 2010 (Ch. 712, Stats. 2010), 2011 (Ch. 33, Stats. 2011), 2012 (Chs. 21 and 29, Stats. 2012), and 2013 (Ch. 20, Stats. 2013)

(10) 90.IJ.103-Old Town San Diego SHP: Building Demolition and Immediate Public Use Facilities—Preliminary plans

(1) Item 3790-301-6051, Budget Act of 2010 (Ch. 712, Stats. 2010), as partially reappropriated by Item 3790-491, Budget Acts of 2011 (Ch. 33, Stats. of 2011), 2012 (Chs. 21 and 29, Stats. 2012), and 2013 (Ch. 20, Stats. 2013)

(3) 90.CT.100-Fort Ord Dunes SP: New Campground and Beach Access—Working drawings



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Addition of Budget Bill Item 3850-490, Capital Outlay, Coachella Valley Mountains Conservancy

It is requested that Item 3850-490 be added (see Attachment 1) to reappropriate the balances from Proposition 84 funds appropriated in the 2007 and 2008 Budget Acts. These reappropriations will maintain an adequate funding level for acquisitions and local assistance grants to meet Proposition 84 objectives.

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 Will Schaafsma, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

MAY 01 2014

cc: Honorable Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, 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)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Jim Karpiak, Executive Director, Coachella Valley Mountains Conservancy
Ms. Kerry Godfrey, Associate Governmental Program Analyst, Coachella Valley Mountains
Conservancy
Ms. Wendy Nodohara, Budget Analyst, Department of Parks and Recreation
Ms. Rachele Manges, Budget Officer, Department of Parks and Recreation
Mr. Jason Summers, Budget Manager, Department of Parks and Recreation
Mr. Jordan Burgess, Budget Manager, Department of Parks and Recreation

Addition of Budget Bill Item 3850-490

3850-490—Reappropriation, Coachella Valley Mountains Conservancy.

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 and expenditure until June 30, 2017.

6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006

(1) Item 3850-301-6051, Budget Act 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 3850-490, Budget Act of 2011 (Ch. 33, Stats. 2011)

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Project Costs

(2) Item 3850-301-6051, Budget Act 2008 (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 3850-490, Budget Act of 2011 (Ch. 33; Stats. 2011)

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Project Costs



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 4440-301-0001, Capital Outlay, Department of State Hospitals

Statewide Enhanced Treatment Units (Issue 602)—It is requested that Item 4440-301-0001 be increased by \$603,000 to provide the Department of State Hospitals (DSH) additional funding for the renovation of existing space for Enhanced Treatments Units (ETUs) at Atascadero, Coalinga, Napa, and Patton state hospitals. A placeholder Capital Outlay Budget Change Proposal of \$1.5 million for this project was included in the 2014-15 Governor's Budget. This request represents an update to that proposal's cost, scope, and schedule, for a total request of \$2,103,000. The increased costs are based on a study prepared by the Department of General Services in collaboration with DSH that was funded in 2013-14.

DSH proposes to retrofit existing facilities to provide 12 ETU rooms at Atascadero, Napa, and Patton, and 8 ETU rooms at Coalinga, for a total of 44 ETU rooms system wide. The work includes removal/expansion of doorways, relocating existing walls, modification of external windows, installation of new doors with specialized hardware, installation of specialized sleeping and lavatory units, repair/replacement of mechanical and electrical systems as required, and installation of new flooring and finishes as necessary. The proposed project shall be built to meet the Essential Services Act requirements. This request represents the preliminary plan and working drawings phases, with construction to be funded in the 2015-16 budget year, at an estimated cost of \$11,467,000.

It is also requested that this item be updated with provisional language to make the total design funds of \$2,103,000 available until June 30, 2016, and to clarify that those funds be used only for the design phases necessary to implement ETUs at state hospitals.

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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/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
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Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Ellen Corbett, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Debi Nishimoto, Senior Architect, Administrative Services Division, Department of
State Hospitals

Attachment 1

"4440-301-0001—For capital outlay,
Department of State Hospitals..... 17,245,000-17,848,000

Schedule:

- (1) 55.01.290-Statewide Enhanced Treatment Units—Preliminary plans and working drawings 1,500,000-2,103,000
- (2) 55.18.280-Atascadero: East West Corridor Seismic Upgrade—Preliminary plans..... 325,000
- (3) 55.35.306-Metropolitan Fire Alarm System Upgrade—Working drawings 712,000
- (4) 55.40.405-Napa Courtyard Gates and Security Fencing—Working drawings..... 191,000
- (5) 55.45.315-Patton Security Perimeter Fencing— Construction 14,517,000

Provisions:

1. The funds appropriated in Schedule 1 of this item shall be available for encumbrance and expenditure until June 30, 2016, and are authorized for the development of preliminary plans and working drawings to implement Enhanced Treatment Units at state hospitals."



MAY 01 2014

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, Chair
Assembly Budget Committee

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

Addition of Budget Bill Items 5225-301-0660 and 5225-491, Capital Outlay, Department of Corrections and Rehabilitation

California Men's Colony: Central Kitchen Replacement—It is requested that Item 5225-301-0660 be added in the amount of \$8,655,000 to design and construct the California Men's Colony, San Luis Obispo Central Kitchen Replacement project. This increase is based on the latest project estimate and is necessary to update and complete the existing working drawings to current building code standards and construct a new kitchen and two dining facilities.

It is further requested that Item 5225-491 be added to reappropriate the balance of the appropriation for the following project (see Attachment 1).

Item 5225-301-0660, Budget Act of 2008, as reappropriated by Item 5225-491, Budget Act of 2011 and Budget Act of 2012:

1. California Men's Colony, San Luis Obispo: Central Kitchen Replacement—Working drawings and construction.

This project was originally funded in the Budget Act of 1998 and preliminary plans were completed in 2001, but the project was put on hold due to repurposing consideration of this prison. Funding to update working drawings and begin construction was appropriated in the Budget Act of 2011 and Budget Act of 2012. After publication of the California Department of Corrections and Rehabilitation (CDCR) Blueprint in 2012, CDCR hired a design firm to update the 2001 design drawings, but due to the more than ten-year-old design and poor performance by the design firm, the design has not been completed and the funds need to be reappropriated, which is the same project as identified above.

Technical Amendments to Chapter 42, Statutes of 2012 (SB 1022)—Adult Local Criminal Justice Facilities Financing program—It is requested that Government Code sections 15820.92 through 15820.924 be amended to allow counties with awards from multiple lease revenue bond jail financing programs to enter into leases and agreements with either CDCR or the Board of State and Community Corrections for SB 1022 projects to ensure that all financing leases will be compatible. Lease revenue bond jail financing programs prior to SB 1022 were administered by CDCR. SB 1022 is administered by BSCC (see Attachment 2).

MAY 01 2014

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

If you have any questions or need additional information regarding this matter, please call Greg Rogers, Assistant Program Budget Manager, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

Attachment

cc: Honorable Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Reginald Byron Jones-Sawyer, Sr., Chair, Assembly Budget Subcommittee No. 5
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Kathleen Howard, Executive Director, Board of Community and State Corrections
Mr. Dean Borg, Associate Director, Capital Planning and Project Services Branch, Facility
Planning, Construction, and Management Division, Department of Corrections and
Rehabilitation

Addition of Budget Bill Items 5225-301-0660 and 5225-491

5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 8,655,000

Schedule:

(.5) 61.10.101-California Men's Colony, San Luis Obispo: Central Kitchen Replacement—Working drawings and construction.....8,655,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the project authorized by this item.
2. The Department of Corrections and Rehabilitation and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled project.
3. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the Department of Corrections and Rehabilitation from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.

5225-491—Reappropriation, Department of Corrections and Rehabilitation. The balance of the appropriation provided in the following citation is reappropriated for the purpose and subject to the limitations, unless otherwise specified, provided for in the appropriation:

0660-Public Buildings Construction Fund

(1)Item 5225-301-0660, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reappropriated by Item 5225-491, Budget Acts of 2011 (Ch. 33, Stats. 2011) and 2012 (Chs. 21 and 29, Stats. 2012)

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(.5) 61.10.101-California Men's Colony, San Luis
Obispo: Central Kitchen Replacement—
Working drawings and construction

Financing of Adult Local Criminal Justice Facilities—Technical Amendments to SB 1022

SECTION 1. Chapter 3.13 (commencing with Section 15820.92) is amended to Title 2 of Part 10b of the Government Code, to read:

*Chapter 3.13. Financing of Adult Local Criminal Justice Facilities [15820.92 – 15820.926]
(Chapter 3.13 added by Statutes 2012, Chapter 42, Section 9)*

15820.92. For purposes of this chapter, “participating county” means any county, or regional consortium of counties, within the state that has been certified to the State Public Works Board (the board) by the Board of State and Community Corrections (BSCC) as having satisfied all of the requirements set forth in Section 15820.925 for financing an adult local criminal justice facility pursuant to this chapter. For purposes of this chapter, an adult local criminal justice facility may include any custodial housing, reentry, program, mental health, or treatment space necessary to manage the adult offender population consistent with the legislative intent described in Sections 17.5 and 3450 of the Penal Code under the jurisdiction of the sheriff or county department of corrections, as may be applicable, to be further defined by the BSCC in duly adopted regulations.

(a) The BSCC or the California Department of Corrections and Rehabilitation (CDCR), a participating county, and the board are authorized to acquire, design, and construct an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.925, or to acquire a site or sites owned by, or subject to a lease or option to purchase held by, a participating county. For the purposes of this chapter, acquisition shall include, but is not limited to, acquisition of completed facilities through a build-to-suit purchase. Facilities financed pursuant to this chapter may be delivered through either a design-bid-build or a design-build process. The ownership interest of a participating county in the site or sites for an adult local criminal justice facility shall be determined by the board to be adequate for purposes of its financing in order to be eligible under this chapter.

(b) Notwithstanding Section 14951, the participating county may assign an inspector during the construction of the adult local criminal justice facility.

(c) The BSCC or the CDCR, a participating county, and the board shall enter into an agreement for each adult local criminal justice facility that shall provide, at a minimum, performance expectations of the parties related to the acquisition, design, and construction, including, without limitation, renovation, of the adult local criminal justice facility; guidelines and criteria for use and application of the proceeds of revenue bonds, notes, or bond anticipation notes issued by the board to pay for the cost of the approved adult local criminal justice facility; and ongoing maintenance and staffing responsibilities for the term of the financing.

(d) The agreement shall include a provision that the participating county agrees to indemnify, defend, and hold harmless the State of California for any and all claims and losses arising out of the acquisition, design, and construction of the adult local criminal justice facility. The agreement may also contain additional terms and conditions that facilitate the financing by the board.

(e) The scope and cost of the adult local criminal justice facilities shall be subject to approval and administrative oversight by the board.

(f) For purposes of compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), neither the board, nor the BSCC, nor the CDCR shall be deemed a lead or responsible agency and the participating county shall be the lead agency.

15820.921. Upon a participating county's receipt of responsive construction bids or design-build proposals, or a participating county's notification to the board of its intent to exercise a purchase option, the board and the BSCC or the CDCR may borrow funds for project costs after the adult local criminal justice facility has been certified pursuant to Section 15820.92 from the Pooled Money Investment Account pursuant to Sections 16312 and 16313, or from any other appropriate source. In the event any of the revenue bonds, notes, or bond anticipation notes authorized by this chapter are not sold, the BSCC or the CDCR shall commit a sufficient amount of its support appropriation to repay any loans made for an approved adult local criminal justice facility.

15820.922. (a) The board may issue up to five hundred million dollars (\$500,000,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 (commencing with Section 15830) to finance the acquisition, design, and construction, including, without limitation, renovation, and a reasonable construction reserve, of approved adult local criminal justice facilities described in Section 15820.92, and any additional amount authorized under Section 15849.6 to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be used to reimburse a participating county for the costs of acquisition, design, and construction, including, without limitation, renovation, for approved adult local criminal justice facilities.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section 15820.921 are continuously appropriated for purposes of this chapter.

15820.923. In support of this state financing, the Legislature finds and declares all of the following:

(a) The county adult criminal justice system needs more housing, program, and treatment space to manage the adult offender population under its jurisdiction.

(b) Appropriate county adult criminal justice housing, program, and treatment space will enhance public safety throughout the state by providing increased access to appropriate programs or treatment.

(c) By expanding county adult criminal justice capacity, this financing will serve a critical state purpose by promoting public safety.

(d) This purpose represents valuable consideration in exchange for this state action.

15820.924. With the consent of the board, the BSCC or the CDCR and a participating county are authorized to enter into leases or subleases, as lessor or lessee, for any property or approved adult local criminal justice facility and are further authorized to enter into contracts or other agreements for the use, maintenance, and operation of the adult local criminal justice facility in order to facilitate the financing authorized by this chapter. In those leases, subleases, or other agreements, the participating county shall agree to indemnify, defend and hold harmless the State of California for any and all claims and losses accruing and resulting from or

arising out of the participating county's use and occupancy of the adult local criminal justice facility.

15820.925. (a) The BSCC shall adhere to its duly adopted regulations for the approval or disapproval of adult local criminal justice facilities. The BSCC shall also consider cost-effectiveness in determining approval or disapproval. No state moneys shall be encumbered in contracts let by a participating county until one of the following occur:

(1) Final architectural plans and specifications have been approved by the BSCC, and subsequent construction bids have been received.

(2) Documents prepared by a participating county pursuant to paragraph (1) of subdivision (d) of Section 20133 of the Public Contract Code have been approved by the BSCC, and subsequent design-build proposals have been received pursuant to that section.

(3) The participating county has notified the board of its intent to exercise an option to purchase the completed facility pursuant to Section 15820.921.

(b) The review and approval of plans, specifications, or other documents by the BSCC are for the purpose of ensuring the proper administration of moneys and the determination of whether the adult local criminal justice facility specifications comply with law and regulation. The BSCC may require changes in construction materials to enhance safety and security if materials proposed at the time of final plans and specifications are not essential and customary as used statewide for facilities of the same security level. Participating counties are responsible for the acquisition, design, construction, staffing, operation, repair, and maintenance of the adult local criminal justice facility.

(c) The BSCC shall establish minimum standards, funding schedules, and procedures, which shall take into consideration, but not be limited to, the following:

(1) Certification by a participating county of control of the adult local criminal justice facility site through either fee simple ownership of the site or comparable long-term possession of the site, and right of access to the adult local criminal justice facility sufficient to ensure undisturbed use and possession.

(2) Documentation of the need for the adult local criminal justice facility.

(3) A written adult local criminal justice facility proposal.

(4) Submittal of a staffing plan for the adult local criminal justice facility, including operational cost projections and documentation that the adult local criminal justice facility will be able to be safely staffed and operated within 90 days of completion, as may be applicable.

(5) Submittal of architectural drawings, which shall be approved by the BSCC for compliance with minimum adult detention facility standards and that shall also be approved by the State Fire Marshal for compliance with fire safety and life safety requirements.

(6) Documentation evidencing compliance with the California Environmental Quality Act.

(7) Provisions intended to maintain the tax-exempt status of the bonds, notes, or bond anticipation notes issued by the board.

15820.926. (a) The participating county contribution for adult local criminal justice facilities financed under this chapter shall be a minimum of 10 percent of the total project costs. The BSCC may reduce contribution requirements for participating counties with a general population

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below 200,000 upon petition by a participating county to the BSCC requesting a lower level of contribution.

(b) The BSCC shall determine the funding criteria. Funding consideration shall be given to counties that are seeking to replace existing compacted, outdated, or unsafe housing capacity or are seeking to renovate existing or build new facilities that provide adequate space for the provision of treatment and rehabilitation services, including mental health treatment. Funding preference shall be given to counties that are most prepared to proceed successfully with this financing in a timely manner. The determination of preparedness to proceed shall include, but not be limited to, counties providing documentation of adequate, available matching funds authorized by the county board of supervisors from a source or sources compatible with this financing authority as determined by the State Public Works Board in its sole discretion. A participating county may only add housing capacity using this financing authority if the requesting county clearly documents an existing housing capacity deficiency. Any county requesting to add housing capacity using this financing authority shall be required to certify and covenant in writing that the county is not and will not be leasing housing capacity to any other public or private entity for a period of 10 years beyond the completion date of the adult local criminal justice facility.



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Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Nancy Skinner, 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 Reappropriation (Issue 600)—It is requested that Item 8570-491 be added to reappropriate a total of \$40,437,000 for working drawings and construction for the Relocation: Yermo Agriculture Inspection Station project (Project). The Project has experienced significant delays because of environmental issues related to sensitive habitat restrictions and difficulties acquiring the subject property from the federal government. The state finalized acquisition in December 2013. Working drawings are expected to be complete by January 2015. The reappropriation will allow this Project to start construction in the budget year without additional delays (see Attachment 1).

Because of lengthy project delays and required site changes, Caltrans has expended \$7,046,000 from the State Highway Account (SHA) on design activities for this Project since 2001. Caltrans estimates that an additional \$1,088,000 is needed to update the existing design documents to comply with recent building code changes and separate the Project from the construction of the adjacent weigh station project, currently underway, which had previously been designed to be constructed as one project.

In lieu of reimbursing Caltrans for its past design costs using lease revenue bonds, to be repaid from the General Fund and the SHA according to the approved funding split for the Project (75 percent and 25 percent, respectively), it is further requested that the prior SHA expenditures be recognized as a credit toward its total contributions for the Project. Not only would this simplify funding, but it would also avoid unnecessary borrowing costs. Based on Caltrans' estimated total project cost of \$47,483,000, the General Fund and SHA's share of the Project would be \$35,612,000 and \$11,871,000, respectively. Based on the current estimated costs, the SHA would contribute an additional \$4,825,000 toward this project, likely in the form of partial lease revenue payments. The amount of the proposed reappropriation has been reduced by \$7,046,000 to reflect project costs that were paid directly by Caltrans.

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

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If you have any questions or need additional information regarding this matter, please call Brian Dewey, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, 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 Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, 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)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Karen Ross, Secretary, California Department of Food and Agriculture
Mr. Nate Dechoretz, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture
Ms. Janet Glaholt, Director, Division of Administrative Services, California Department of Food and Agriculture
Ms. Jody Lusby, Budget Officer, California Department of Food and Agriculture

Attachment 1

8570-491—Reappropriation, Department of Food and Agriculture. The amount specified in the following citation is reappropriated for the purposes provided for in those appropriations:

0660—Public Buildings Construction Fund

(1) \$40,437,000 in 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 the 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), and Budget Act of 2013 (Ch. 20, Stats. 2013)

(1) 90.18.100-Relocation: Yermo Agriculture Inspection Station—
Working Drawings and construction