



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

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

Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Control Section 4.20, Support, Contribution to Public Employees' Contingency Reserve Fund

It is requested that language be added to Control Section 4.20 to stipulate that the state's contribution to the Public Employees' Contingency Reserve Fund (CRF) can be used only for the health care program administration costs on behalf of state employees and retirees. The CRF identified in Control Section 4.20 is a health care premium surcharge assessed on the state and local government employers to pay for health care administration costs at the California Public Employees' Retirement System. Suggested Budget Bill language is attached (Attachment 1).

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

If you have any questions or need additional information regarding this matter, please call David Munoz, 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

cc: Honorable Ricardo Lara, 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 Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Adrin Nazarian, 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)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office

ATTACHMENT 1

“SEC. 4.20. (a) Notwithstanding any other provision of law, the employer's state's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22885 of the Government Code, shall be 0.32 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses on behalf of state employees. The Director of Finance may, not sooner than 30 days after notification to the Joint Legislative Budget Committee, adjust the rate to ensure a three-month reserve in the Public Employees' Contingency Reserve Fund.

(b) The allocation made from funds appropriated for this purpose shall not be used for administration expenses of other public agencies or contract agencies.”