



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 Budget Bill Items and Reimbursements, Support, Department of Tax and Fee Administration

Technical Adjustment for Centralized Revenue Opportunity System (Issue 400)—It is requested that Item 7600-001-0001 be decreased by \$17,047,000 and reimbursements be decreased by \$9,619,000, and that the following items be decreased in the amounts specified to reflect a technical correction to the Centralized Revenue Opportunity System project:

- Item 7600-001-0004 by \$9,000
- Item 7600-001-0022 by \$34,000
- Item 7600-001-0061 by \$2,590,000
- Item 7600-001-0070 by \$2,000
- Item 7600-001-0080 by \$9,000
- Item 7600-001-0230 by \$108,000
- Item 7600-001-0320 by \$23,000
- Item 7600-001-0387 by \$23,000
- Item 7600-001-0439 by \$110,000
- Item 7600-001-0465 by \$35,000
- Item 7600-001-0623 by \$215,000
- Item 7600-001-0965 by \$4,000
- Item 7600-001-3015 by \$141,000
- Item 7600-001-3058 by \$8,000
- Item 7600-001-3065 by \$28,000
- Item 7600-001-3067 by \$5,000
- Item 7600-001-3212 by \$16,000
- Item 7600-001-3251 by \$25,000
- Item 7600-001-3270 by \$21,000

Technical Adjustment to Proposition 56 Expenditures (Issue 498)—It is requested that the expenditure authority for tobacco enforcement be increased by \$5,988,000 to reflect carryover amounts from previous fiscal years.

Technical Adjustment Reallocating Expenditures from California Cannabis Tax Fund (Fund 3314) to Cannabis Tax Fund - Department of Tax and Fee Administration (Fund 3333) (Issue 499)—It is requested that \$7,319,000 in expenditure authority and 29.6 positions be transferred from Fund 3314 to Fund 3333 to reflect a new and more accurate method for tracking cannabis-related expenditures. It is also requested that expenditure authority for Fund 3314 be decreased by \$6,000 to correct a technical issue.

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: 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. Nicolas Maduros, Director, California Department of Tax and Fee Administration
Ms. Katie Hagen, Chief Deputy Director, California Department of Tax and Fee Administration
Mr. Steve Mercer, Budget Officer, California Department of Tax and Fee Administration



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

Individual Health Mandate and Expanded Subsidies (Issue 401)—It is requested that Item 7730-001-0001 be increased by \$8,232,000 and 50 positions to administer the penalty and subsidies associated with the proposed Minimum Essential Coverage Individual Mandate.

Implementation of Advanced Earned Income Tax Credit Payments (Issue 402)—It is requested that Item 7730-001-0001 be increased by \$18,650,000 and 22 positions to implement advanced payments for the Earned Income Tax Credit, and that corresponding provisional language be added (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

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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
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:

8. Of the funds appropriated in Schedule (1), \$18,650,000 is for the implementation of advanced Earned Income Tax Credit payments, and shall only be available upon written authorization from the Department of Finance that the necessary federal waivers and approvals for such payments have been obtained.



April 19, 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, Support, Department of General Services and Department of Developmental Services; and Trailer Bill Language, Department of General Services

Sonoma Developmental Center—It is requested that Item 7760-001-0001 be increased by \$21,064,000 to manage the Sonoma Development Center and begin decommissioning activities through a warm shutdown until the final disposition of the campus is complete. This funding is necessary to allow the Department of General Services to enter into an Interagency Agreement with the Department of Developmental Services so existing facilities staff, who are familiar with the facilities, can maintain the property in warm shut-down and manage decommissioning activities. This amount also includes \$3.5 million for a locally-led planning process for the long-term use of the property, as outlined in proposed trailer bill language (see Attachment 1). Beginning July 1, 2019, jurisdiction of the property will be transferred to the Department of General Services. It is further requested that Item 4300-001-0001 be amended by increasing reimbursements by \$6,126,000 to support the Department of Developmental Services.

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.

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Mr. Matt Henigan, Deputy Director of Sustainability, Government Operations Agency
Mr. Bryan O'dell, Assistant Secretary of Legislation, Government Operations Agency
Mr. Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, 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
Ms. Michelle Baass, Undersecretary, Health and Human Services Agency
Mr. Marko Mijic, Deputy Secretary, Health and Human Services Agency
Mr. Kris Kent, Assistant Secretary, Health and Human Services Agency
Ms. Nancy Bargmann, Director, Department of Developmental Services
Mr. John Doyle, Chief Deputy Director, Department of Developmental Services
Mr. Brian Winfield, Chief Deputy Director, Department of Developmental Services
Ms. Betty Lai, Fiscal Forecasting Branch Manager, Department of Developmental Services

Sonoma Developmental Center

GOVT CODE:

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

- (a) The Sonoma Developmental Center is located in Eldridge, Sonoma County near the community of Glen Ellen and is comprised of a developed campus covering approximately 180 acres and approximately 700 acres of open space adjacent to the Sonoma Valley Regional Park and the Jack London State Historic Park.
- (b) The Sonoma Developmental Center opened in 1891 and is a state-run residential care facility dedicated to serving individuals with developmental disabilities.
- (c) In the October 2015 Plan for the Closure of the Sonoma Developmental Center, the Department of Developmental Services recognized the unique natural and historic resources of the property and acknowledged that it was not the intent of the state to follow the traditional state surplus property process.
- (d) The Department of Developmental Services concluded residential operations at the Sonoma Developmental Center in December 2018 after successfully relocating all residents to homes in the community.
- (e) With the campus closed for developmental services, the property will be maintained and managed by the Department of General Services and a process to determine the future of the site is needed.
- (f) California is experiencing an acute affordable housing crisis. The cost of land significantly limits the development of affordable housing. It is the intent of the Legislature that priority be given to affordable housing in the disposition of the Sonoma Developmental Center state real property.
- (g) It is the intent of the Legislature to establish a partnership between the Department of General Services and the County of Sonoma that provides for a priority land use planning process. During this process, the Department of General Services will maintain the Sonoma Developmental Center and the County of Sonoma will manage the planning process. The planning and disposition process is expected to be of a three-year duration.
- (h) It is the intent of the Legislature that the lands outside the core developed campus and its related infrastructure be preserved as public parkland and open space.

SEC. 2 Section 11011.XX is added to the Government Code to read:

1.1 For the purposes of this section the following definitions shall apply:

- a. "Director" refers to the Director of General Services.
- b. "Department" refers to the Department of General Services.
- c. "County" refers to the County of Sonoma.
- d. "Property" refers to all state-owned real property comprising the Sonoma Developmental Center.
- e. "Agreement" refers to the formal agreement between the Department of General Services and the County of Sonoma to implement a disposition and land use planning process.
- f. "Specific Plan" refers to a comprehensive planning and zoning document for a defined geographic region of Sonoma County.

1.2 (a) The director may, upon those terms and conditions that the director deems to be in the best interest of the state, enter into an agreement with the county for the county to develop a Specific Plan and manage the land use planning process integrated with a disposition process to be carried out by the department. The disposition may include the sale, lease, exchange, or other transfer of all or part of the property or property interest the director deems to be in the best interest of the state. The planning process will facilitate the disposition of the property by amending the County General Plan and zoning, completing environmental review, and addressing the economic feasibility of future development.

(b) In carrying out the land use planning and disposition process, the director and county will provide for the expeditious planning of future land uses for the site and an opportunity for community input, with the intent to reduce uncertainty, increase land values, expedite marketing, and maximize interested third party potential purchasers.

(c) The department recognizes the property's exceptional open space, natural resources, and wildlife habitat. The disposition of the property or property interests shall provide for the permanent protection of the open space and natural resources as a public resource to the greatest extent feasible and shall be upon terms and conditions the director deems to be in the best interest of the state.

(d) Availability of affordable housing is of statewide importance and the agreement shall require that housing be a priority in the planning process. The agreement shall require that any housing proposal determined to be appropriate for the property shall include affordable housing. It is further the intent of the state that priority be given to projects that include housing that is deed-restricted to provide housing for individuals with developmental disabilities.

(e) Recognizing the need for conservation of water resources to preserve or enhance habitat, fish and wildlife resources, groundwater resources, and recreation, the department may petition the State Water Resources Control Board for a change of purpose of use.

(f) The agreement shall consider options for the appropriate protection of the Eldridge Cemetery located on the property.

1.3 The director is authorized to enter into any additional agreements, upon terms and conditions that the director determines to be in the best interest of the state, to provide for the management, operations, and maintenance of the property.

1.4 Excepting any transfer to a state agency in accordance with Section 11011, no transfer, sale or final disposition of any portion of the property or property interest authorized pursuant to Section 1.2, shall occur until the director has determined that the county has granted necessary approvals to rezone the property, approved a specific plan or plans for the property, and approved any necessary development agreements needed for disposition of all or any portion of the property, or the director has determined that such transfer, sale or final disposition is in the best interests of the state.

1.5 The state owns riparian water rights and pre-1914 and post-1914 appropriative water rights and owns and operates a municipal water supply, treatment, and distribution system on the property. All riparian rights shall remain with the property. The state may hold riparian water rights and, pre-1914 and post-1914 appropriative water rights for existing and future domestic uses on the property.

1.6 The county shall provide quarterly reports to the department that shall include expenditures and contracts and an update describing the progress of the expedited planning process.



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

Honorable Phil Ting, Chair
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Amendment to Budget Bill Item 7760-001-9740, Support, Department of General Services

Contracted Fiscal Services Workload Increases—It is requested that Item 7760-001-9740 be increased by \$1,084,000 and 8 positions to support the addition of the California Horse Racing Board, California State Library, and Commission on Peace Officer Standards and Training as clients of the Department of General Services' Contracted Fiscal Services Unit.

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

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Assembly Budget Committee

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Amendment to Budget Bill Item 7760-001-0001, Support, Department of General Services

Fairview Developmental Center—It is requested that Item 7760-001-0001 be increased by \$2,168,000 to complete a site evaluation of disposition options for the Fairview Developmental Center. The Department of Developmental Services anticipates it will continue serving clients at the Fairview facility through the end of 2019. To facilitate the timely disposition of the property after the Department of Developmental Services ceases operation of the facility, the Department of General Services will hire a consultant to assist with the evaluation of appropriate reuse options.

In January, the Governor issued Executive Order N-06-19, which directed state departments to prioritize development of housing on excess state properties, working in partnership with local government. Accordingly, the Fairview evaluation will include identifying constraints and opportunities, working with the City of Costa Mesa and County of Orange to identify local stakeholder interest in the reuse of the property, particularly related to meeting housing and homelessness needs. Concurrently, the Department of General Services will explore options to immediately enter into a long-term lease with the City, County, or non-profit to provide housing and supportive services for up to 200 individuals with cognitive disabilities who are currently suffering homelessness.

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
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/s/ Vivek Viswanathan

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Honorable Phil Ting, Chair
Assembly Budget Committee

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

Amendment to and Addition of Various Budget Bill Items, Support, and Trailer Bill Language, California Public Employees' Retirement System

State Social Security Administration Program—It is requested that Item 7900-001-0652 be added in the amount of \$988,000 and 5 positions, and trailer bill language be amended to bring the Old Age and Survivors Insurance Revolving Fund (OASI Fund), which supports the State Social Security Administrator (SSSA) program, under the budget-approval process (see Attachments 1 and 2). This will ensure administrative oversight and provide better insight and transparency into the SSSA program and OASI Fund reserves. The California Public Employees' Retirement System (CalPERS) is the designated SSSA and serves as the liaison between the state and local government employers and federal agencies, including the Social Security Administration and the Internal Revenue Service.

Operational Budget—It is requested that the various Budget Bill items be amended to reflect the changes to CalPERS' 2019-20 operational budget proposed at the CalPERS Board meeting on April 16, 2019, and anticipated to be approved at the May 2019 Board meeting. The request is comprised of the following changes:

- Item 7900-003-0830 be increased by \$159,797,000
- Item 7900-015-0815 be decreased by \$552,000
- Item 7900-015-0820 be decreased by \$74,000
- Item 7900-015-0830 be increased by \$27,379,000
- Item 7900-015-0833 be increased by \$962,000
- Item 7900-015-0849 be increased by \$37,000
- Item 7900-015-0884 be decreased by \$708,000

The budget proposed by CalPERS reflects a net increase of \$186,841,000 primarily attributed to an increase in external investment management fees, salaries and benefits, and investment operating costs. 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.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

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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
Mr. Michael Cohen, Chief Financial Officer, California Public Employees' Retirement System
Ms. Jennifer Harris, Chief, California Public Employees' Retirement System
Mr. Michael Siu, Budget Manager, California Public Employees' Retirement System

7900-001-0652—For support of Board of Administration of the Public Employees' Retirement System, payable from the Old Age and Survivors Insurance Revolving Fund.....988,000

Schedule:

(1) 6412-Social Security988,000

Provisions:

1. Funds appropriated in this item are from reserves held in the Old Age and Survivors Insurance Revolving Fund or charges and assessments collected by the California Public Employees' Retirement System, pursuant to Sections 22551, 22552, and 22560 of the Government Code, for support of the State Social Security Administrator Program in accordance with the fee structure approved by Department of Finance and determined by the Board of Administration of the California Public Employees' Retirement System.
2. Notwithstanding any other law, the Department of Finance may authorize a loan from the General Fund, not to exceed 50 percent of the amount appropriated in this item to the California Public Employees' Retirement System State Social Security Administrator Program, provided that:
 - (a) The loan is to meet cash needs resulting from the delay, absence, or insufficient receipt of charges and assessments from public agencies for services provided.
 - (b) The loan is short term and shall be repaid to the General Fund within 30 days of receipt of sufficient collection of charges and assessments.
 - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
 - (d) Any such approval shall be contingent upon Finance approval of amended charges and assessments, as determined by Board of Administration, pursuant to Sections 22551, 22552, and 22560 of the Government Code, to realign the charges and assessments with the budget in a manner that is consistent with the annual Budget Act and reserve policy.
 - (e) Within 30 days of making any adjustment pursuant to this provision, the Department 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.

Purpose of following trailer bill sections: To bring the Old Age and Survivors' Insurance Revolving Fund (OASI Fund) under the budget-approval process to ensure administrative oversight and any proposed budget changes for SSSA program expenses are presented formally to the Administration and Legislature through the budget-approval process.

SECTION 1. Section 22551 of the Government Code is amended to read:

22551. (a) The board may charge or assess each public agency and each public agency shall pay and reimburse the state at such times and in such amounts as the board may charge or assess, which amounts may differ from public agency to public agency, the public agency's proportionate share of any and all costs incurred by the state in the administration of the federal system as it affects the public agency and its employees. Such charges or assessments shall be determined by the board in a manner approved by the Department of Finance and may be charged or assessed either in arrears or on the basis of anticipated costs not to exceed one year in advance. ~~There shall be added to the amount of each such assessment, delinquent 90 days after a notice thereof was mailed by the board, a penalty of 10 percent of the amount thereof. Such penalties when collected shall be paid into the Treasury and credited as revenue to the General Fund.~~

(b) Notwithstanding sections 13340 and 22600, the charges or assessments collected and deposited in the Old Age and Survivors' Insurance Revolving Fund, pursuant to subdivision (a) and section 22552, may be expended by the board for administrative purposes, provided that the expenditure is approved in the annual Budget Act. There shall be added to the amount of each such assessment, delinquent 90 days after a notice thereof was mailed by the board, a penalty of 50 percent of the amount thereof. Such penalties, when collected, shall be paid into the Treasury and credited as revenue to the Old Age and Survivors' Insurance Revolving Fund. The total amount of the assessment and penalty that remains unpaid after 120 days will accrue interest at the rate of 7 percent per annum.

(c) In any given fiscal year, the cumulative revenue maintained or held in the Old Age and Survivors' Insurance Revolving Fund may not exceed 100 percent of program expenditures, as approved in the annual Budget Act. If the amount of charges or assessments, as approved in subdivision (a) and section 22552, result in reserves that exceed this threshold, the board shall submit revised charges or assessments for approval by the Department of Finance to realign the charges or assessments with the annual Budget Act and to ensure the charges or assessments do not result in excess fund reserve levels.

(d) For assessments charged to state departments and agencies, the State Controller shall transfer funds from those departments and agencies into the Old Age and Survivor's Insurance Revolving Fund based on a schedule provided by the board and approved by the Department of Finance.

SEC. 2. Section 22555 of the Government Code is amended to read:

22555. Every public agency included in the agreement shall upon written request of the board pay to the board any and all sums of money that the State may be obligated to pay or forfeit to the Federal Government, by reason of any failure on the part of any such public agency for any cause or reason to pay any contributions, interest, penalties, or any other amounts required by the agreement and federal regulations adopted pursuant thereto at the time and in such amounts as required by said agreement or said federal regulations. The board, in lieu of

collection from the public agency, may offset any such sum which does not exceed one dollar (\$1) in amount against excesses in the Old Age and Survivors' Insurance Revolving Fund which are subject to transfer between the fund and the appropriation available for support of the board as provided in Section 22603.

SEC. 3. Section 22556 of the Government Code is amended to read:

22556. Any public agency on whose behalf the board has made any advances of money as provided in Section 22601 shall reimburse the State in the amount of any such advances, together with interest at the rate of ~~6 percent~~ 7 percent per annum from the time of such advance; provided, that there shall be no interest charge in any instance in which the amount of interest, if charged, would be less than one dollar (\$1). Such interest when collected shall be paid into the Treasury and credited as revenue to the General Fund.

SEC. 4. 22560 of the Government Code is amended to read:

22560. (a) The board may charge or assess each public agency as defined in Section 22009.03 and each public agency shall pay and reimburse the state at the times and in the amounts as the board may determine, the approximate cost to the state, of any and all work, services, equipment, and other administrative costs relating to a division under Article 2.5 (commencing with Section 22150) of Chapter 1 of this part or the referendum provided by Article 2 (commencing with Section 22300) of Chapter 2 of this part and requested by the agency. The charges may differ from public agency to public agency.

(b) Notwithstanding sections 13340 and 22600, the charges or assessments collected and deposited in the Old Age and Survivors' Insurance Revolving Fund pursuant to subdivision (a) may be expended by the board for administrative purposes, provided that the expenditure is approved in the annual Budget Act. There shall be added to the amount of each such assessment, delinquent 90 days after a notice thereof was mailed by the board, a penalty of 50 percent of the amount thereof. Such penalties, when collected, shall be paid into the Treasury and credited as revenue to the Old Age and Survivors' Insurance Revolving Fund. The total amount of the assessment and penalty that remains unpaid after 120 days will accrue interest at the rate of 7 percent per annum.

(c) In any given fiscal year, the cumulative revenue maintained or held in the Old Age and Survivors' Insurance Revolving Fund may not exceed 100 percent of program expenditures, as approved in the annual Budget Act. If the amount of charges or assessments, as approved in subdivision (a) results in reserves that exceed this threshold, the board shall submit revised charges or assessments for approval by the Department of Finance to realign the charges or assessments with the annual Budget Act and to ensure the charges or assessments do not result in excess fund reserve levels.

SEC. 5. Section 22602 of the Government Code is amended to read:

22602. With the exception of penalties and interest as provided by ~~Sections 22551 and~~ Section 22556, any and all moneys received by the board from public agencies under the provisions of this part may be deposited in such revolving fund.



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 7920-011-0001, Support, California State Teachers' Retirement System

It is requested that Item 7920-011-0001 be increased by \$5,678,000 to reflect an increase in the state's contributions to the California State Teachers' Retirement System's Defined Benefit (DB) Program and Supplemental Benefit Maintenance Account (SBMA), as required in statute. The state's contributions to the DB program and SBMA are calculated using creditable compensation provided by the Teachers' Retirement Board (Board) for the fiscal year immediately preceding June 30; the report is published annually by the Board by October 25, and a subsequent report is due by April 15, that displays necessary revisions to creditable compensation. Based on the Board's April 8, 2019 creditable compensation report, the DB contribution will be increased by \$4,304,000 and the SBMA contribution will be increased by \$1,374,000, as compared to 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 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: 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
Mr. Justyn Howard, Fiscal Operations, Government Operations Agency
Mr. Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System
Mr. Grant Boyken, Public Affairs Executive Officer, California State Teachers' Retirement System
Ms. Julie Underwood, 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