



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)

Amendments to Budget Bill Items 7502-001-0001 and 7502-001-9730, and Addition of Budget Bill Item 7502-011-0001, Support, Department of Technology

California Project Management Office (PMO)—It is requested that Item 7502-001-9730 be increased by \$1,499,000 and 11 permanent positions so that the PMO can begin developing a new project management framework and managing information technology projects. It is also requested that Item 7502-011-0001 be added so that, of the \$1,499,000 increase requested, \$1,067,000 can be in the form of a loan from the General Fund to the Technology Services Revolving Fund, which will be repaid by June 30, 2021. Additionally, it is requested that Item 7502-001-0001 be amended to remove Provision 1 which limits the number of positions the PMO may establish.

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

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
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 of Administration, California Department of Technology
Mr. Robert Illa, Budget Officer, California Department of Technology

ATTACHMENT 1

Addition of Budget Bill Item 7502-011-0001:

7502-011-0001-For transfer by the Controller, upon order of the
Director of Finance, to the Technology Services Revolving Fund
as a loan.....(1,067,000)

Provisions:

1. The Director of Finance may transfer up to \$1,067,000 as a loan from the General Fund to support the Statewide Project Management Office. This loan shall be repaid by June 30, 2021, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.



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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 Item 7730-001-0001, Support, Franchise Tax Board

Enterprise Data to Revenue Project—It is requested that Item 7730-001-0001 be increased by \$6,091,000 million and 17 temporary help positions to support the Business Entity Return Analysis component of the Enterprise Data to Revenue (EDR) Project. Additional resources will also support retention of experienced vendor staff for knowledge transfer management during the transition of the project to Franchise Tax Board staff for ongoing maintenance and operation. These resources are consistent with the EDR Special Project Report III.

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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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
Ms. Marybel Batjer, Secretary, California Government Operations Agency
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Policy and Administration, California Government
Operations Agency
Ms. Selvi Stanislaus, Executive Director, Franchise Tax Board
Ms. Jeanne Harriman, Director, Financial Management Bureau, Franchise Tax Board



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Honorable Shirley Weber, Chair
Assembly Budget Committee

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

Amendment to Budget Bill Item 7920-490, Support, California State Teachers' Retirement System

It is requested that Item 7920-490 be amended to reappropriate \$601,000 from fiscal year 2014-15 to 2015-16 to support the implementation of the Pension Solution system, an information technology project at the California State Teachers' Retirement System (CalSTRS) (see Attachment 1). This funding was intended for the project in the current year, but because the vendor was just recently selected, these funds will not be encumbered and this reappropriation provides CalSTRS the ability to put these funds towards the Pension Solution system in 2015-16.

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 David Munoz, 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. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
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
Mr. Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System
Mr. Ed Derman, Deputy Chief Executive Officer, California State Teachers' Retirement System
Ms. Robin Madsen, Chief Financial Officer, California State Teachers' Retirement System
Mr. Art Martinez, Assistant Chief Financial Officer, California State Teachers' Retirement System
Mr. Brian Fransler, Budget Manager, California State Teachers' Retirement System
Ms. Jennifer Osborn, Deputy Secretary, Fiscal Operations, Government Operations Agency

and Budget Bill Item 7920-490:

"7920-490--Reappropriation, State Teachers' Retirement System.

Up to \$35,129,000 ~~\$34,528,000~~ as specified in the following citations is reappropriated and shall be available for encumbrance or expenditure subject to the limitations set forth in Provisions 1 and 3:

0835--Teachers' Retirement Fund

- (1) Up to \$4,649,000 of Item 7920-001-0835, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 7920-490, Budget Act of 2014 (Ch. 25, Stats. 2014)
- (2) Up to \$4,880,000 of Item 7920-001-0835, Budget Act of 2014 (Ch. 25, Stats. 2014)
- (3) Up to \$9,600,000 ~~\$9,420,800~~ of Item 7920-003-0835, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 7920-490, Budget Act of 2014 (Ch. 25, Stats. 2014)
- (4) Up to \$16,000,000 ~~\$15,578,200~~ of Item 7920-003-0835, Budget Act of 2014 (Ch. 25, Stats. 2014)

Provisions:

1. The funds reappropriated in (1) and (2) of this item shall be available for expenditure by the State Teachers' Retirement System for the purposes of meeting unanticipated system costs and promoting better service to the system's membership. The funds may not be encumbered without advance approval of the Teachers' Retirement Board. The board shall report to the Legislature on a quarterly basis throughout the 2015-16 fiscal year on expenditures made pursuant to this item.
2. The basis for the reappropriation in (1) and (2) of this item is 3 percent of the preceding two fiscal years' expenditure authority.
3. The funds reappropriated in (3) and (4) of this item shall be available for expenditure upon written approval of the Teachers' Retirement Board for costs associated with Information Technology Projects. The board shall report to the Legislature on a quarterly basis throughout the 2015-16 fiscal year on expenditures made pursuant to this item."