



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 9, 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 Trailer Bill Language, Commission on Peace Officer Standards and Training

It is requested that trailer bill language be amended (Government Code and Penal Code) to abolish the Peace Officers' Training Fund, which is no longer used by the Commission on Peace Officer Standards and Training, and designate the State Penalty Fund as its successor fund.

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 Clint Kellum, Assistant Program Budget Analyst, at (916) 445-8913.

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
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 Nancy Skinner, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Shirley Weber, Chair, Assembly Budget Subcommittee No. 5
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. Manny Alvarez, Executive Director, Commission on Peace Officer Standards and Training
Ms. Maria Sandoval, Assistant Executive Director, Commission on Peace Officer Standards and Training
Mr. Scott Campbell, Bureau Chief, Commission on Peace Officer Standards and Training

SEC 1. Government Code section 13332.18 is amended to read:

"1332.18. (a) Notwithstanding any other ~~provision~~ of law, and except as specified in subdivision (b), revenues derived from the assessment of fines and penalties by any state agency shall not be expended unless the Legislature specifically provides authority for the expenditure of these funds in the annual Budget Act or other legislation. A fine or penalty is a charge imposed by an agency or department for wrongdoing, in excess of the cost of investigating, processing, or prosecuting the conduct for which the charge is assessed, or the cost of collecting it. A charge reasonably related to a service provided by a department or agency is not a fine or penalty for purposes of this section.

(b) This section ~~shall~~ does not apply to the following:

(1) Any governmental cost fund if the use of revenues subject to this section that are deposited in that fund for General Fund purposes is prohibited by the California Constitution or the United States Constitution.

(2) Late charges collected by state agencies.

(3) Funds collected by a state agency that are required to be maintained by that agency for purposes of administration of a federal program.

(4) A fund established for restitution to victims of the conduct for which the fine or penalty was imposed or for repairing damage to the environment caused by the conduct for which the fine or penalty was imposed.

(5) The following funds, though the omission of any other fund from the list contained in this paragraph shall not be grounds for inferring the applicability of this section:

(A) The Fish and Game Preservation Fund.

(B) The Restitution Fund.

~~(C) The Peace Officers' Training Fund.~~

~~(D)~~(C) The Driver Training Penalty Assessment Fund.

~~(E)~~(D) The Corrections Training Fund.

~~(F)~~(E) The Local Public Prosecutors and Public Defenders Training Fund.

~~(G)~~(F) The Victim-Witness Injury Fund.

~~(H)~~(G) The Traumatic Brain Injury Fund.

~~(I)~~(H) The Industrial Relations Construction Industry Enforcement Fund.

~~(J)~~(I) The Workplace Health and Safety Revolving Fund.

~~(K)~~(J) The Oil Spill Response Trust Fund.

~~(L)~~(K) The Oil Spill Prevention and Administration Fund.

~~(M)~~(L) The Environmental Enhancement Fund.

~~(N)~~(M) The Recovery Account of the Real Estate Fund.

~~(O)~~(N) The Motor Vehicle Account in the State Transportation Fund.

~~(P)~~(O) The State Highway Account in the State Transportation Fund.

~~(Q)~~(P) The Motor Vehicle License Fee Account in the Transportation Tax Fund.

~~(R)~~(Q) Funds for programs established pursuant to the Food and Agricultural Code that can be terminated through an industry referendum vote.

(c) For the purposes of this section, revenues derived from the assessment of fines and penalties includes interest accrued from the assessment of the fines and penalties."

SEC 2. Penal Code section 13520 is amended to read:

"13520. (a) There is hereby created in the State Treasury a Peace Officers' Training Fund, which is hereby appropriated, without regard to fiscal years, exclusively for costs of administration and for grants to local governments and districts pursuant to this chapter. The fund is abolished on January 1, 2020, and any moneys remaining in the fund shall revert to the State Penalty Fund.

(b) Notwithstanding any other law, the State Penalty Fund is the successor fund to the Peace Officers' Training Fund. All assets, liabilities, revenues, and expenditures of the Peace Officers' Training Fund shall be transferred to, and become a part of, the State Penalty Fund, as provided in Section 16346 of the Government Code. Any references in state law to the Peace Officers' Training Fund shall be construed to refer to the State Penalty Fund."

SEC 3. Penal Code section 13526 is amended to read:

"13526. ~~In no event shall any allocation~~ An allocation shall not be made from the ~~Peace Officers' Training Fund~~ State Penalty Fund, pursuant to this article, to a local government agency if the agency was not entitled to receive funding under any of the provisions of this article, as they read on December 31, 1989."

SEC 4. Penal Code section 13526.1 is amended to read:

"13526.1. (a) It is the intent of the Legislature in adding this section that effect be given to amendments made by Chapter 950 of the Statutes of 1989. The Legislature recognizes those amendments were intended to make port wardens and special officers of the Harbor Department of the City of Los Angeles entitled to allocations from the ~~Peace Officers' Training~~ State Penalty Fund for state aid pursuant to this chapter, notwithstanding the amendments made by Chapter 1165 of the Statutes of 1989, which added Section 13526 to this code.

(b) Notwithstanding Section 13526, for the purposes of this chapter, the port wardens and special officers of the Harbor Department of the City of Los Angeles shall be entitled to receive funding from the ~~Peace Officers' Training~~ State Penalty Fund."

SEC 5. Penal Code section 13526.2 is amended to read:

"13526.2. Notwithstanding Section 13526, for the purposes of this chapter, the housing authority police departments of the City of Los Angeles and the City of Oakland shall be entitled to receive funding from the ~~Peace Officers' Training Fund.~~ State Penalty Fund, pursuant to this article."

SEC 6. Penal Code section 13526.3 is amended to read:

"13526.3. Notwithstanding Section 13526, for the purposes of this chapter, joint powers agencies formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code shall be entitled to receive funding from the ~~Peace Officers' Training Fund.~~ State Penalty Fund, pursuant to this article. This section is declaratory of existing law."



May 9, 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 Budget Bill Item 0540-101-0001, Local Assistance, Natural Resources Agency, and Item 8260-001-0001, Support, and Addition of Item 8260-103-0001, Local Assistance, California Arts Council

It is requested that Item 8260-001-0001 be increased by 6.3 positions to support the administration of arts programming grants. The Governor's Budget included \$10 million General Fund to expand and further develop grant programs that offer support for public access to the arts, arts education, and the state's cultural infrastructure. Of that funding, \$500,000 is to be used for administration of arts programming grants, which will fund the proposed positions.

It is requested that Item 0540-101-0001 be decreased by \$1 million and Item 8260-103-0001 be added in the amount of \$5 million to support the development of the Armenian American Museum and Cultural Center of California in Glendale, California. The Armenian American Museum's mission is to promote understanding and appreciation of America's ethnic and cultural diversity by sharing the Armenian American experience. It is also requested that provisional language for Item 8260-103-0001 be added to specify funding be made available to the Armenian American Museum and to provide for an extended encumbrance until June 30, 2022 (see Attachment 1).

It is requested that Item 8260-103-0001 be increased by \$5 million to support the physical expansion of the Los Angeles Museum of the Holocaust. The Los Angeles Museum of the Holocaust's mission is to commemorate, educate, and inspire through preserving Holocaust survivor testimony for educational purposes and presenting survivors' stories in meaningful, innovative, and interactive ways to engage students and the public. It is also requested that provisional language be added to this item to specify funding be made available to the Los Angeles Museum of the Holocaust (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 Clint Kellum, Assistant Program Budget Manager, at (916) 445-8913.

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 Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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
Ms. Anne Bown-Crawford, Executive Director, California Arts Council
Ms. Ayanna Kilburi, Deputy Director, California Arts Council
Mr. Bryan Cash, Assistant Secretary of Administration and Finance, Natural Resources Agency

8260-103-0001—For local assistance, California Arts Council.....10,000,000

Schedule:

(1) 6540-Arts Council.....10,000,000

Provisions:

1. Of the amount appropriated in Schedule (1), \$5,000,000 shall be provided for the Armenian American Museum and is available for encumbrance or expenditure until June 30, 2022.
2. Of the amount appropriated in Schedule (1), \$5,000,000 shall be provided for the Los Angeles Museum of the Holocaust.

May 9, 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 Budget Bill Item 8570-001-0001, and Addition of Item 8570-491, Support, California Department of Food and Agriculture

Farm Animal Confinement (Proposition 12)—It is requested that Item 8570-001-0001 be increased by \$4,513,000 and 14 positions to support the first year of implementation of Proposition 12, the Farm Animal Confinement Initiative of 2018, which establishes new standards for confinement of specified farm animals and bans the sale of noncomplying products. These resources will support registration and certification activities, compliance activities, program administration, and information technology consultant services for project planning and system development.

Catastrophic Livestock Disease Prevention and Emergency Response-Virulent Newcastle Disease and Natural Disasters Impacting Animals—It is requested that Item 8570-001-0001 be increased by \$3,336,000 and 23 positions to address current and continued threats to animal health, food supply, and the economy posed by the virulent Newcastle Disease and other diseases and natural disasters. Specifically, these resources will be utilized to establish teams that will coordinate and respond to current and future threats to animal health.

Produce Safety Technical Assistance Program—It is requested that Item 8570-001-0001 be increased by \$700,000 and 1 position to provide produce safety technical assistance and education to California farmers to support their compliance with the Federal Food Safety Modernization Act. This team will assist growers in complying with the Act and will also support in food safety outbreak post-response activities.

Technical Adjustment: Reappropriation—It is requested that Item 8570-491 be added to reappropriate funding included in the 2018 Budget Act to suppress diseases associated with the Shot Hole Borer Invasive Beetle. The Department engaged stakeholders on a plan to utilize these funds and a reappropriation is necessary to provide sufficient time to develop and issue a request for proposal and award contracts in fiscal year 2019-20 (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 Sergio Aguilar, Principal Program Budget Analyst, at (916) 324-0043.

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 Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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
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

8570-491—Reappropriation, Department of Food and Agriculture. The balances of the appropriations provided 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, 2020:

0001—General Fund

(1) Item 8570-001-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 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 Items 8660-001-0462, 8660-001-0471, and Reimbursements, Support, and Item 8660-101-0471, Local Assistance, California Public Utilities Commission

Wildfires and Climate Change: California's Energy Future—It is requested that Item 8660-001-0462 be increased by \$16,044,000 and 16 positions and reimbursements be increased by \$25 million for inspections and to improve review of both wildfire mitigation plans and Public Safety Power Shutoff reports consistent with the Governor's Strike Force report. Specifically, this request includes \$38 million in contract resources over three years to investigate and verify utility compliance with wildfire mitigation plans and to improve the California Public Utilities Commission's (PUC's) oversight and evaluation of wildfire mitigation plans. It also includes funding to support 16 positions to oversee these contracts, facilitate these efforts, and streamline PUC regulatory processes.

Universal Lifeline Telephone Service Program (California LifeLine Program)—It is requested that Item 8660-001-0471 be increased by \$4,833,000 and Item 8660-101-0471 be increased by \$86,976,000 to reflect new caseload projections and efforts to expand the California LifeLine Program through two new pilots.

The California LifeLine Program will start two new pilot programs in fiscal year 2019-20. The first pilot will target foster youth in California up to age 26. The second pilot will explore a new option to expand program participation across low-income populations by utilizing the California LifeLine subsidy, in conjunction with a service provider subsidy, as a discount towards a participant's wireless prepaid plan. These pilots are expected to expand participation, and are the primary drivers of the increase in local assistance funding. The requested increase in state operations is for outreach and marketing for these two expansion efforts.

Program costs will also increase due to growth in base caseload projections. Although the November Estimate projected a decreasing base caseload, the most recent data on participant numbers have indicated base program participation will remain steady through 2019-20, while the implementation of the new pilot programs will additionally increase the total caseload.

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.

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 Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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. Alice Stebbins, Executive Director, California Public Utilities Commission
Mr. Bernard Azevedo, Director of Administrative Services, California Public Utilities Commission
Ms. Hazel Miranda, Director, Office of Governmental Affairs, California Public Utilities Commission
Ms. Kelley Moss, Manager, Budget and Fiscal Services Office, California Public Utilities Commission



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May 9, 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 Budget Bill Item 8820-001-0001, Support, Commission on the Status of Women and Girls

Pay Equity Program—It is requested that Item 8820-001-0001 be increased by \$269,000 and 2 positions for the Commission on the Status of Women and Girls to administer the Commission's Pay Equity Program. In April 2019, the Commission released an educational resource toolkit to address recent changes to gender pay equity laws. The resources will allow the Commission to manage, update, educate, and promote outreach now that the toolkit has been publicly released.

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 Clint Kellum, Assistant Program Budget Manager, at (916) 445-8913.

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
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
Ms. Kendra Harris, Executive Director, Commission on the Status of Women and Girls



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STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 18, 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 Budget Bill Items 8880-001-0001, 8880-001-9737, 8880-001-9740, and
Addition of Item 8880-011-0001, Support, Department of Financial Information System for
California**

It is requested that Item 8880-001-0001 be increased by \$17,656,000 and Item 8880-001-9740 be increased by \$13,320,000. These resources enable the Department of Financial Information System for California (FI\$Cal) to offer additional departmental training and support resources that are outside of the FI\$Cal project's scope.

It is requested that Item 8880-011-0001 be added in the amount of \$6 million. The addition of these resources enables the FI\$Cal project to complete the implementation of planned cash management functionality.

It is requested that Item 8880-001-9737 be increased by \$6 million to enable the transfer of funds from Item 8880-011-0001 to support the project.

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.

KEELY MARTIN BOSLER
Director
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN
Chief Deputy Director

Attachment

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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
Ms. Miriam Ingenito, Director, Department of Financial Information System for California
Ms. Jennifer Maguire, Deputy Director, Department of Financial Information System for California



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May 9, 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 Budget Bill Item 8940-001-0001, Support, California Military Department

Lathrop-Roth Training Complex: Utilities—It is requested that Item 8940-001-0001 be increased by \$6,817,000 on a one-time basis to design and construct water, electrical, and sewer utility connections at the Lathrop-Roth Training Complex. The utility connections are necessary to allow for the continued use of the complex after the federal government discontinues providing utility service to the complex (currently scheduled for January 2020).

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 Clint Kellum, Assistant Program Budget Manager, at (916) 445-8913.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

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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
Major General David Baldwin, The Adjutant General, California Military Department



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May 9, 2019

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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 Trailer Bill Language, California Department of Veterans Affairs

Amendment to Outdated Budgetary Statutes—It is requested that trailer bill language be amended to update outdated statutory language that no longer reflects how the budget of the California Department of Veterans Affairs is structured (see Attachment 1). This will conform statute to the current budgetary structure that began in fiscal year 2008-09.

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 Clint Kellum, Assistant Program Budget Manager, at (916) 445-8913.

KEELY MARTIN BOSLER
Director
By:

/s/ Vivek Viswanathan

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Chief Deputy Director

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Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
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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
Honorable Vito Imbasciani M.D., Secretary, Department of Veterans Affairs
Mr. Russell Atterberry, Undersecretary, Department of Veterans Affairs
Ms. Sherri Gastinell, Deputy Secretary, Administrative Services Division, Department of Veterans Affairs
Ms. Patty Ingram, Budget Officer, Department of Veterans Affairs

Add the following finds and declares section of the Military and Veterans Code:

"Section 1. The Legislature finds and declares all of the following:

(a) Prior to the 2008-09 fiscal year, the veterans' homes budget included General Fund, reimbursements, and federal trust fund authority.

(b) The reimbursements included member fees paid by residents of the veterans' homes, Medicare, and Medi-Cal, among other sources.

(c) The federal trust fund included per diem payments from the United States Department of Veterans Affairs.

(d) Because the reimbursements and federal fund cash flow was variable and subject to delays, the prior budget structure required loans from the General Fund to cover the gap between cash receipts and payments owed to staff and vendors.

(e) Beginning with the 2008-09 fiscal year, the veterans' homes have instead been fully funded by the General Fund, and reimbursement and federal fund revenue collected is returned to the General Fund to offset the Department of Veterans Affairs' costs.

(f) The changes included in this bill update outdated statutory language that refer to the department's previous budgetary structure and are not intended to reduce the amount of expenditure authority the department is provided by the current budget methodology."

Section 1012.2 of the Military and Veterans Code is amended to read:

"1012.2. (a) ~~(1)~~ Notwithstanding any other law, any member of the home who is receiving an aid and attendance allowance from the United States Department of Veterans Affairs for ~~his or her~~ the member's own care shall pay to the home an amount equal to that allowance in all levels of care excluding domiciliary.

~~(2) Paragraph (1)~~

(b) Subdivision (a) shall not apply to a member of a home who is in intermediate care or skilled nursing care and has a disability that has been rated by the United States Department of Veterans Affairs as being 70 percent or more service-connected, as determined under Part 4 of Title 38 of the Code of Federal Regulations.

~~(b) One hundred percent of the moneys received by a home under this section shall be placed to the credit of the home and shall augment the current appropriation for the support of the home."~~

Section 1023 (b) of the Military and Veterans Code is amended to read:

"1023. (b) The Director of General Services may lease or let any real property held by the department for a home, and not needed for any direct or immediate purpose of the home, to any entity or person upon terms and conditions determined to be in the best interests of the home. In any leasing or letting, ~~primary consideration shall be given to the use of real property for agricultural purposes, and except as provided in Section 1048-1049, all moneys received in connection therewith shall be deposited in the General Fund to the credit of, and shall augment the current appropriation for the support of, the home. Fund.~~

Section 1031 of the Military and Veterans Code is repealed.

Section 1034 of the Military and Veterans Code is amended to read:

"1034. Except money received from this state for disbursement, all moneys received by a home, or by an officer of a home, including pension and other moneys belonging to members and other trust moneys, shall be immediately paid to the administrator of the home. ~~On or before the tenth day of each month the~~ The administrator of each home shall forward to the State Treasurer all moneys in ~~his or her~~ the

administrator's possession, except pension and other moneys belonging to members, trust moneys, and donations made to each ~~home, and the emergency fund, hereinafter mentioned,~~ home, together with a statement of the sources from which the moneys have been received. The moneys shall be deposited by the State Treasurer to the credit of the General Fund; provided, however, that abatements of support expenditures shall be credited to the support appropriation current at the time of collection."



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

GAVIN NEWSOM • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 9, 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 Budget Bill Item 9210-102-0001, Local Assistance, Local Government Financing

It is requested that Item 9210-102-0001 be decreased by \$20,813,000.

The Governor's Budget included \$31,331,000 to backfill property tax losses suffered by cities, counties, and special districts caused by various wildfires. That amount was subsequently amended in the 2018 Budget Act by Chapter 1, Statutes of 2019 (AB 72). This request removes from fiscal year 2019-20 the \$31,331,000 that is now included in AB 72. The request then augments 2019-20 by \$518,000 to reflect new or updated property tax loss information received from eight counties (Los Angeles, Mendocino, Napa, Orange, San Diego, Solano, Tuolumne, and Ventura) for the 2018 wildfires. See Attachment 1 for corresponding provisional language changes.

It is included in this request that Item 9210-102-0001 be increased by \$10 million and provisional language be amended to support communities in their recovery from the 2018 Camp Fire (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.

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
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

Amend and add the following provisions to Item 9210-102-0001:

- “1. ~~The~~ Of the amount appropriated in this item, \$518,000 is to reimburse the counties of Los Angeles, Mendocino, Napa, Orange, San Diego, Solano, Tuolumne, and Ventura for property tax losses incurred in the 2017-18 and 2018-19 fiscal years year as a result of the 2017 and 2018 wildfires.
2. ~~Each~~ To receive the funds identified in Provision 1, each county shall submit to the Department of Finance a countywide claim detailing the losses incurred by the county and the cities and special districts located therein. The Department of Finance shall review the claims for accuracy and, upon determining the claims are accurate and complete, shall notify the Controller who will provide reimbursement in the amount specified by the Department of Finance.
3. Notwithstanding any other law, the funds ~~appropriated in this item~~ identified in Provision 1 shall be available for encumbrance or expenditure until June 30, 2022.
4. If the amount ~~appropriated in this item~~ identified in Provision 1 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, 2021. The Department of Finance may review the insufficiency claim and include the approved claim amounts in a subsequent Governor's Budget. By December 1, 2021, 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 a county auditor-controller makes such determination, ~~the county auditor-controller~~ he or she shall notify the Department of Finance and remit the excess portion to the Controller.
5. ~~Of the amount appropriated in Schedule (1) of this item, \$31,331,000 shall be available to reimburse counties for property tax losses incurred in 2018-19 as a result of the 2018 wildfires. The amount appropriated is also to (1) reimburse Lake County for property tax losses incurred in the 2019-20 and 2020-21 fiscal years as a result of wildfires that occurred in 2015, 2016, and 2017, and (2) to reimburse Butte County for property tax losses incurred in the 2019-20 and 2020-21 fiscal years as a result of the 2018 Camp Fire.~~
6. ~~The Legislature finds and declares that Butte and Lake counties require reimbursement for multiple fiscal years' worth of wildfire-related property tax losses due to the magnitude of the associated property damage.~~
7. Of the amount appropriated in this item, \$10,000,000 shall be to support communities in their recovery from the Camp Fire.”

May 9, 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 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 2018-19 is revised to \$7,017 million (\$4,790.7 million General Fund and \$2,226.3 million other funds), a decrease of \$117.4 million (\$82.9 million General Fund and \$34.5 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 2018-19 GO Bond debt service includes \$181.7 million funded directly by the University of California (UC) and \$174.5 million by California State University (CSU). This represents a decrease of \$2.7 million and \$2.5 million, respectively, from what was estimated in the Governor's Budget.

The statewide GO Bond debt service cost for 2019-20 is revised to \$7,134.8 million (\$4,748.9 million General Fund and \$2,385.9 million other funds), a decrease of \$78.3 million (\$60.3 million General Fund and \$18 million other funds).

The decrease is attributed to refunding of bonds to achieve lower debt service costs and premium received on new bond issuances. The 2019-20 GO Bond debt service includes \$187.5 million funded directly by the UC and \$184.4 million by CSU. This represents a decrease of \$2.7 million and \$2.4 million, 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.

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
Honorable Fiona Ma, State Treasurer
Mr. Tim Schaefer, Deputy Treasurer, State Treasurer's Office
Mr. Blake Fowler, Director of Public Finance, State Treasurer's Office

May 9, 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 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 decreased by \$961,000, Item 9800-001-0494 be decreased by \$552,000, and Item 9800-001-0988 be decreased by \$272,000 to reflect updated estimates to the dental and vision premium rates, natural changes to enrollment in health and dental plans, and updated employment information for salary increases and other post-employment benefit contributions. 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 2019.

It is also requested that provisional language in Item 9800-001-0001 be amended to ensure penalty assessments are applied to all employers for their respective portion of penalties the state may face under the federal Patient Protection and Affordable Care Act (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.

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
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
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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. Justyn Howard, Deputy Secretary, Fiscal Operations, Government Operations Agency
Ms. Eraina Ortega, Director, Department of Human Resources
Mr. Anthony Crawford, Chief, Office of Financial Management and Economic Research,
Department of Human Resources
Mr. Dave Ide, Manager, Office of Financial Management and Economic Research, Department of
Human Resources

"9800-001-0001—For Augmentation for Employee Compensation....~~611,329,000~~ 610,368,000

Schedule:

- (1) 7800-Employee Compensation Program.....~~605,329,000~~ 604,368,000
(2) 7801-Affordable Care Act Penalty Assessment.....6,000,000

Provisions:

1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto of employees whose compensation, or portion thereof, is chargeable to the General Fund, to be allocated by budget executive order by the Director of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.
3. It is the intent of the Legislature that all proposed augmentations for increased employee compensation costs, including, but not limited to, base salary increases, pay increases to bring one group of employees into a pay equity position with another group of public employees, and recruitment and retention differentials, be budgeted and considered on a comprehensive, statewide basis. Therefore, the Legislature declares its intent to reject any proposed augmentations that are not included in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988, given that these are the items where the funds to implement comprehensive statewide compensation policies, including those adopted pursuant to collective bargaining, are considered. This provision shall not apply to augmentations for increased employee compensation costs resulting from mandatory judicial orders to raise pay for any group of employees or augmentations for increased compensation costs, or approvals for departments to provide increased employee compensation levels, that are included in bills separate from the Budget Act.
4. This item contains funds estimated to be necessary to implement side letters, appendices, or other addenda to a memorandum of understanding (collectively referred to as "pending agreements") that have been determined by the Joint Legislative Budget Committee to require legislative approval prior to their implementation, but which may not have been approved in separate legislation as of the date of the passage of this act. In the event that the Legislature does not approve separate legislation to authorize implementation of any of the pending agreements, the Director of Finance shall not allocate any funds related to those pending agreements pursuant to Provision 2, and the

expenditure of funds for those pending agreements shall not be deemed to have been approved by the Legislature.

5. As of July 31, 2020, the unencumbered balances of the funds appropriated in this item shall revert to the General Fund.
6. The Director of Finance may adjust this item of appropriation to reflect the health benefit premiums approved by the Board of Administration of the Public Employees' Retirement System or dental benefit premiums approved by the Department of Human Resources for the 2020 calendar year. Within 30 days of making any adjustment pursuant to this provision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.
7. Notwithstanding Sections 3517.6 and 3517.63 of the Government Code, the Department of Finance shall provide written notification to the Joint Legislative Budget Committee regarding any expenditure of funds resulting from any side letter, appendix, or other addendum to a properly ratified memorandum of understanding.
8. Notice provided pursuant to Provision 7 shall include a copy of the side letter, appendix, or other addendum (collectively addendum) and a fiscal summary of any expenditure of funds resulting from the agreement in the 2019–20 fiscal year and future fiscal years. The notice shall indicate whether the Department of Finance determines that an agreement does or does not require legislative action to ratify the addendum before implementation, pursuant to subdivision (a), (b), or (c) of this provision.
 - (a) An addendum to a properly ratified memorandum of understanding may be implemented without legislative action not less than 30 calendar days after notice has been provided to the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine, if all of the following apply:
 - (1) The agreement results in total net costs of less than \$1,000,000 (all funds) during the 2019–20 fiscal year.
 - (2) Any cost resulting from the agreement can be absorbed within the 2019–20 fiscal year appropriation authority of impacted departments.
 - (3) The addendum does not present substantial additions that are reasonably outside the parameters of the original memorandum of understanding.
 - (b) An addendum to a properly ratified memorandum of understanding that results in any expenditure of funds may be implemented not less than 30 calendar days after notice has been provided to the Joint Legislative

Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine, if, during the legislative consideration of the 2019–20 Governor's Budget, the Department of Finance identified to the Legislature both of the following:

- (1) The administration anticipated that the addendum would be signed during the 2019–20 fiscal year.
 - (2) Any costs resulting from the addendum are included in the 2019–20 Governor's Budget or another piece of legislation.
- (c) An addendum to a properly ratified memorandum of understanding that results in any expenditure of funds requires legislative action before implementation if any of the following apply:
 - (1) The agreement results in total net costs greater than \$1,000,000 (all funds) during the 2019–20 fiscal year.
 - (2) The agreement results in costs that cannot be absorbed within the 2019–20 fiscal year appropriation authority of impacted departments.
 - (3) The addendum presents substantial additions that are not reasonably within the parameters of the original memorandum of understanding.
9. Notwithstanding Sections 3517.6 and 3517.63 of the Government Code, any addendum to a properly ratified memorandum of understanding that is implemented in the 2019–20 fiscal year, pursuant to subdivision (a) of Provision 8 and requires the expenditure of funds beyond the 2019–20 fiscal year that was not approved as part of the Budget Act of 2019, shall be approved by the Legislature as part of the Budget Act of 2020 or through another piece of legislation.
10. The Department of Human Resources shall promptly post on its public Internet Web site all signed addenda. Each addendum shall be posted in its entirety, including any attachments or schedules that are part of the agreement, along with the fiscal summary documents of the agreement.
11. The amount appropriated in Schedule (2) of this item shall be available for penalties the state may be assessed under the federal Patient Protection and Affordable Care Act (P.L. 111-148).
 - (a) The Director of Finance shall identify the specific amounts to be advanced and paid from the General Fund to the Internal Revenue Service for payment of those penalties and notify the Controller of these amounts. Upon notification, the Controller shall make penalty assessment payments from this item.

- (b) Notwithstanding any other law, the Department of Finance may transfer amounts in any appropriation item, or in any category thereof, funds necessary to reimburse this item for costs directly related to each state department's agency, department, or board's portion of employer reporting penalties that are attributable to those departments, as identified by the Controller. Furthermore, notwithstanding Section 22150 of the Government Code and Section 66606.2 of the Education Code, these provisions shall also apply to the California State University. The Department of Finance shall provide the Controller a schedule of the timing and amounts to be transferred for purposes of this provision.
- (c) Within 30 days after making any adjustment pursuant to this provision, the Director of Finance shall report the penalties assessed to the state in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations."



**DEPARTMENT OF
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May 9, 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 Items, Support, Supplemental Pension Payments

It is requested that amendments be made to various non-Budget Act items, which appropriate assessments to repay the loan authorized by Chapter 50, Statutes of 2017 (SB 84). SB 84 approved an internal cash loan from the Surplus Money Investment Fund to make a one-time \$6 billion supplemental pension payment in fiscal year 2017-18 to the California Public Employees' Retirement System (CalPERS). Under SB 84, all funds that make contributions to CalPERS are responsible for repaying the loan by June 30, 2030. SB 84 authorizes the Department of Finance to determine responsible funds' repayment amounts. As these items are non-Budget Act, the following amendments are being shared for informational purposes:

- Assessments to the Motor Vehicle Account (MVA) are being decreased by \$59,202,000 in 2018-19, and by \$61,511,000 in 2019-20, which is consistent with a recent Spring Finance Letter issued to delay repayment of the MVA's share of the SB 84 loan for five years beginning in 2018-19.
- Shift in assessments to funds administered by the California Department of Tax and Fee Administration for fiscal years 2019-20 through 2024-25, which results in a net zero dollar change. The changes in 2019-20 for these funds are summarized as follows:
 - Decrease Item 9892-501-0965 by \$45,000
 - Increase Item 9892-501-3067 by \$130,000
 - Decrease Item 9892-501-3251 by \$63,000
 - Decrease Item 9892-501-3270 by \$22,000
- Shift in assessments to funds administered by the Department of Justice are being made in 2018-19, which result in a net zero dollar change. The changes in 2018-19 for these funds are summarized as follows:
 - Increase Item 9892-501-0017 by \$2,590,000

- Decrease Item 9892-501-0460 \$325,000
- Decrease Item 9892-501-9731 by \$2,265,000
- Increases in the following items under the Department of Toxic Substances Control to provide for loan repayments in 2019-20:
 - Increase Item 9892-501-0014 by \$1,893,000
 - Increase Item 9892-501-0557 by \$1,967,000
 - Increase Item 9892-501-3301 by \$61,000

The net effect of these adjustments is a \$59,202,000 decrease in 2018-19, and a \$57,590,000 decrease in 2019-20. These changes do not have a material impact on the overall cost of the SB 84 loan.

The effect of the 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.

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



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May 9, 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 and Addition of Trailer Bill Language, Various Cannabis-Related Issues

It is requested that trailer bill language be included to restructure provisional licenses, clean-up the California Cannabis Appeals Panel statute, enhance the equity grant program established in Chapter 794, Statutes of 2018 (SB 1294), strengthen administrative penalties against unlicensed activity, extend the existing California Environmental Quality Act exemption, and provide contracting authority for the Department of Health Care Services to administer their Cannabis Tax Fund grant program. These changes would enable various state entities to effectively carry out their mandated responsibilities under the cannabis statute.

The effect of my requested action will be reflected in a forthcoming attachment.

If you have any questions or need additional information regarding this matter, please call Clint Kellum, Assistant Program Budget Manager, at (916) 445-8913.

KEELY MARTIN BOSLER
Director
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN
Chief Deputy Director

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
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 Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
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
Ms. Alexis Podesta, Secretary, Business, Consumer Services, and Housing Agency
Ms. Tiffany Garcia, Deputy Secretary of Fiscal Policy and Administration, Business, Consumer Services, and Housing Agency
Mr. Dean Grafilo, Director, Department of Consumer Affairs
Ms. Lori Ajax, Chief, Bureau of Cannabis Control
Ms. Janice Shintaku-Enkoji, Fiscal Officer, Department of Consumer Affairs
Mr. Taylor Schick, Budget Officer, Department of Consumer Affairs
Ms. Anne Hawley, Executive Director, Cannabis Control Appeals Panel
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
Ms. Michelle Baass, Undersecretary, California Health and Human Services Agency
Mr. Marko Mijic, Acting Deputy Secretary, California Health and Human Services Agency
Ms. Janne Olson-Morgan, Assistant Secretary, California Health and Human Services Agency
Ms. Julie Souliere, Assistant Secretary, California Health and Human Services Agency
Dr. Karen Smith, Director, California Department of Public Health
Mr. Brandon Nunes, Chief Deputy Director, California Department of Public Health
Ms. Susan Fanelli, Chief Deputy Director, California Department of Public Health
Mr. Alan Lum, Deputy Director, Administration Division, California Department of Public Health
Mr. Lenny Mendonca, Director, Governor's Office of Business and Economic Development
Mr. Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic Development
Ms. Maral Farsi, Deputy Director, Legislative Affairs, Governor's Office of Business and Economic Development
Mr. James Teahan, Chief, Administrative Services Division, Governor's Office of Business and Economic Development

Ms. Jenifer Henneke, Manager, Administrative Services Division, Governor's Office of Business and Economic Development
Ms. Jennifer Kent, Director, Department of Health Care Services
Ms. Mari Cantwell, Chief Deputy Director, Department of Health Care Services
Ms. Erika Sperbeck, Chief Deputy Director, Department of Health Care Services
Mr. Bruce Lim, Deputy Director, Department of Health Care Services
Ms. Sarah Brooks, Deputy Director, Department of Health Care Services
Ms. René Mollow, Deputy Director, Department of Health Care Services
Ms. Olga Garti, Budget Officer, Department of Health Care Services
Mr. Marc Lowry, Chief, Fiscal Forecasting Division, Department of Health Care Services
Mr. Carlos Quant, Chief, Financial Management Branch, Department of Health Care Services
Ms. Melissa Rolland, Assistant Deputy Director, Office of Legislative and Governmental Affairs, Department of Health Care Services