



**MAY 13 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 7501-001-0001 and Reimbursements, Support,  
Department of Human Resources**

It is requested that Item 7501-001-0001 be increased by \$424,000 and reimbursements be increased by \$424,000 and also an increase of 5 positions in fiscal year 2014-15 be added to the California Department of Human Resources (CalHR) to provide additional resources for labor relations on behalf of the California In-Home Supportive Services Authority. In order to align bargaining obligations to when counties are expected to fully implement the Coordinated Care Initiative, 2 positions will have an effective date of July 1, 2014, 5 positions will become effective January 1, 2015, and 2 positions will become effective April 1, 2015. This will result in 9 ongoing positions starting in 2015-16.

Pursuant to Chapter 45, Statutes of 2012 (SB 1036), CalHR will represent the California In-Home Supportive Services Authority on all aspects of labor relations for the In-Home Supportive Services Employer-Employee Relations Act. These resources will be used to negotiate with and continue implementation of labor relations, contract administration, collective bargaining, mediation, and other legal proceedings. CalHR will utilize these resources to begin bargaining for the counties as the state becomes responsible to negotiate these contracts.

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 Koreen Hansen, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

Attachment

cc: On following page

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-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  
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Honorable Tom Daly, 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. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Marybel Batjer, Agency Secretary, Government Operations Agency  
Mr. Richard Gillihan, Acting Director, Department of Human Resources  
Ms. Pam Manwiller, Acting Chief Deputy Director/Assistant Chief, Labor Relations, Department of  
Human Resources  
Mr. Mark Rodriguez, Chief of Administrative Services, Department of Human Resources  
Mr. Randy Fisher, Assistant Deputy Director of Labor Relations, Department of Human Resources  
Ms. Robyn Malin, Fiscal Officer, Department of Human Resources  
Ms. Joleen Martin, Budget Officer, Department of Human Resources



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Honorable Mark Leno, Chair  
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Honorable Nancy Skinner, Chair  
Assembly Budget Committee

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

**Addition of Trailer Bill Language to amend Government Code, Department of Human Resources**

**Limited-Term Positions**—It is requested that trailer bill language be added to amend Government Code section 19080.3 to permit limited-term appointments for up to five years consistent with limited-term positions approved through the budget process. This change is necessary to allow departments to maintain work teams on critical limited-term projects, like information technology projects. This bill also makes a technical change to align limited-term appointments to be authorized at two years as is current practice.

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 Koreen Hansen, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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Ms. Marybel Batjer, Agency Secretary, Government Operations Agency  
Mr. Richard Gillihan, Acting Director, Department of Human Resources  
Ms. Pam Manwiller, Acting Chief Deputy Director/Assistant Chief, Labor Relations, Department of  
Human Resources  
Ms. Florence Bernal, Deputy Director of Legislative Affairs, Department of Human Resources  
Ms. Jodi LeFebre, Legislation Coordinator, Department of Human Resources  
Ms. Suzanne Ambrose, Executive Officer, State Personnel Board

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Attachment 1

Section 19080.3 of the Government Code is amended to read:

Limited-term appointments shall only be made under the following conditions:

(a) ~~Limited-term appointments shall~~ may be made only for temporary staffing needs and shall not individually or consecutively exceed ~~one~~ two years, ~~provided that the board may authorize limited term appointments of up to a total of two years' duration when if a permanent appointment would be likely to cause a layoff, demotion, or mandatory transfer requiring a change of residence upon the conclusion of the temporary staffing need. Limited term appointments may be extended within the time limits prescribed by this section without making an additional appointment.~~

(b) Limited-term appointments may be made for limited-term positions, only if the limited-term position has been approved through the budget process. The department, pursuant to board rule, may authorize these types of limited-term appointments for a period not to exceed the length of time of the project and, in no event, to exceed five years.



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. - GOVERNOR

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

**MAY 13 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 7502-001-0001 and 7502-001-9730, Support,  
California Department of Technology**

It is requested that Item 7502-001-0001 be increased by \$208,000 and that Item 7502-001-9730 be amended to reflect these changes. This increase will fund 1 Career Executive Assignment and 1 Data Processing Manager IV position to establish the statewide Project Management Office (PMO). These positions will establish the PMO management team that will be responsible for developing the framework for the office which will ultimately consist of experienced state project managers who will manage information technology projects across the state.

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 Eric Stern, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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Attention: Mr. Eric Swanson, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Tom Daly, 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. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Lourdes Morales, Fiscal and Policy Analyst, Legislative Analyst's Office  
Ms. Jennifer Osborn, Deputy Secretary for Fiscal Policy and Administration, California Government  
Operations Agency  
Ms. Melissa Matsuura, Deputy Director, California Department of Technology  
Mr. Robert Illa, Budget Officer, California Department of Technology



**MAY 13 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 7730-001-0001, Support, Franchise Tax Board**

**Tax Protest Workload (Issue 209)**—It is requested that Item 7730-001-0001 be increased by \$3,562,000 and 26 positions on a three-year limited-term basis. This request will address the backlog and an increased caseload in the processing and adjudication of docketed and undocketed tax protests.

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 Mark Tollefson, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

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**MAY 13 2014**

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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. Selvi Stanislaus, Executive Officer, Franchise Tax Board  
Ms. Lisa Garrison, Chief Financial Officer, Franchise Tax Board  
Ms. Jeanne Harriman, Director, Financial Management Bureau, Franchise Tax Board



**MAY 13 2014**

Honorable Mark Leno, Chair  
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Honorable Nancy Skinner, Chair  
Assembly Budget Committee

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

**Amendment to and Addition of Various Budget Bill Items, Support, Department of General Services**

**Office of Public School Construction Audit Funding Shift (Issue 200)**—It is requested that Item 7760-001-6057 be increased by \$560,000 and that Item 7760-001-0666 be amended to reflect this change. This request will accelerate, by one fiscal year, bond authority used to fund the oversight of audits for the Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D) by the Department of Finance, Office of State Audits and Evaluations. This request is cost-neutral over the life of the Proposition 1D bond and will more appropriately align audit resources with program needs. (See related issue 100, Item 6350-602-6057.)

**Water Conservation and Drought Response (Issue 201)**—It is requested that Item 7760-001-0666 be increased by \$5.4 million to implement water efficiency and conservation measures in state-owned facilities. The additional funding will provide the resources necessary to replace existing plumbing fixtures and irrigation systems at the State Capitol and other state-owned facilities. This increase in expenditure authority will result in a one-time \$0.05 per square foot increase in the Individual Building Rental Rate and the Building Rental Account Rate, and an increase to the Statewide Surcharge of \$275,000 to recover the costs.

**Transfer Position to the Emergency Repair Program (Issue 203)**—It is requested that Item 7760-001-3082 be added in the amount of \$83,000, Item 7760-001-0961 be deleted, and that Item 7760-001-0666 be amended to reflect this change. This action is necessary to ensure that the Office of Public School Construction (OPSC) within the Department of General Services has the resources needed to administer the Emergency Repair Program (\$188.5 million is provided for this program in the budget proposal). (See related issues 761 and 772 in Items 6350-605-3082, 6350-698-3082, 6350-620-0961, 6350-621-0961, and 6350-698-0961.)

**Transfer Unused Site Program Funds to the School Facility Program (Issue 204)**—It is requested that Item 7760-001-0956 be added in the amount of \$5,388,000, Item 7760-001-6057 be reduced by \$5,388,000, and that Item 7760-001-0666 be amended to reflect this change. This action is necessary to utilize funds available from the Unused Site Program for support of the School Facility Program, administered by the OPSC. The unused site fees have previously been used to support the Deferred Maintenance Program. However, this categorical program was folded into the Local Control Funding Formula. This adjustment will offset a like amount of state bond funds used for administration of the School Facility Program, allowing more bond

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funds to be used for the physical construction of school facilities. The Unused Site Program generates fee revenue of approximately \$2.8 million annually and trailer bill language (Attachment I) is required to redirect these funds ongoing to the support of the School Facility Program. (See related issue 103, Item 6350-601-0956, issue 102, Item 6350-602-0956, issue 761, Item 6350-620-0961, and issue 101, Item 6350-602-6057.)

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

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

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Honorable Marybel Batjer, Secretary, Government Operations Agency  
Ms. Jennifer Osborn, Deputy Secretary, Fiscal, Policy, and Administration, Government Operations Agency  
Mr. Fred Klass, Director, Department of General Services  
Mr. Miles Burnett, Chief, Administrative Services, Department of General Services  
Ms. Rhonda Basarich, Chief, Fiscal Services, Department of General Services  
Mr. Justin Smith, Budget Officer, Department of General Services  
Mr. Matthew Pietralunga, Manager, Department of General Services, Office of Public School Construction

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Attachment I

Proposed Trailer Bill

**Transfer Unused Site Program Funds to School Facility Program (New for May Revision)**

Section 17224 of the Education Code is amended to read:

17224. (a) Any funds in the State School Site Utilization Fund, including interest, that are not subject to return to a school district pursuant to Section 17223 shall revert to the Deferred Maintenance Fund. be allocated for the purpose of administering the Leroy F. Greene School Facilities Act of 1998.

(b) Any funds in the Deferred Maintenance Fund as of July 1, 2014 shall be transferred to the State School Utilization Fund.



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

Honorable Nancy Skinner, Chair  
Assembly Budget Committee

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

**Amendment to Various Budget Bill Items, Support, California Public Employees' Retirement System**

It is requested that Item 7900-003-0830 be decreased by \$19,393,000, Item 7900-015-0815 be decreased by \$286,000, Item 7900-015-0820 be decreased by \$60,000, Item 7900-015-0822 be increased by \$522,000, Item 7900-015-0830 be increased by \$11,582,000 and 42 positions, Item 7900-015-0833 be decreased by \$235,000, Item 7900-015-0884 be decreased by \$12,000, and reimbursements to the main item be decreased by \$2,713,000 to reflect the request by the California Public Employees' Retirement System (CalPERS) to incorporate their approved budget into the Budget Act.

The Budget Bill items mentioned above are display items for informational purposes to reflect a corresponding change in CalPERS' continuous appropriation authority. These changes reflect the fiscal year 2014-15 budget approved during the April 16, 2014 CalPERS board meeting.

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 Koreen Hansen, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
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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. Rose McAuliffe, Chief, California Public Employees' Retirement System  
Mr. Michael Siu, Budget Manager, California Public Employees' Retirement System  
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Operations, Government Operations Agency



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**Amendment to Budget Bill Item 7920-011-0001, Support, California State Teachers' Retirement System**

It is requested that Item 7920-011-0001 be increased by \$76,219,000 to support the California State Teachers' Retirement System (CalSTRS). This increase is comprised of the following adjustments:

- An increase of \$73,232,000 due to the Administration's proposed funding plan to put CalSTRS on a sustainable path and eliminate the unfunded liability. The proposed change in the pre-1990 benefit level funding policy will accelerate state contributions to eliminate the CalSTRS' unfunded liability in 30 years. Under the funding plan, the state's contribution will increase from 3 percent to 6.3 percent over the next three years. School district and teacher contributions will also increase under the plan. Trailer Bill language will follow.
- An increase of \$1,101,000 due to the increase in the creditable compensation reported by CalSTRS.
- An increase of \$521,000 for the pre-1990 benefit level payment.
- An increase of \$1,365,000 for the Supplemental Benefit Maintenance Account contribution.

The three latter bullets are existing statutory funding requirements.

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

**MAY 13 2014**

If you have any questions or need additional information regarding this matter, please call Eric Stern or Koreen Hansen, Principal Program Budget Analysts, at (916) 445-3274.

MICHAEL COHEN

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System  
Ms. Robin Madsen, Chief Financial Officer, California State Teachers' Retirement System  
Mr. Ed Derman, Deputy Chief Executive Officer, California State Teachers' Retirement System  
Mr. Brian Fansler, Budget Manager, California State Teachers' Retirement System  
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Operations, Government Operations Agency