



**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 and Addition of Various Budget Bill Items, Support and Local Assistance, Judicial Branch**

**Support of Trial Court Operations**—The May Revision proposes \$160 million for operations of the trial courts to replace the \$100 million proposed in the Governor's Budget and a two-year funding approach to stabilize trial court funding. This approach will allow the Judicial Council sufficient time to evaluate and pursue workload process changes and efficiencies that will modernize court operations and improve access to justice measures.

It is requested that Items 0250-101-0932 and 0250-111-0001 be amended to reflect the following:

- A decrease of \$100 million proposed in the Governor's Budget.
- An increase of \$86.3 million to reflect an augmentation equal to 5-percent of the amount appropriated in Program 45.10-Support for Operation of Trial Courts. The Administration intends to support an additional 5-percent increase in the 2015-16 Governor's Budget.
- An increase of \$42.8 million to reflect increased costs for health benefit and retirement adjustments for trial court employees. Assuming progress towards meeting the standards set by the Public Employees' Pension Reform Act (PEPRA) for existing employees, the Administration is committed to funding future increases related to existing health benefits and retirement costs for trial court employees and retirees one year in arrears.

**Trial Court Trust Fund Revenue**—It is requested that Item 0250-101-0932 be decreased by \$30.9 million to reflect the estimated revenue loss anticipated in the Trial Court Trust Fund in fiscal year 2014-15. It is requested that Item 0250-113-0001 be added in the amount of \$30.9 million and Item 0250-101-0932 be increased by \$30.9 million to reflect additional General Fund resources available to the Trial Court Trust Fund to address the potential revenue loss, to be allocated by the Department of Finance on an as-needed basis (see Attachment 1).

**Rent Increase**—It is requested that Item 0250-001-0001 be increased by \$2,088,000 and Item 0250-001-3037 be increased by \$152,000 to reflect increased rent costs for the Supreme Court, Courts of Appeal, and the Administrative Office of the Courts.

MAY 13 2014

**Technical Adjustment to Reduce Excess Expenditure Authority**—It is requested that Item 0250-001-0890 be decreased by \$280,000, reimbursements be decreased by \$1.7 million, and Item 0250-001-0001 be amended to eliminate excess expenditure authority within Program 30-Judicial Council.

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 Amy Jarvis, Assistant Program Budget Manager, at (916) 445-8913.

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. Jody Patel, Chief of Staff, Administrative Office of the Courts, Judicial Council of California  
Mr. Curt Soderlund, Chief Administrative Officer, Administrative Office of the Courts, Judicial Council of California  
Mr. Zlatko Theodorovic, Director and Chief Financial Officer, Fiscal Services Office, Administrative Office of the Courts, Judicial Council of California  
Ms. Gwen Arafles, Manager, Fiscal Services Office, Administrative Office of the Courts, Judicial Council of California  
Mr. Stephen Chang, Manager, Fiscal Services Office, Administrative Office of the Courts, Judicial Council of California

**MAY 13 2014**

Attachment 1

0250-113-0001—For transfer, upon order of the Director of Finance, to the  
Trial Court Trust Fund.....30,900,000

Provisions:

1. The amount appropriated in this item shall be allocated by the Director of Finance if, in consultation with the Judicial Council, a determination is made that revenues in the Trial Court Trust Fund are insufficient to support trial court operations. No allocation will be made pursuant to this item prior to May 14, 2015.



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Honorable Nancy Skinner, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 0280-001-0001, Support, Commission on Judicial Performance**

**Rent Increase**—It is requested that Item 0280-001-0001 be increased by \$40,000 to reflect increased rent costs for the Commission on Judicial Performance.

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 Amy Jarvis, Assistant Program Budget Manager, at (916) 445-8913.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER

Chief Deputy Director

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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. Victoria B. Henley, Director, Commission on Judicial Performance  
Ms. Amy Ladine, Budget Officer, Commission on Judicial Performance



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.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 Item 0509-001-0001, Support, Governor's Office of Business and Economic Development**

**Small Business Development Center (SBDC) (Issue 301)**—It is requested that Item 0509-001-0001 be increased by \$2 million on a one-time basis. This request will be used as a match to draw down additional federal funds that will be made available to the SBDC Network for efforts to expand small businesses in California.

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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Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee  
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  
Mr. Kish Rajan, Director, Governor's Office of Business and Economic Development  
Ms. Panorea Avdis, Chief Deputy Director, Governor's Office of Business and Economic  
Development  
Ms. Jenifer Henneke, Administrative Manager, Governor's Office of Business and Economic  
Development



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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)

**Amendment to Budget Bill Item 0690-001-0001, Support, Office of Emergency Services**

It is requested that Item 0690-001-0001 be increased by \$4,372,000 to provide support for the State Operations Center and field operations throughout California, which was activated in response to the drought to coordinate the state's response and to support local government.

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 Amy Jarvis, Assistant Program Budget Manager, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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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  
Mr. Mark Ghilarducci, Director, Office of Emergency Services  
Ms. Nancy Ward, Chief Deputy Director, Office of Emergency Services  
Mr. Brendan Murphy, Deputy Director, Finance and Administration, Office of Emergency Services  
Mr. Rick Stolz, Director, Office of Administrative Services, Office of Emergency Services



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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)

**Amendment to Budget Bill Item 0840-001-0001, Support, State Controller's Office**

**21st Century Project: Project Independent Assessment**—It is requested that Item 0840-001-0001 be increased by \$2,461,000 and 1 position to provide one-time funding to complete an independent assessment of the Controller's 21st Century Project (TFC). The State Controller's Office will enter into an interagency agreement with the Department of Technology to manage and oversee the independent assessment of the TFC.

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 COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee  
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  
Honorable John Chiang, State Controller  
Mr. Collin Wong-Martinusen, Chief of Staff, State Controller's Office  
Mr. George Lolas, Chief Operating Officer, State Controller's Office  
Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office  
Mr. Tom Yowell, Chief of Administration and Disbursements, State Controller's Office  
Mr. Ernesto Hidalgo, Chief of Budgets and Contracts, State Controller's Office  
Ms. Jennifer Chavez, Budget Officer, State Controller's Office



**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 0855-111-0367, Local Assistance, California Gambling Control Commission**

**Indian Gaming Revenue Sharing Trust Fund Transfer**—It is requested that Provisions 2 and 3 of Item 0855-111-0367 be amended to provide the California Gambling Control Commission the authority to increase the revenue contribution to the Indian Gaming Revenue Sharing Trust Fund to fulfill the quarterly payment obligations to non-gaming and limited gaming tribes (see Attachment 1).

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

If you have any questions or need additional information regarding this matter, please call Amy Jarvis, Assistant Program Budget Manager, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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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. Tina Littleton, Executive Director, California Gambling Control Commission  
Ms. Ana Carr, Deputy Director, Legislation and Regulatory Affairs, California Gambling Control Commission

"0855-111-0367—For transfer by the Controller, upon order of the Director of Finance, from the Indian Gaming Special Distribution Fund, to the Indian Gaming Revenue Sharing Trust Fund.....(25,000,000)

Provisions:

1. The amount of any transfer ordered by the Director of Finance pursuant to this item shall be the minimum amount necessary to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code and meet its other expenditure requirements. Any remaining portion of the amount authorized to be transferred pursuant to this item shall remain in the Indian Gaming Special Distribution Fund.
2. ~~The Legislature finds and declares Notwithstanding Government Code Section 12012.85 and 12012.90, if the California Gambling Control Commission, acting for this purpose as the state gaming agency under various tribal state compacts, determines~~ that the amount authorized in this item is expected to be ~~sufficient~~ insufficient to allow the Indian Gaming Revenue Sharing Trust Fund to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2014–15 fiscal year. ~~Accordingly, the California Gambling Control Commission, acting for this purpose as the state gaming agency under various tribal state compacts, shall not direct any funds to the Indian Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.1(l) of the amended tribal-state compacts with the Morongo Band of Mission Indians, the Pechanga Band of Luiseño Indians, and the San Manuel Band of Mission Indians, and similar sections of any compacts or amended compacts ratified by the Legislature to increase the revenue contribution to the Indian Gaming Revenue Sharing Trust Fund in Section 4.3.2.2 in an amount sufficient to provide each eligible recipient Indian tribe quarterly payments pursuant to Government Code Section 12012.90.~~
3. The Chairperson of the California Gambling Control Commission shall immediately submit a report to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst if he or she determines that the Indian Gaming Revenue Sharing Trust Fund will not have sufficient funds to distribute the quarterly payments described in Section 12012.90 of the Government Code during the 2014–15 fiscal year after consideration of the funds authorized for transfer by this item. No earlier than 15 days after submission of that report, the California Gambling Control Commission may direct funds to the Indian Gaming Revenue Sharing Trust Fund, ~~notwithstanding the requirements of Provision 2.~~



**MAY 13 2014**

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Honorable Nancy Skinner, Chair  
Assembly Budget Committee

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

**Amendment to Government Code, State Treasurer's Office**

**Trailer Bill Language to Address the Payment of Banking Fees (Issue 001)**—It is requested that Government Code section 16502 be amended to provide the Treasurer with continuous appropriation authority from the General Fund to pay banking fees associated with the State of California's eight depository banks, if necessary (see Attachment A). The appropriation is capped at \$10 million per fiscal year. Due to historically low interest rates and recent changes to banking regulations, the State Treasurer's Office's use of compensating balances no longer provides the return necessary for its depository banks to recover the cost of providing the state's banking services.

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 Bruss, Principal Program Budget Analyst, at (916) 445-5332.

MICHAEL COHEN

Director

By:

/s/ Keely M. Bosler

KEELY M. BOSLER  
Chief Deputy Director

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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  
Mr. Steve Coony, Chief of Staff, State Treasurer's Office  
Ms. Becky Grajski, Director, Administration Division, State Treasurer's Office



## GOVERNMENT CODE SECTION 16502

16502. All other money in the State Treasury or under the control of the Treasurer belonging to or in the custody of the State, shall, so far as possible, be deposited by the Treasurer to the credit of the State in eligible banks. Any sum in the State Treasury so deposited is deemed to be in the State Treasury. Any other amount so deposited is deemed to be held in trust by the Treasurer. Notwithstanding Section 13340, and to the extent it is necessary, there is hereby continuously appropriated without regard to fiscal years, from the General Fund in the State Treasury an amount equal to the sum necessary to pay for fees associated with the provision of banking services provided to the State by eligible banks as determined by the Treasurer. The amount of the appropriation shall not exceed \$10 million in any fiscal year.