



March 28, 2019

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 Tax and Fee Administration

Redirected Vacancies for Accounting Workload, Per Provision 1 (Issue 300)—It is requested that Item 7600-001-0001 be decreased by \$11,000 and reimbursements be decreased by \$16,000, and that various Budget Bill items be amended to support the redirection and reclassification of 5 vacant revenue-generating positions to accounting activities. The California Department of Tax and Fee Administration (CDTFA) has critical accounting needs and requires the additional support. The CDTFA's budget includes provisional language requiring legislative approval of any redirections of revenue-generating positions to activities that do not directly generate revenue.

It is requested that the following items be increased in the amounts specified:

- Item 7600-001-0004 by \$1,000
- Item 7600-001-0022 by \$2,000
- Item 7600-001-0061 by \$41,000
- Item 7600-001-0070 by \$1,000
- Item 7600-001-0080 by \$1,000
- Item 7600-001-0230 by \$9,000
- Item 7600-001-0387 by \$1,000
- Item 7600-001-0439 by \$5,000
- Item 7600-001-0623 by \$16,000
- Item 7600-001-0965 by \$2,000
- Item 7600-001-3015 by \$1,000
- Item 7600-001-3058 by \$1,000
- Item 7600-001-3065 by \$6,000
- Item 7600-001-3067 by \$13,000
- Item 7600-001-3212 by \$2,000
- Item 7600-001-3251 by \$2,000
- Item 7600-001-3270 by \$1,000
- Item 7600-001-3301 by \$2,000

It is further requested that the California Cannabis Tax Fund be increased by \$6,000, the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund be increased by \$2,000, and the Department of Tax and Fee Administration Subaccount, Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund be increased by \$7,000.

Relinquished Resources for Prepaid Mobile Telephony Services Surcharge Program

(Issue 301)—It is requested that Item 7600-001-3251 be decreased by \$1,469,000 and 6.5 positions and Item 7600-001-3270 be increased by \$503,000 and be decreased by 0.6 position, so that the CDTFA can relinquish resources and efficiently phase out the Prepaid Mobile Telephone Services Surcharge Program. In November 2018, a federal court ruled that a portion of the Program was invalid, leading the CDTFA to stop collecting revenues for the Prepaid Mobile Telephony Services Surcharge Fund. The remaining portion of the program, which collects revenues and expends administrative costs through the Local Charges for Prepaid Mobile Telephony Services Fund, is scheduled to sunset at the end of 2019.

If you have any questions or need additional information regarding this matter, please call Chris Hill, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, 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, 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 Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Jim Cooper, Chair, Assembly Budget Subcommittee No. 4
Mr. Gabriel Petek, Legislative Analyst (4)
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Jason Mallet, Chief Financial Officer, Department of Tax and Fee Administration
Mr. Steven Mercer, Budget Officer, Department of Tax and Fee Administration



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Assembly Budget Committee

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

**Amendment to Various Budget Bill Items and Reimbursements, Support,
Franchise Tax Board**

It is requested that various Budget Bill items be increased by \$1,437,000 and 12 positions to support critical accounting workloads. The Franchise Tax Board (FTB) has new and ongoing needs stemming from the operational growth of the agency over the last several decades, and the recent implementation of the Financial Information System for California. The FTB's accounting activities serve its employees, third-party vendors, and taxpayers. The requested resources are necessary to ensure the FTB can fulfill its diverse accounting responsibilities with the appropriate level of accuracy and timeliness.

It is requested that the following items be increased in the amounts specified:

- Item 7730-001-0001 by \$1,384,000 and 12 positions, and reimbursements by \$13,000
- Item 7730-001-0044 by \$5,000
- Item 7730-001-0064 by \$9,000
- Item 7730-001-0242 by \$26,000

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.

KEELY MARTIN BOSLER
Director
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
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Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
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Mr. Gabriel Petek, Legislative Analyst (4)
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)
Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Jeanne Harriman, Chief Financial Officer, Franchise Tax Board
Ms. Tiphonie Weiss, Director, Financial Management Bureau, Franchise Tax Board



March 28, 2019

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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 7760-001-0003 and 7760-001-0666, Support,
Department of General Services**

Facilities Management Division (FMD) Increased Operational Costs—It is requested that Item 7760-001-0666 be increased by \$30,149,000 to support operational costs that have increased over time. The Department of General Services (DGS) assesses a statewide surcharge to state entities to recover costs associated with central services provided by the DGS. The FMD can no longer absorb significant cost increases related to statewide surcharge services. This request will also provide a permanent augmentation to cover costs for partial services for clients in non-DGS owned buildings, workers' compensation and insurance costs, as well as general economic inflation and cost-of-living adjustments for maintenance, security, and contract costs.

Statewide Parking Program—It is requested that Item 7760-001-0003 be increased by \$4,545,000 and Item 7760-001-0666 be decreased by \$2,345,000 to support the transition of nine parking facilities from the FMD to the Office of Fleet and Asset Management (OFAM) and to upgrade parking equipment and technology in select facilities. The DGS is consolidating parking management under the OFAM to ensure the application of consistent parking policies. This request will shift expenditure authority from the FMD to the OFAM in support of that transition. In addition, the DGS is upgrading certain facilities to a Parking Access and Revenue Control System. Updating the parking facilities with a new system will reduce manual processes, introduce a self-service function for customers, and provide the necessary technology to increase efficiency and occupancy tracking. This request will provide one-time funding to cover the costs necessary for the upgraded system.

Office of Sustainability Energy Resources Program Account (ERPA) Funding Replacement—It is requested that Item 7760-001-0666 be increased by \$2,052,000 and 7.9 positions to support expenditures for energy efficiency, conservation, and clean energy generation for state agencies. The ERPA's revenue source is a surcharge on statewide electricity consumption, which funds certain state entities who administer a variety of statewide energy programs. Revenues generated by the ERPA surcharge have leveled off. Consequently, the DGS' Office of Sustainability received funding from the California Environmental License Plate Fund on a one-time basis. This request will add the program to the statewide surcharge and provide a permanent funding source beginning in fiscal year 2019-20 to continue these activities.

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.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

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Mr. Jason Sisney, Assembly Speaker's Office (2)
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office
Honorable Marybel Batjer, Secretary, Government Operations Agency
Mr. Matt Henigan, Deputy Director of Sustainability, Government Operations Agency
Mr. Bryan O'dell, Assistant Secretary of Legislation, Government Operations Agency
Mr. Michael Miyao, Fiscal and Administrative Manager, Government Operations Agency
Mr. Daniel Kim, Director, Department of General Services
Mr. Andrew Sturfels, Chief of Administrative Services, Department of General Services
Ms. Rhonda Basarich, Chief of the Office of Fiscal Services, Department of General Services
Ms. Jacqueline Campion, Budget Officer, Department of General Services