



May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 8120-002-0903, Support, and Item 8120-102-0903, Local Assistance, and Trailer Bill Language, Commission on Peace Officer Standards and Training**

It is requested that Item 8120-002-0903 be increased by \$2,860,000 and Item 8120-102-0903 be increased by \$546,000 to withdraw the Governor's Budget reduction, which would have decreased the number of Sherman Block Supervisory Leadership Institute, Robert Presley Institute of Criminal Investigation, and Command College training courses.

It is also requested that trailer bill language be added to amend the Penal Code and the Health and Safety Code to replace references to the Peace Officers' Training Fund, which is no longer used by the Commission on Peace Officer Standards and Training, with the State Penalty Fund (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 Aaron Edwards, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Manny Alvarez, Executive Director, Commission on Peace Officer Standards and Training  
Ms. Maria Sandoval, Assistant Executive Director, Commission on Peace Officer Standards and Training  
Ms. Marie Del Real, Bureau Chief, Administrative Services, Commission on Peace Officer Standards and Training

**SEC 1. Penal Code Section 13523 is amended to read:**

**13523.** (a) The commission shall annually allocate and the State Treasurer shall periodically pay from the ~~Peace Officers' Training Fund~~State Penalty Fund, at intervals specified by the commission, to each city, county, district, or joint powers agency, that has applied and qualified for aid pursuant to this chapter an amount determined by the commission pursuant to standards set forth in its regulations. The commission shall grant aid only on a basis that is equally proportionate among cities, counties, districts, and joint powers agencies. State aid shall only be provided for training expenses of full-time regularly paid employees, as defined by the commission, of eligible agencies from cities, counties, districts, or joint powers agencies.

(b) In no event shall any allocation be made to any city, county, district, or joint power agency that is not adhering to the standards established by the commission as applicable to that city, county, district, or joint powers agency.

(c) (1) The commission shall annually allocate and the State Treasurer shall periodically pay from the Peace Officers' Training Fund, at intervals specified by the commission, to each city, county, district, or joint powers agency, that has applied and qualified for aid pursuant to this chapter an amount determined by the commission pursuant to standards set forth in its regulations. The commission shall grant aid only on a basis that is equally proportionate among cities, counties, districts, and joint powers agencies. State aid shall only be provided for training expenses of full-time regularly paid employees, as defined by the commission, of eligible agencies from cities, counties, districts, or joint powers agencies.

(2) This subdivision shall be repealed on July 1, 2019.

**SEC 2. Penal Code Section 832.6 is amended to read:**

**832.6.** (a) Every person deputized or appointed, as described in subdivision (a) of Section 830.6, shall have the powers of a peace officer only when the person is any of the following:

(1) A level I reserve officer deputized or appointed pursuant to paragraph (1) or (2) of subdivision (a) or subdivision (b) of Section 830.6 and assigned to the prevention and detection of crime and the general enforcement of the laws of this state, whether or not working alone, and the person has completed the basic training course for deputy sheriffs and police officers prescribed by the Commission on Peace Officer Standards and Training. For level I reserve officers appointed prior to January 1, 1997, the basic training requirement shall be the course that was prescribed at the time of their appointment. Reserve officers appointed pursuant to this paragraph shall satisfy the continuing professional training requirement prescribed by the commission.

(2) A level II reserve officer assigned to the prevention and detection of crime and the general enforcement of the laws of this state while under the immediate supervision of a peace officer who has completed the basic training course for deputy sheriffs and police officers prescribed by the Commission on Peace Officer Standards and Training, and the level II reserve officer has completed the course required by Section 832 and any other training prescribed by the commission.

Level II reserve officers appointed pursuant to this paragraph may be assigned, without immediate supervision, to those limited duties that are authorized for level III reserve officers

pursuant to paragraph (3). Reserve officers appointed pursuant to this paragraph shall satisfy the continuing professional training requirement prescribed by the commission.

(3) Level III reserve officers may be deployed and are authorized only to carry out limited support duties not requiring general law enforcement powers in their routine performance. Those limited duties shall include traffic control, security at parades and sporting events, report taking, evidence transportation, parking enforcement, and other duties that are not likely to result in physical arrests. Level III reserve officers while assigned these duties shall be supervised in the accessible vicinity by a level I reserve officer or a full-time, regular peace officer employed by a law enforcement agency authorized to have reserve officers. Level III reserve officers may transport prisoners without immediate supervision. Those persons shall have completed the training required under Section 832 and any other training prescribed by the commission for those persons.

(4) A person assigned to the prevention and detection of a particular crime or crimes or to the detection or apprehension of a particular individual or individuals while working under the supervision of a California peace officer in a county adjacent to the state border who possesses a basic certificate issued by the Commission on Peace Officer Standards and Training, and the person is a law enforcement officer who is regularly employed by a local or state law enforcement agency in an adjoining state and has completed the basic training required for peace officers in his or her state.

(5) For purposes of this section, a reserve officer who has previously satisfied the training requirements pursuant to this section, and has served as a level I or II reserve officer within the three-year period prior to the date of a new appointment shall be deemed to remain qualified as to the Commission on Peace Officer Standards and Training requirements if that reserve officer accepts a new appointment at the same or lower level with another law enforcement agency. If the reserve officer has more than a three-year break in service, he or she shall satisfy current training requirements.

This training shall fully satisfy any other training requirements required by law, including those specified in Section 832.

In no case shall a peace officer of an adjoining state provide services within a California jurisdiction during any period in which the regular law enforcement agency of the jurisdiction is involved in a labor dispute.

(b) Notwithstanding subdivision (a), a person who is issued a level I reserve officer certificate before January 1, 1981, shall have the full powers and duties of a peace officer as provided by Section 830.1 if so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, if the appointing authority determines the person is qualified to perform general law enforcement duties by reason of the person's training and experience. Persons who were qualified to be issued the level I reserve officer certificate before January 1, 1981, and who state in writing under penalty of perjury that they applied for but were not issued the certificate before January 1, 1981, may be issued the certificate before July 1, 1984. For purposes of this section, certificates so issued shall be deemed to have the full force and effect of any level I reserve officer certificate issued prior to January 1, 1981.

(c) In carrying out this section, the commission:

(1) May use proficiency testing to satisfy reserve training standards.

(2) Shall provide for convenient training to remote areas in the state.

(3) Shall establish a professional certificate for reserve officers as defined in paragraph (1) of subdivision (a) and may establish a professional certificate for reserve officers as defined in paragraphs (2) and (3) of subdivision (a).

(4) Shall facilitate the voluntary transition of reserve officers to regular officers with no unnecessary redundancy between the training required for level I and level II reserve officers.

(d) In carrying out paragraphs (1) and (3) of subdivision (c), the commission may establish and levy appropriate fees, provided the fees do not exceed the cost for administering the respective services. These fees shall be deposited in the ~~Peace Officers' Training Fund~~State Penalty Fund established by Section ~~43520~~1464.

(e) The commission shall include an amount in its annual budget request to carry out this section.

**SEC 3. Health and Safety Code 103680 is amended to read:**

**103680.** (a) Effective January 1, 1991, an additional fee of three dollars (\$3) for issuance of a permit for disposition of human remains pursuant to Section 103675 shall be payable to the local registrar of births and deaths by the applicant for the permit. This amount shall be exempt from any adjustment made pursuant to Section 100430.

(b) Notwithstanding any other provision of law, the local registrar of births and deaths shall pay into the ~~Peace Officers' Training Fund~~State Penalty Fund, by the 10th of the month following the end of each calendar quarter one dollar (\$1) of the fee collected pursuant to subdivision (a) for the training of peace officer members of county coroners' offices. The remaining funds collected pursuant to subdivision (a) shall be paid into the county treasury to be expended for indigent burial.



May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 8260-101-0001, Local Assistance, California Arts Council**

It is requested that Item 8260-101-0001 be increased by \$5 million to provide one-time funding to expand grant programs that offer support for public access to the arts, arts education, and the state's cultural infrastructure. As specified in Attachment 1, it is also requested that provisional language be added to this item to: (1) make this funding available for expenditure for three years, and (2) cap administrative costs at 5 percent.

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 Tiffany Garcia, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Anne Bown-Crawford, Executive Director, California Arts Council  
Ms. Ayanna Kiburi, Deputy Director, California Arts Council

Add the following provision to Item 8260-101-0001:

2. Of the amount appropriated in this item, \$5,000,000 shall be used for arts programming grants and shall be made available for encumbrance or expenditure until June 30, 2021, after which any unexpended funds shall revert to the General Fund. Of the \$5,000,000 appropriated, upon order of the Director of Finance, up to 5 percent may be transferred to Schedule (1) of Item 8260-001-0001 for the administration of arts programming grants and shall be available for encumbrance or expenditure until June 30, 2021, after which any unexpended funds shall revert to the General Fund.





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Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Items 8570-001-0001 and 8570-101-0001, and Addition of Item 8570-490, Support and Local Assistance, California Department of Food and Agriculture**

**Nutria Detection and Survey**—It is requested that Item 8570-001-0001 be increased by \$400,000 and 1 position on a two-year limited-term basis to provide resources for additional survey and detection activities in support of the California Department of Fish and Wildlife's nutria eradication efforts. These activities are necessary to help determine the extent of this pest's infestation and to help inform the California Department of Fish and Wildlife's nutria eradication efforts.

**San Joaquin Valley Grant**—It is requested that Item 8570-101-0001 be increased by \$500,000 on a one-time basis to support the California Partnership for the San Joaquin Valley during its development of a sustainable funding plan to cover its administrative costs, which will enable the Partnership to continue implementation of its Strategic Plan. The Partnership is a public-private partnership focused on improving economic vitality and quality of life in the San Joaquin Valley, including a number of projects in the agricultural sector.

It is also requested that the following provision be added to Item 8570-101-0001 as follows to authorize the California Department of Food and Agriculture to provide this funding to the Partnership:

1. Of the amount appropriated in this item, \$500,000 shall be provided to the California Partnership for the San Joaquin Valley for its administrative costs.

**Greenhouse Gas Reduction Fund Reappropriation**—It is requested that Item 8570-490 be added to reappropriate a portion of administrative funding for the State Water Efficiency and Enhancement Program, from the California Department of Food and Agriculture's 2016-17 Greenhouse Gas Reduction Fund appropriation, which expires on June 30, 2018 (see Attachment 1). This funding is necessary to manage and close out awarded projects that will be completed in fiscal year 2018-19, and to audit completed projects.

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/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Bob Wieckowski, 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. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Honorable Karen Ross, Secretary, California Department of Food and Agriculture  
Ms. Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture  
Mr. Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture  
Ms. Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture  
Mr. Nathan Johnson, Budget Officer, California Department of Food and Agriculture

Add new reappropriation Item 8570-490:

8570-490—Reappropriation, Department of Food and Agriculture. The amount specified 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, 2019:

3228—Greenhouse Gas Reduction Fund

(1) \$795,000 in Item 8570-101-3228, Budget Act of 2016 (Ch. 23, Stats. 2016) as added by Chapter 370 of the Statutes of 2016, for administrative costs, as specified in Provisions 3 and 4 of this item.



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Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 8660-001-0471, Support, and Item 8660-101-0471, Local Assistance, California Public Utilities Commission**

**Universal Lifeline Telephone Service Program (California LifeLine Program)**—It is requested that Item 8660-001-0471 be decreased by \$1,161,000 to reflect a decrease in the projected number of application reviews and renewals the California LifeLine Program Third Party Administrator will perform in fiscal year 2018-19.

It is also requested that Item 8660-101-0471 be decreased by \$37,699,000 to reflect an estimated decrease in projected local assistance claims.

Both of the decreases are due to lower projected new enrollment and renewal figures for the California LifeLine Program. Changes in federal Lifeline Program rules also increased the number of disconnections from the California LifeLine Program, resulting in a projected reduction in local assistance claims.

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 Amanda Martin, Principal Program Budget Analyst, at (916) 322-2263.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
Chief Deputy Director

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Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Bob Wieckowski, 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. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Alice Stebbins, Executive Director, California Public Utilities Commission  
Ms. Ellen Moratti, Director of Administrative Services, California Public Utilities Commission  
Ms. Hazel Miranda, Director, Office of Governmental Affairs, California Public Utilities Commission  
Ms. Maria Valadez, Manager, Budget and Fiscal Services Office, California Public Utilities  
Commission



May 11, 2018

Honorable Holly Mitchell, Chair  
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Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 8885-295-0001, Local Assistance, Commission on State Mandates**

It is requested that Item 8885-295-0001 be increased by \$312,208,000 to pay down a long-standing state liability associated with 14 expired or repealed state mandates, including the interest owed on those claims. Of the amount requested, \$280,541,000 is owed as a result of mandates associated with mental health services and local agencies are strongly encouraged to use new funds toward these services.

It is also requested that provisional language be added to authorize the Department of Finance, after providing 30 days' notice to the Joint Legislative Budget Committee, to order the State Controller to augment the amount appropriated in this item if the initial appropriation is insufficient to pay the principal and interest on the identified mandate claims (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 Chris Hill, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
Chief Deputy Director

Attachment

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Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Heather Halsey, Executive Director, Commission on State Mandates  
Ms. Heidi Palchik, Assistant Executive Director, Commission on State Mandates

Add the following provision to Item 8885-295-0001:

4. The amount appropriated in Schedule (6) shall be for the payment of local mandate claims associated with expired and repealed mandates. Within 30 days of the enactment of the Budget Act of 2018, the Controller shall notify the Department of Finance whether the amount appropriated in Schedule (6) is sufficient to pay the identified claims, including interest. If the Controller determines the appropriation is insufficient, the Director of the Department of Finance may, after providing 30-days' notice to the chairperson of the Joint Legislative Budget Committee, direct the Controller to augment Schedule (6) by an amount sufficient to pay the identified claims. It is the intent of the Legislature that all local mandate claims associated with expired and repealed mandates be paid no later than November 1, 2018.





May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 9210-102-0001, Local Assistance, Local Government Financing**

It is requested that Item 9210-102-0001 be increased by \$9,245,000 to provide additional reimbursement for counties, cities, and special districts for property tax losses resulting from the 2017 wildfires and resultant mudslides.

The Governor's Budget included \$23,736,000 for only the Northern California fire-related property tax losses, because the Southern California property tax losses were unknown at that time. The increase accounts for these Southern California losses.

It is also requested that provisional language be added to authorize the additional payment of property tax losses resulting from the 2017 wildfires and mudslides, if the amount appropriated in this item is insufficient to backfill actual losses. The provisional language will also require the return by local agencies of any remittances that are eventually determined to exceed actual losses (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 Chris Hill, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
Chief Deputy Director

Attachment

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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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Mark Ibele, Director, Office of Tax Appeals  
Ms. Jeanna Wimberly, Deputy Director Administration, Office of Tax Appeals

Add the following provision to Item 9210-102-0001:

4. If the amount appropriated in this item is insufficient to backfill actual property tax revenue losses, the county auditor-controller may submit to the Department of Finance a claim detailing the insufficiency no later than December 1, 2019. The Department of Finance may review the insufficiency claim and include the approved claim amounts in a subsequent Governor's Budget. By December 1, 2019, county auditor-controllers shall also determine if a local agency that received reimbursement was reimbursed in an amount that exceeded its actual property tax revenue loss. If the auditor-controller makes such a determination, he or she shall notify the Department of Finance and remit the excess portion to the State Controller.



May 11, 2018

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Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

### **Amendment to General Obligation Bond Debt Service**

**General Obligation Bonds (Issue 400)**—The payment of General Obligation (GO) Bond debt service is a constitutional appropriation. Therefore, this letter is for informational purposes only.

The statewide GO Bond debt service cost for fiscal year 2017-18 is revised to \$6,835.6 million (\$4,700.6 million General Fund and \$2,135 million other funds), a decrease of \$106.9 million (\$75 million General Fund and \$31.9 million other funds).

The decreases are attributed to the refunding of bonds to achieve lower debt service costs and premium received on new bond issuances. The 2017-18 GO Bond debt service includes \$174.9 million funded directly by the University of California (UC) and \$168.2 million by California State University (CSU), a decrease of \$316,000 for both UC and CSU from what was estimated in the 2018-19 Governor's Budget.

The statewide estimated GO Bond debt service cost for 2018-19 is revised to \$7,250.8 million (\$4,957.5 million General Fund and \$2,293.3 million other funds), an increase of \$144.9 million (\$86.3 million General Fund and \$58.6 million other funds).

This increase is attributed to higher than forecasted interest rates, higher than anticipated principal payments from the spring sales, and higher future sales estimates. The 2018-19 GO Bond debt service includes \$185.1 million funded directly by the UC and \$177.7 million by CSU, (an increase of \$368,000 and \$298,000 respectively) from what was estimated in the Governor's Budget.

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 Andrea Scharffer, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Honorable John Chiang, State Treasurer  
Mr. Tim Schaefer, Deputy Treasurer, State Treasurer's Office  
Mr. Blake Fowler, Director of Public Finance, State Treasurer's Office



May 11, 2018

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Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 9658-011-0001, Support, Budget Stabilization Account**

It is requested that Item 9658-011-0001 be amended to reflect revised estimates to the Governor’s Budget.

Specific amendments are proposed in the following language:

“9658-011-0001—For transfer by the Controller, upon order of the Department of Finance, to the Budget Stabilization Account, an amount up to .....~~(3,515,000,000)~~ (2,611,000,000)”

Provisions:

- Notwithstanding any other provision of law, the amount in this item shall be first applied towards any transfers to the Budget Stabilization Account (BSA) required by Section 20 of Article XVI of the California Constitution for fiscal years 2017-18, 2018-19, and 2019-20, in excess of the sum ~~(\$4,648,000,000)~~ (\$5,978,000,000) projected in the revised estimates to the 2018-19 Governor’s Budget (as detailed in the schedule below). For the purposes of this provision, transfers to the BSA required by Section 20 of Article XVI of the California Constitution include the base transfers and subsequent true up transfers for fiscal years 2017-18 through 2019-20, as calculated by the Department of Finance.

Projection of the Revised Estimates to the 2018-19 Governor’s Budget  
(for information only):

2017-18 Required base transfer.....	1,773,000,000
2017-18 First true up .....	<del>=75,000,000</del> <u>924,000,000</u>
2018-19 Required base transfer.....	<del>1,535,000,000</del> <u>1,746,000,000</u>
2019-20 Required base transfer (including any amount that exceeds 10 percent of General Fund tax proceeds per subdivision (e), Section 20 of Article XVI) .....	<del>1,415,000,000</del> <u>1,535,000,000</u>
2019-20 Adjusted BSA deposit .....	<del>(456,000,000)</del> <u>(542,000,000)</u>
2019-20 Infrastructure/deferred maintenance.....	<del>(959,000,000)</del> <u>(993,000,000)</u>
Total .....	<del>4,648,000,000</del> <u>5,978,000,000</u>

- For the purpose of Provision 1, the calculated required base transfers and subsequent true up transfers include any amount of calculated transfers that would result in a balance in the

BSA exceeding 10 percent of General Fund proceeds of taxes for the fiscal year if the amount were to be transferred to the BSA. This excess amount shall not be transferred to the BSA and instead shall be expended on infrastructure, including deferred maintenance, as required by subdivision (e) of Section 20 of Article XVI of the California Constitution.

3. The initial transfer of the remaining amount authorized by this item as calculated by the Department of Finance shall occur no earlier than May 20, 2019. The amount appropriated in this item shall be available for encumbrance until June 30, 2022.
4. Section 22 of Article XVI of the California Constitution applies to funds to be transferred, or transferred, to the BSA under this item, except for any amount that would result in a balance in the BSA exceeding 10 percent of General Fund proceeds of taxes for the fiscal year, as calculated by the Department of Finance.
5. The amount appropriated in item 9658-011-0001 of the 2016 Budget Act shall be available for encumbrance until June 30, 2019.”

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 Nathaniel Hart, Principal Program Budget Analyst, at (916) 445 5332.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Roth, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office





May 11, 2018

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Items 9800-001-0001, 9800-001-0494, and 9800-001-0988,  
Support, Augmentation for Employee Compensation**

It is requested that Item 9800-001-0001 be increased by \$129,887,000, Item 9800-001-0494 be increased by \$2,695,000, and Item 9800-001-0988 be increased by \$1,328,000 to reflect increases to salaries and benefits for the recently negotiated memoranda of understanding with the California Correctional Peace Officers Association (Bargaining Unit 6), natural changes to enrollment in health and dental plans, updated employment information for salary increases and other post-employment benefit contributions, revised pay increases for Judges, and updated costs related to the salary survey estimates for the California Highway Patrol (Bargaining Unit 5). Additionally, while these figures include estimated health premium rates, we note final health rates are not expected to be adopted by the California Public Employees' Retirement System Board of Administration until June 2018.

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 Mary Halterman, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
By:

/s/ Amy M. Costa

AMY M. COSTA  
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. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez Fletcher, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Cheri West, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Michael Miyao, Fiscal Operations, Government Operations Agency  
Mr. Richard Gillihan, Director, Department of Human Resources  
Ms. Pam Manwiller, Deputy Director of Labor Relations, Department of Human Resources  
Mr. Anthony Crawford, Chief, Office of Financial Management and Economic Research,  
Department of Human Resources  
Mr. Dave Ide, Chief, Office of Financial Management and Economic Research, Department of  
Human Resources