



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 Various Budget Bill Items and Reimbursements, Support, Department of Human Resources**

It is requested that various items be increased in the amount of \$1,445,000 and 3 positions to provide the Department of Human Resources with the ability to establish a tracking system to collect data regarding complaints, judgments, and settlements related to workplace discrimination and harassment across all state entities. The requested staff will identify and monitor trends and patterns of problematic behavior, prepare executive and legislative reports related to the data being tracked, and expand policies, procedures, and training related to preventing discrimination and harassment. This request is in response to a policy memorandum sent from the Governor's Office to state agencies and departments.

It is requested that the following items be amended as follows:

- Increase Item 7501-001-0001 by \$720,000 and 1 position, and reimbursements by \$132,000
- Increase Item 7501-001-0821 by \$7,000
- Increase Item 7501-001-0915 by \$40,000
- Increase Item 7501-001-9740 by \$546,000 and 2 positions

Additionally, it is requested that provisional language be added to Items 7501-001-0001 and 7501-001-9740 to specify that funding shall be available for the tracking system upon approval of Project Approval Lifecycle documents by the California Department of Technology (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 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: 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. Richard Gillihan, Director, Department of Human Resources  
Ms. Glenna Wheeler, Chief, Office of Civil Rights, Department of Human Resources  
Mr. Michael Miyao, Fiscal Operations, Government Operations Agency

Add the following provision to Item 7501-001-0001:

5. Of the amount appropriated in Schedule (1), beginning in 2018-19, up to \$285,000 is for a discrimination and harassment tracking system upon approval of Project Approval Lifecycle documents by the California Department of Technology.

Add the following provision to Item 7501-001-9740:

2. Of the amount appropriated in Schedule (1), beginning in 2018-19, up to \$215,000 is for a discrimination and harassment tracking system upon approval of Project Approval Lifecycle documents by the California Department of Technology.



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

**Eliminate Budget Bill Items 7600-001-3304 and 7600-001-3319, Support, Department of Tax and Fee Administration**

It is requested that Items 7600-001-3304 and 7600-001-3319 be eliminated. Expenditures previously budgeted in these items will be transferred to newly-created continuously appropriated items, consistent with Proposition 56 and the provisions of the Revenue and Taxation Code section 30130.53, subdivision (c).

Proposition 56, passed by the voters in November 2016, increased the excise tax rate on cigarettes and tobacco products, effective April 1, 2017. The excise tax increased by \$2, bringing the total to \$2.87 per pack of 20 cigarettes on distributors selling cigarettes in California. Monies from the collection of the tax are deposited in the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund and related funds to implement the purposes of the Act.

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

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 Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
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. Nicolas Maduros, Director, California Department of Tax and Fee Administration  
Ms. Katie Hagen, Chief Deputy Director, California Department of Tax and Fee  
Administration  
Mr. Chris Holtz, Chief of the Business Management Bureau, California Department of Tax and  
Fee Administration  
Mr. Steve Mercer, Budget Officer, California Department of Tax and Fee Administration



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

It is requested that provisional language be added to Item 7730-001-0001 to establish the credit rate for the California Hiring Credit for fiscal year 2018-19 (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 Jay Chamberlain, Assistant Program Budget Manager, 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 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. Jeanne Harriman, Chief Financial Officer, Franchise Tax Board  
Ms. Tiphonie Weiss, Director of the Financial Management Bureau, Franchise Tax Board

Add the following provision to Item 7730-001-0001:

7. Notwithstanding any other provision of law, for the 2018-19 fiscal year, the credit rate for the California Hiring Credit authorized by Sections 17053.5 and 23626.5 of the Revenue and Taxation Code shall be 35 percent.





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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)

**Addition of Budget Bill Item 7760-311-0001, Capital Outlay, Department of General Services**

**State Project Infrastructure Fund**—It is requested that Item 7760-311-0001 be added in the amount of \$630 million General Fund for transfer to the State Project Infrastructure Fund to support future phases of office building renovation projects in the Sacramento Region (see Attachment 1). It is anticipated that this amount will be sufficient to fully fund the following projects: State Printing Plant Demolition (construction phase, \$14.7 million), Gregory Bateson Building Renovation (design-build phase, \$155.8 million), Jesse Unruh Building Renovation (design-build phase, \$83.6 million), and the Resources Building Renovation (performance criteria phase, \$8.9 million, and design-build phase, \$367 million). All expenditures for these projects will be made in accordance with the provisions set forth in Government Code Sections 14694 through 14697.

The \$630 million will make a significant investment toward the continuation of the overall plan to address state office space and infrastructure deficiencies.

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 Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

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 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

7760-311-0001—For transfer by the Controller to the State Project Infrastructure  
Fund ..... 630,000,000



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Honorable Phil Ting, 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 the various Budget Bill items be amended to reflect the changes to the California Public Employees' Retirement System (CalPERS) operational budget proposed at the CalPERS Board meeting on April 17, 2018, and anticipated to be approved at the May 2018 Board meeting. The request is comprised of the following changes:

- Decrease Item 7900-003-0830 by \$8,324,000
- Increase Item 7900-015-0815 by \$620,000
- Decrease Item 7900-015-0820 by \$34,000
- Increase Item 7900-015-0830 by \$13,608,000
- Increase Item 7900-015-0833 by \$477,000
- Decrease Item 7900-015-0849 by \$1,000
- Increase Item 7900-015-0884 by \$637,000

The budget proposed by CalPERS reflects a net increase of \$6,983,000 primarily attributed to an increase in salaries and benefits, and partially offset by a continued reduction in external investment management fees. The Budget Bill items noted above are display items for informational purposes to reflect the corresponding changes in CalPERS' continuous appropriation authority.

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 Evelyn Suess, Principal Program Budget Analyst, at (916) 445-3274.

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  
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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. Charles Asubonten, Chief Financial Officer, California Public Employees' Retirement System  
Ms. Jill Esola, Interim Division Chief, Financial Planning, Policy and Budgeting, California Public Employees' Retirement System  
Mr. Michael Siu, Budget Manager, California Public Employees' Retirement System  
Mr. Michael Miyao, Fiscal Operations, Government Operations Agency



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Assembly Budget Committee

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

**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 \$5,583,000 to reflect an increase in creditable compensation reported by the California State Teachers' Retirement System for fiscal year 2016-17, pursuant to Education Code section 22955.5. As compared to the Governor's Budget, the Defined Benefit payment will be increased by \$4,163,000 and the Supplemental Benefit Maintenance Account contribution will be increased by \$1,420,000. These adjustments are consistent with existing statutory funding requirements pursuant to Education Code sections 22954 and 22955.1.

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 Evelyn Suess, Principal Program Budget Analyst, at (916) 445-3274.

MICHAEL COHEN  
Director  
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/s/ Amy M. Costa

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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. Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System  
Mr. Grant Boyken, Public Affairs Executive Officer, California State Teachers' Retirement System  
Ms. Lucy Arbuckle, Acting Chief Financial Officer, California State Teachers' Retirement System  
Mr. Art Martinez, Director of Financial Planning and Reporting, California State Teachers'  
Retirement System  
Ms. Anela Hanohano-Kjer, Budget Officer, California State Teachers' Retirement System  
Mr. Michael Miyao, Fiscal Operations, Government Operations Agency