



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

California Creative Corps Pilot Program—It is requested that Item 8260-101-0001 be increased by \$50 million one-time to implement the California Creative Corps Pilot Program. This request amends the Governor's Budget proposal, which included a total of \$15 million one-time (\$5 million in fiscal year 2020-21 and \$10 million in 2021-22). This request removes the \$5 million in 2020-21 and brings the total amount available in 2021-22 to \$60 million.

This additional investment will allow the California Arts Council to expand the media outreach and engagement campaign to include: (1) public health awareness messages to stop the spread of COVID-19; (2) conservation public awareness related to water and energy conservation, and emergency preparedness, relief, and recovery; (3) civic engagement, including election participation; and (4) social justice and community engagement. In addition, it is requested that provisional language be added to Item 8260-101-0001 to provide extended encumbrance and expenditure availability through June 30, 2024, and to allow up to 1 percent of the funding to be used for administrative costs (see Attachment 1).

Creative Youth Development Grant Programs—It is also requested that Item 8260-101-0001 be increased by \$40 million one-time to support the Council's existing Creative Youth Development programs. The Council currently has five existing Creative Youth Development category grant programs: (1) Youth Arts Action, (2) Artists in Schools, (3) Arts Education Exposure, (4) JUMP StArts, and (5) Arts Integration Training. The Council will use partnerships between community-based organizations, educators, and local artists to expand participation in these programs statewide. In addition, it is requested that provisional language be added to this item to provide extended encumbrance and expenditure availability through June 30, 2024, and to allow up to 1 percent of the funding to be used for administrative costs (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 Tim Weber, Principal Program Budget Analyst, at (916) 445-8913.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Anne Bowne-Crawford, Executive Director, California Arts Council
Ayanna Kiburi, Deputy Director, California Arts Council
Kristin Margolis, Director, Legislative Affairs, California Arts Council
Adam Quintana, Manager, Operations, California Arts Council

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

4. Of the amount appropriated in this item, up to \$60,000,000 shall be used for the California Creative Corps Pilot Program. This funding shall be available for encumbrance or expenditure until June 30, 2024, and up to 1 percent of this funding may be used to support administrative costs.

5. Of the amount appropriated in this item, up to \$40,000,000 shall be used to support the California Arts Council's Creative Youth Development Grant Programs. This funding shall be available for encumbrance or expenditure until June 30, 2024, and up to 1 percent of this funding may be used to support administrative costs.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 8570-001-0001 and 8570-002-0001, Support, and Item 8570-490, Local Assistance, Department of Food and Agriculture

Agricultural and Rural Economic Advisor—It is requested that Item 8570-001-0001 be increased by \$199,000 ongoing and 1 position to establish an Agricultural and Rural Economic Advisor to inform policy discussions on strategies and initiatives that will enhance rural economies through innovation, technology, education, and workforce training.

Bee Safe Program—It is requested that Item 8570-001-0001 be increased by \$2,126,000 on a one-time basis to continue the Bee Safe Program for an additional year. The 2018 Budget Act included three year funding for this program and the Legislature required the Department of Food and Agriculture to submit a report by January 10, 2021 on the status of the program that included, annual revenues collected by the apiary program, county costs to administer the program, options to align fee revenues with county costs and responsibilities, and the feasibility of imposing a fee on bee hives temporarily imported into the state. Due to the unforeseen circumstances related to the COVID-19 Pandemic, the Department requires an additional year of funding to continue this program while it completes this analysis.

Impact Assessment and Alignment of Regulatory Reporting Requirements for

Agriculture—It is requested that Item 8570-002-0001 be increased by \$4 million on a one-time basis to shift funding included in the 2020-21 early action package that was not adopted by the Legislature into fiscal year 2021-22. This funding will enable the Department to engage a consultant to evaluate and implement the alignment of regulatory reporting activities across state agencies to reduce unnecessary burdens to farmers and ranchers in their efforts to meet regulatory compliance.

MR Infrastructure Package-One-Time Deferred Maintenance—It is requested that Item 8570-002-0001 be increased by \$2 million for additional deferred maintenance projects at Department facilities.

Fairground and Community Resilience Centers—It is requested that item 8570-002-0001 be increased by \$150 million on a one-time basis and provisional language be added to authorize funding be used for state operational or local assistance and associated administrative costs to support the development, maintenance, and transformation of community resilience centers, to improve both fairground and other local community facilities to enhance the state's emergency preparedness capabilities, particularly in response to climate change. Funding will be utilized to support infrastructure for emergency evacuation, shelter, base camps during emergency events, and critical deferred maintenance. Elements for this infrastructure may include but are not limited to cooling and heating centers; clean air centers; and extended emergency evacuation response centers with community kitchens, shower facilities, broadband, back-up power and other community needs due to wildfires, floods, and other emergencies or climate events. It is also requested that the following provisional language be added to this item to conform to this action:

3. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.
4. Notwithstanding Provision 3, \$150,000.000 appropriated in Schedule 2 for fairground and community resilience centers shall be available for state operations and local assistance.

It is also requested that Item 8570-001-0001 be decreased by \$10 million and Provision 3 be eliminated, which is associated with a shift of fairground deferred maintenance funding proposed in the Governor's Budget into this Fairground and Community Resilience Centers Proposal.

Fairgrounds Operation Support—The Governor's Budget included \$50 million General Fund on a one-time basis for operational support to state-affiliated fairs while the state continues to evaluate new business models and governance structures to operate more efficiently, meet local community needs, and continue to serve critical public health and safety roles in the state's emergency response system. The May Revision proposes to expand eligibility of the Governor's Budget proposal to the entire Network of California Fairs, but will be allocated based on need.

Technical Adjustment—It is requested that Item 8570-490 be amended to reflect a technical adjustment to consolidate reappropriations proposed in the Governor's Budget (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, Assistant Program Budget Manager, at (916) 324-0043.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Honorable Karen Ross, Secretary, California Department of Food and Agriculture
Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture
Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture

"8570-490—Reappropriation, Department of Food and Agriculture. The ~~balances of the appropriations provided~~ amount specified in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure ~~until June 30, 2022~~: as specified below:

0001—General Fund

(1) \$350,000 Item 8570-001-0001, Budget Act of 2019, in Program 6590-General Agricultural Activities, available until June 30, 2024

3228—Greenhouse Gas Reduction Fund

(1) Item 8570-101-3228, Budget Act of 2019, available until June 30, 2022"



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 8570-301-0001 and 8570-493, Capital Outlay, California Department of Food and Agriculture

Blythe Border Protection Station: Replacement—It is requested that Item 8570-301-0001 be decreased by \$1,833,000 to reflect a \$1,869,000 decrease to the acquisition phase and a \$36,000 increase to the preliminary plans phase for this project (see Attachment 1). It is also requested that Item 8570-493 be amended to reappropriate Item 8570-301-0001, Budget Act of 2018, in order to provide additional encumbrance availability for acquisition funding (see Attachment 2). These changes are necessitated by a relocation of the project to a new site due to changes in local zoning as well as the need to comply with California Department of Transportation and the Federal Highway Administration's traffic weaving requirements.

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 Michael McGinness, Principal Program Budget Analyst, at (916) 445-9694.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Honorable Karen Ross, Secretary, California Department of Food and Agriculture
Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of
Food and Agriculture
Kari Morrow, Division Director, Administrative Services, California Department of Food and
Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture

"8570-301-0001—For capital outlay, Department of Food and
Agriculture..... ~~14,352,000~~ 12,519,000

Schedule:

- (1) 0003191-Blythe Border Protection
 - Station: Replacement..... ~~3,981,000~~ 2,148,000
 - ~~(a) Acquisition.....1,869,000~~
 - (b) Preliminary Plans..... ~~2,112,000~~ 2,148,000

- (2) 0005081-Needles Border Protection
 - Station: Relocation.....10,371,000
 - (a) Acquisition..... 7,573,000
 - (b) Preliminary Plans..... 2,798,000"

"8570-493—Reappropriation, Department of Food and Agriculture. The balances of the appropriations amount specified 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, 2024:

0001—General Fund

~~(1) \$350,000 in Program 6590-General Agricultural Activities, Item 8570-001-0001, Budget Act of 2019~~

(2) Item 8570-301-0001, Budget Act of 2018

(1) 0003191-Blythe Border Protection Station Replacement
(a) Acquisition"



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support and Local Assistance, Air Resources Board and Department of Food and Agriculture

This proposal includes requests from the Department of Food and Agriculture and Air Resources Board related to investments that support sustainable agriculture across multiple areas including: healthy, resilient, and equitable food systems; climate smart agriculture for sustainability and resilience; and economic recovery and high road job growth. This proposal also includes adjustments to sustainable agriculture investments in the Governor's Budget Cap and Trade Expenditure Plan to shift funding not adopted in the 2020-21 early action package to fiscal year 2021-22.

Department of Food and Agriculture

Economic Recovery and High-Road Job Growth—It is requested that Item 8570-002-0001 be increased by \$30 million and Item 8570-102-0001 be increased by \$12 million to support economic recovery, resiliency, and high-road job growth through technical assistance to underserved farmers, new farmer training and manager apprenticeships, and the Fresno-Merced Future of Food Innovation Initiative (see Attachments 1 and 2).

Climate Smart Agriculture for Sustainability and Resiliency—It is requested that Item 8570-002-0001 be increased by \$9 million and Item 8570-102-0001 be increased by \$170 million to advance climate smart agriculture, improve drought resiliency, increase pollinator habitat on working lands, support conservation planning for a more resilient and robust agricultural system, and support a new program to incentivize legacy outdoor cannabis growers to participate in the collection of data to benchmark best practices that reduce the environmental impact of cannabis water and energy use (see Attachments 1 and 2). It is also requested that Item 8570-101-3228 be increased by

\$25 million, which includes a shift of funding included in the 2020-21 early action package in the Governor's Budget for Healthy Soils to fiscal year 2021-22.

Healthy, Resilient, and Equitable Food Systems—It is requested that Item 8570-102-0001 be increased by \$67.5 million to improve access to nutritious, local, California grown food, and to provide resources to bolster local and regional supply chains, especially for small and medium producers. This includes investments in the California Nutrition Incentive Program, Senior Farmer's Market Nutrition Program, Healthy Refrigeration Grant Program, Farm to School Program and funding for a new program to assist urban farmers and community-based organizations in revitalizing urban food systems by investing in urban farms, technical assistance, urban food hubs, and training to increase access, address food security, and create jobs in low-income and historically underserved communities.

Air Resources Board

Alternatives to Agricultural Burning—It is requested that Item 3900-101-0001 be increased by \$150 million one-time to provide incentives to farmers to use alternatives to agricultural burning in the San Joaquin Valley to facilitate a phased prohibition of agricultural burning consistent with Chapter 481, Statutes of 2003 (SB 705). Funding will also support updates to the Air Resources Board's Prescribed Fire Incident Reporting Tool. It is also requested that provisional language be added to provide extended encumbrance availability through June 30, 2024, and to allow up to 5 percent of the amount appropriated to be used for administrative costs (see Attachment 3).

Agricultural Diesel Engine Replacement and Upgrades (FARMER)—It is requested that Item 3900-101-0115 be increased by \$42,582,000 one-time to support the FARMER program and provisional language be added to provide extended encumbrance availability through June 30, 2024 (see Attachment 4). It is also requested that Item 3900-101-3228 be increased by \$90 million one-time to shift funding included in the 2020-21 early action package in the Governor's Budget for FARMER to fiscal year 2021-22. It is further requested that provisional language be added to provide extended encumbrance availability through June 30, 2024.

In addition, it is further requested that local assistance General Fund for the Air Resources Board be increased by \$150 million one-time in 2022-23, to support the FARMER program. The FARMER program provides grants, rebates, and other financial incentives to replace and upgrade agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations to reduce agricultural sector emissions.

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, Assistant Program Budget Manager, at (916) 324-0043.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Honorable Karen Ross, Secretary, California Department of Food and Agriculture
Jennifer Lester Moffitt, Undersecretary, California Department of Food and Agriculture
Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of Food and Agriculture
Kari Morrow, Division Director, Administrative Services, California Department of Food and Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture
Jared Blumenfeld, Secretary, California Environmental Protection Agency
Serena McIlwain, Undersecretary, California Environmental Protection Agency
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Richard Corey, Deputy Executive Officer, Air Resources Board
Edie Chang, Deputy Executive Officer, Air Resources Board
Edna Murphy, Division Chief, Administrative Services Division, Air Resources Board

“8570-002-0001—For support of Department of Food and Agriculture.....~~11,440,000~~ 214,650,000

Schedule:

(0.25) 6570 - Agricultural Plant and Animal Health; Pest Prevention; Food.....2,000,000
(0.5) 6580 - Assistance to Fair and County..... 150,000,000
(1) 6590-General Agricultural Activities.....~~11,440,000~~62,650,000
(2) 9900100-Administration.....~~30,000~~60,000
(3) 9900200-Administration—Distributed.....~~-30,000~~ -60,000

Provisions:

1. Of the amount appropriated in this item, \$8,000,000 shall be used for integrated pest management programs through cooperative agreements with CSU and UC research and extension. ~~Up to 5 percent of the amount appropriated may be used for administrative costs.~~
2. The amount appropriated in this item is available for encumbrance or expenditure until June 30, 2024, and liquidation until June 30, 2027.
3. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.
4. Notwithstanding Provision 3, \$150,000,000 appropriated in Schedule (2) for fairground and community resilience centers shall be available for state operations and local assistance.”

"8570-102-0001—For local assistance, Department of Food and
Agriculture..... ~~3,750,000~~ 313,250,000

Schedule:

(0.5) 6575 - Marketing; Commodities and Agricultural Services.....67,000,000

(1) 6590-General Agricultural Activities.....~~3,750,000~~ 246,250,000

Provisions:

1. ~~The amount appropriated in this item shall be used for Integrated Pest Management grants.~~ Up to 5 percent of the amount appropriated may be used for administrative costs.
2. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024."

"3900-101-0001—For local assistance, State Air Resources Board ~~2,000,000~~152,000,000

Schedule:

(0.5) 3505-Stationary Source 150,000,000

(1) 3510-Climate Change 2,000,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024 and shall be available for liquidation until June 30, 2026.
2. The funds appropriated in Schedule (0.5) shall be granted to the San Joaquin Valley Air Pollution Control District to support incentives for alternatives to agricultural burning in the San Joaquin Valley. These funds shall be available for encumbrance or expenditure until June 30, 2024, for support or local assistance, and shall be available for liquidation until June 30, 2026. Not more than 5 percent of the amount appropriated in Schedule (0.5) may be used for administrative costs."

"3900-101-0115—For local assistance, State Air Resources Board, payable from the Air Pollution Control Fund 247,000,000289,582,000

Schedule:

(1) 3500-Mobile Source 247,000,000289,582,000

Provisions:

1. The funds appropriated in Schedule (1) shall be used as follows:
 - (a) Notwithstanding any other law, \$247,000,000 the funds appropriated in this item shall be available for allocation to local air pollution control districts for implementation of the Carl Moyer Air Quality Standards Attainment Program.
 - (b) \$42,582,000 shall be used to reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other diesel equipment used in agricultural operations. Funding for agricultural diesel replacement and upgrades shall be based on criteria that include the following: (1) the diesel particulate matter emissions and exposures in an air district, and (2) the NOx and PM 2.5 emissions and attainment status in each district. These funds may be transferred to Schedule (2) for other existing Low Carbon Transportation programs pursuant to the Low Carbon Transportation Investments and Air Quality Improvement public process, upon approval of the Department of Finance. These funds shall be available for encumbrance or expenditure until June 30, 2024 and shall be available for liquidation until June 30, 2026."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 8620-001-0001, Support, and Statutory Changes, Fair Political Practice Commission

It is requested that Item 8620-001-0001 be increased by \$637,000 and 5 positions in fiscal year 2021-22, and \$602,000 annually thereafter, to support lobbying audits and investigations that will be conducted by the Fair Political Practices Commission. Currently, under the Political Reform Act, the Commission selects the pool of candidates subject to lobbying audits and investigations, and adopts the guidelines and standards that are then used by the Franchise Tax Board (FTB) to conduct these audits and investigations.

It is also requested that statutory changes be amended to transfer the authority to conduct the lobbying audits and investigations from the FTB to the Commission (see Attachment 1). This effort is intended to streamline audits and investigations, and improve transparency and accountability of lobbyists and lobbying firms consistent with the requirements of the Political Reform Act.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Tim Weber, Principal Program Budget Analyst, at (916) 445-8913.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Richard, Miadich, Chair, Fair Political Practices Commission
Galena West, Executive Director, Fair Political Practices Commission
Loressa Hon, Chief, Administration Division, Fair Political Practices Commission
Phillip Ung, Director, Legislative and External Affairs, Fair Political Practices Commission
Jue Wang, Budget Manager, Fair Political Practices Commission

Section 90000 of the Government Code is amended to read:

90000. Except as provided in Section 90006, the Franchise Tax Board shall make audits and field investigations with respect to the following:

(a) Reports and statements filed with the Secretary of State under Chapter 4 (commencing with Section ~~84100~~, 84100) and Chapter 5 (commencing with Section ~~85100~~), and Chapter 6 (commencing with Section ~~86100~~), 85100).

(b) Local candidates and their controlled committees selected for audit pursuant to subdivision (i) of Section 90001.

Section 90001 of the Government Code is amended to read:

90001. Audits and investigations ~~shall be made~~ pursuant to Section 90000 and subdivision (b) of Section 90006 shall be made with respect to the reports and statements of:

(a) ~~Each lobbying firm and each lobbyist employer who employs one or more lobbyists shall be subject to an audit on a random basis with these lobbying firms or lobbyist employers having a 25-percent chance of being audited. Twenty-five percent of the lobbying firms and twenty-five percent of the lobbyist employers who employ one or more lobbyists. Lobbying firms and lobbyist employers shall be selected for audit pursuant to the process described in subdivision (j). Of those selected, a lobbying firm or lobbyist employer that employs only placement agents, or that made or received payments for lobbying services totaling less than \$25,000 during the prior two-year legislative session, shall not be required to be audited.~~ When a lobbying firm or lobbyist employer is audited, the individual lobbyists who are employed by the lobbying firm or the lobbyist employer shall also be audited.

(b) Each statewide, Supreme Court, court of appeal, or Board of Equalization candidate in a direct primary or general election for whom it is determined that twenty-five thousand dollars (\$25,000) or more in contributions have been raised or twenty-five thousand dollars (\$25,000) or more in expenditures have been made, whether by the candidate or by a committee or committees controlled by the candidate or whose participation in the direct primary or general election is primarily in support of ~~his or her~~ their candidacy. Each statewide candidate whose contributions and expenditures are less than twenty-five thousand dollars (\$25,000) shall be subject to an audit on a random basis of 10 percent of the number of such candidates.

(c) Each candidate for the Legislature or superior court judge in a direct primary or general election shall be subject to audit by random selection if it is determined that fifteen thousand dollars (\$15,000) or more in contributions have been received or fifteen thousand dollars (\$15,000) or more in expenditures have been made, whether by the

candidate or by a committee or committees controlled by the candidate or primarily supporting ~~his or her~~ their candidacy. Random selection shall be made of 25 percent of the Senate districts, 25 percent of the Assembly ~~districts~~ districts, and 25 percent of the judicial offices contested in an election year.

(d) Each candidate for the Legislature in a special primary or special runoff election for whom it is determined that fifteen thousand dollars (\$15,000) or more in contributions have been raised or fifteen thousand dollars (\$15,000) or more in expenditures have been made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting ~~his or her~~ their candidacy.

(e) Each controlled committee of any candidate who is being audited pursuant to subdivision (b), (c), or (d).

(f) Each committee, other than a committee specified in subdivision (c) of Section 82013, primarily supporting or opposing a candidate who is being audited pursuant to subdivision (b), (c), or (d) if it is determined that the committee has expended more than ten thousand dollars (\$10,000).

(g) Each committee, other than a committee specified in subdivision (c) of Section 82013, whose participation is primarily in support of or in opposition to a state measure or state measures if it is determined that the committee has expended more than ten thousand dollars (\$10,000) on such measure or measures.

(h) Each committee, other than a committee defined in subdivision (c) of Section 82013, a controlled committee or a committee primarily supporting or opposing a state candidate or measure, if it is determined that the committee has raised or expended more than ten thousand dollars (\$10,000) supporting or opposing state candidates or state measures during any calendar year, except that if the commission determines from an audit report that a committee is in substantial compliance with the provisions of the act, the committee thereafter shall be subject to an audit on a random basis with each such committee having a 25-percent chance of being audited.

(i) (1) With respect to local candidates and their controlled committees, the commission shall promulgate regulations which provide a method of selection for these audits.

(2) With respect to candidates for the Board of Administration of the Public Employees' Retirement System, the commission shall promulgate regulations that provide a method for selection of these audits. The Public Employees' Retirement System shall reimburse the commission for all reasonable expenses incurred pursuant to this section.

(j) In accordance with subdivisions (a), (b), (c), and (h), the ~~Fair Political Practices~~ Commission shall select by lot the persons or districts to be audited on a random basis. For campaign audits the selection shall be made in public after the last date for filing the first report or statement following the general or special election for which the

candidate ran, or following the election at which the measure was adopted or defeated. For lobbying firm and lobbyist employer audits, the selection shall be made in public in February of odd-numbered years.

Section 90006 of the Government Code is amended to read:

90006. ~~Audits~~ The Commission shall conduct audits and field investigations of candidates the following:

(a) Candidates for Controller and member of the Board of Equalization ~~Equalization,~~ and of committees supporting such candidates ~~shall be made by the Commission instead of the Franchise Tax Board.~~ those candidates.

(b) Reports and statements filed with the Secretary of State pursuant to Chapter 6 (commencing with Section 86100).



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, California Public Utilities Commission

Reauthorization of Appropriation for California Public Utilities Commission (CPUC)

Response to Utility Bankruptcies—It is requested that Item 8660-001-0462 be increased by \$7,500,000 one-time to reauthorize resources to support CPUC's ability to respond to utility bankruptcies. These funds were originally appropriated in 2019-20 for three years, but due to technical oversight were only available for expenditure one year. This would authorize expenditures through fiscal year 2021-22.

Strengthening the Accounts Receivable Unit—It is requested that Item 8660-001-0462 be increased by \$314,000 ongoing to strengthen CPUC's Accounts Receivable Unit to address findings from a recent audit.

Wildfire Forecast and Threat Intelligence Integration Center—It is requested that Item 8660-001-0462 be increased by \$191,000 ongoing and 1 position to implement the Wildfire Forecast and Threat Intelligence Integration Center, as authorized by Chapter 405, Statutes of 2019 (SB 209).

Transfer of Wildfire Safety Division to Office of Energy Infrastructure Safety—It is requested that Item 8660-001-0462 be decreased by \$10,568,000 and 32 positions ongoing to reflect the transfer of the Wildfire Safety Division to the new Office of Energy Infrastructure Safety, authorized by Chapter 81, Statutes of 2019 (AB 111).

Universal Lifeline Telephone Service Program—It is requested that Item 8660-001-0471 be increased by \$5,119,000 ongoing and Item 8660-101-0471 be decreased by \$2,867,000 ongoing to reflect new caseload projections and an extension of COVID-19 Pandemic service protections.

Public Purpose Program Loans—It is requested that Items 8660-011-0470, 8660-012-0470, and 8660-013-0470 and statutory changes be added to amend the Public Utilities Code to provide for loans between the telecommunications Public Purpose Programs to prevent insolvencies arising from the continued decline of intrastate revenues (see Attachments 1, 2, 3, and 4).

Golden State Energy—It is requested that statutory changes be added to amend the Corporations Code to prevent the Secretary of State from reserving the name Golden State Energy for any entity other than the one created in existing law (see Attachment 5).

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 Damien Mimnaugh, Principal Program Budget Analyst, at (916) 322-2263.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Executive Director, California Public Utilities Commission
Harsh Thakar, Budget Manager, California Public Utilities Commission

8660-011-0470—For transfer by the Controller, upon order of the Department of Finance, from the California High-Cost Fund-B Administrative Committee Fund to the California High-Cost Fund-A Administrative Committee Fund as a loan.....(7,000,000)

Provisions:

1. The Department of Finance may transfer up to \$7,000,000 as a loan to the California High-Cost Fund-A Administrative Committee Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

8660-012-0470—For transfer by the Controller, upon order of the Director of finance, from the California High-Cost Fund-B Administrative Committee Fund to the Deaf and Disabled Telecommunications Program Administrative Committee Fund as a loan..... (25,000,000)

Provisions:

1. The Department of Finance may transfer up to \$25,000,000 as a loan to the Deaf and Disabled Telecommunications Program Administrative Committee Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

8660-013-0470—For transfer by the Controller, upon order of the Department of Finance, from the California High-Cost Fund-B Administrative Committee Fund to the California Teleconnect Fund Administrative Committee Fund as a loan.....(52,000,000)

Provisions:

1. The Department of Finance may transfer up \$52,000,000 as a loan to California Teleconnect Fund Administrative Committee Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.

Public Utilities Code section 282 is amended to read:

“282 Any revenues that are deposited in funds created pursuant to this chapter shall not be used by the state for any purpose other than as specified in this chapter. Notwithstanding any other provision of law, the Controller may use the funds created pursuant to this chapter for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Notwithstanding any other law, upon approval of the Director of Finance, revenues deposited in funds created pursuant to this chapter may be used to make interfund transfers as loans.”

Section 5122.5 is added to the Corporations Code, to read:

5122.5 The Secretary of State shall not reserve a corporate name or file articles using the name Golden State Energy unless those articles are for Golden State Energy, incorporated and operating pursuant to this part and Division 1.7 (commencing with Section 3400) of the Public Utilities Code.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 8860-062-8506, Support, Department of Finance

Federal Stimulus and Disaster Reimbursement Tracking, Recovery, and Accountability

Unit—It is requested that Item 8860-062-8506 be added in the amount of \$3,374,000 and 15 positions ongoing to fund the tracking, implementation, and oversight of federal stimulus and disaster relief funds. Since the beginning of the COVID-19 Pandemic, California has received nearly \$425 billion in federal stimulus funds from five federal stimulus bills, and is estimated to receive over \$190 billion more from the American Recovery Plan Act of 2021, the sixth federal stimulus bill. Due to the immediacy of expenditure requirements in the initial bills, existing staff were redirected to manage the funding plan and establish tracking and oversight. Given the unprecedented size and scope of recent relief bills, the redirection of existing staff is not sustainable. The proposed coordinated approach to tracking and reporting will support consistency and transparency of federal reporting. To help standardize and streamline reporting, staff will evaluate enhancements needed to the Financial Information System for California (FI\$Cal). Using lessons learned during the COVID-19 pandemic disaster, staff will work in partnership with the California Office of Emergency Services to shorten the timeframe and increase the rate of recovery of pandemic and other disaster response costs.

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 Erica Gonzales, Assistant Program Budget Manager, at (916) 445-3274.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 8940-001-0001, Support, California Military Department

One-time Deferred Maintenance Funding—It is requested that Item 8940-001-0001 be increased by \$15 million one-time in fiscal year 2021-22 to reflect an allocation of funding for deferred maintenance projects. The funding will allow the California Military Department to complete multiple projects to reduce a statewide maintenance backlog. It is also requested that provisional language be added to Item 8940-001-0001 as follows to allow for encumbrance or expenditure of the funds until June 30, 2024:

9. Of the amount appropriated in this Item, \$15,000,000 shall be expended to address deferred maintenance projects that represent critical infrastructure deficiencies. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

Emergency Preparedness and Disaster Response—It is requested that Item 8940-001-0001 be increased by \$2,859,000 and 18 positions in fiscal year 2021-22, and \$2,778,000 annually thereafter, to address the increased magnitude, frequency, and complexity of natural disasters. These resources will enhance current logistical, administrative, and fiscal support operations, as well as future planning and training to prepare for contingencies as the nature of disasters and emergencies evolve.

Wildfire Forecast and Threat Intelligence Integration Center—It is requested that Item 8940-001-0001 be increased by \$933,000 and 5 positions in fiscal year 2021-22, and \$833,000 annually thereafter, to establish the Wildfire Forecast and Threat Intelligence Integration Center, as required by Chapter 405, Statutes of 2019 (SB 209).

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 Tim Weber, Principal Program Budget Analyst, at (916) 445-8913.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
General David S. Baldwin, Adjutant General, California Military Department
Colonel Craig Sandman, Comptroller, California Military Department



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 8940-301-0001, Addition of Item 8940-496, and Eliminate Item 8940-301-0890, Capital Outlay, California Military Department

Sacramento: Consolidated Headquarters Complex—It is requested that Item 8940-301-0001 be increased by \$25,855,000 one-time for the design-build phase of the Sacramento: Consolidated Headquarters Complex project. The additional funds are necessary to secure project management, construction supervision, engineering support and inspection services through the duration of the project, and to address numerous required change orders and contractor remobilization activities and related costs. The additional funds will allow the project to be completed in fiscal year 2021-22.

Santa Rosa: Sustainable Armory Renovation Program—It is requested that Item 8940-301-0001 be decreased by \$49,000 by deleting Schedule (1), and Item 8940-301-0890 be eliminated due to changes in capital outlay project priorities.

Los Alamitos: National Guard Readiness Center—It is requested that 8940-496 be added to revert the unexpended balance of the acquisition and construction phase for the Los Alamitos: National Guard Readiness Center due to the discontinuation of the project (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 Barbara Taylor, Principal Program Budget Analyst, at (916)-445-9694.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Edward Landrith, Branch Chief of Design and Project Management, California Military
Department
Darrin Bender, Director of External Affairs, California Military Department
Robert Spano, Director of Staff, California Military Department
Louis Millikan, Director for J9, Planning and Programming Branch, California Military
Department

8940-495—Reversion, Military Department. As of June 30, 2021, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) Item 8940-301-0001, Budget Act of 2019, as reappropriated by Item 8940-492, Budget Act of 2020, and as reverted by Item 8940-495, Budget Act of 2020
- (5) 0000981-Los Alamitos: National Guard Readiness Center
 - (a) Acquisition
 - (b) Construction
- (2) Item 8940-301-0001, Budget Act of 2018, as reappropriated by Item 8940-492, Budget Act of 2019, and Item 8940-492, Budget Act of 2020
- (7) 0000981-Los Alamitos: National Guard Readiness Center
 - (a) Construction



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, California Department of Veterans Affairs

One-time Deferred Maintenance Funding—It is requested that Item 8955-001-0001 be increased by \$15 million one-time to reflect an allocation of funding for deferred maintenance projects. The funding will allow California Department of Veterans Affairs (CalVet) to complete multiple projects to reduce a statewide maintenance backlog at the Veterans homes. It is also requested that provisional language be added to Item 8955-001-0001 to allow for encumbrance or expenditure of the funds until June 30, 2024 (see Attachment 1).

Federal Veterans Administration Grant—It is requested that Item 8955-001-0890 be increased by \$7,725,000 one-time to reflect the acceptance of a federal grant from the U.S. Department of Veterans Affairs provided in the Consolidated Appropriations Act of 2021. The one-time grant funding will be used for the prevention and mitigation of COVID-19.

Support to Self-Reliance for Veterans Program—It is requested that Item 8955-102-0001 be added in the amount of \$25 million one-time to create a competitive grant program to provide support services to homeless veterans to achieve self-reliance. It is also requested that provisional language be included for Item 8955-102-0001 that specifies the parameters of the grants, allows up to 5 percent of the funds to be used by the CalVet to administer the program, and allows for encumbrance or expenditure of the funds until June 30, 2024 (see Attachment 2).

Reappropriation and Extension of Liquidation—It is requested that Item 8955-490 be added to allow CalVet to use deferred maintenance funding from the 2018 Budget Act to make Americans with Disabilities Act renovations to two restrooms at the Yountville Veterans Home (see Attachment 3). It is also requested that Item 8955-492 be amended to allow CalVet to complete upgrades to a nurse call system at the Yountville Veterans Home (see Attachment 4).

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 Tim Weber, Principal Program Budget Analyst, at (916)445-8913.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Dr. Vito Imbasciani, Secretary, Department of Veterans Affairs
Patty Ingram, Assistant Deputy Secretary, Budget Operations, Department of Veterans Affairs

Add the following provision to Item 8955-001-0001:

3. Of the amount appropriated in this Item, \$15,000,000 shall be expended to address deferred maintenance projects that represent critical infrastructure deficiencies. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

8955-102-0001—For local assistance, Department of Veterans Affairs.....25,000,000

Schedule:

(1) 6995019-County Subvention 25,000,000

Provisions:

1. The amount appropriated in this item shall be used for grants related to homeless veterans for the Support to Self-Reliance for Veterans program.
2. The Department shall develop a competitive grant process and award grants to organizations that provide support services to homeless veterans to achieve self-reliance. These organizations should have the experience of working with the veteran population and be able to provide or access supportive services. Grants may be used for, but are not limited to, the following activities:
 - a. Provide emergency or long term housing support, medical and psychological evaluation and assistance.
 - b. Counseling and vocational assistance.
 - c. Research for program evaluation and improvement.
3. Up to 5 percent of the funds appropriated in this item may be used for administrative costs.
4. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.

8955-490—Reappropriation, Department of Veterans Affairs. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2022:

0001—General Fund

(1) \$500,000 in Item 8955-001-0001, Budget Act of 2018

"8955-492—Reappropriation, Department of Veterans Affairs. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2023:

0001—General Fund

(1) ~~\$608,000~~ 948,000 in Item 8955-001-0001, Budget Act of 2018"



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 9210-110-0001, and Addition of Items 9210-102-0001 and 9210-163-8506, Local Assistance, Local Government Financing

Criminal Administrative Fines and Fees Backfill—It is requested that Item 9210-110-0001 be increased by \$65 million to backfill counties for revenues loss incurred pursuant to Chapter 92, Statutes of 2020 (AB 1869).

Property Tax Backfill for 2020 Wildfires—It is requested that Item 9210-102-0001 be added in the amount of \$10,956,000 to backfill counties for fiscal year 2020-21 and 2021-22 property tax revenue losses resulting from the 2020 wildfires (see Attachment 1). The Department of Finance will coordinate with the State Controller's Office (SCO) to administer payments to the affected counties.

Debt Forgiveness Program—It is requested that Item 9210-163-8506 be added in the amount of \$150 million Coronavirus Fiscal Recovery Fund to backfill cities and counties for revenues lost due to the elimination of infraction fines and fees by the Debt Forgiveness Act (see Attachment 2). Finance will coordinate with the SCO to administer payments to the affected cities and counties.

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/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office

9210-102-0001—For local assistance, Local Government Financing.....10,956,000
Schedule:

(1) 7540-Aid to Local Government.....10,956,000

Provisions:

1. To receive funds appropriated in this item, 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 due to property damage caused by the 2020 wildfires. The Department of Finance shall review the claims, and upon determining the claims are complete, shall notify the Controller who will provide reimbursement in the amount specified by the Department of Finance.
2. Notwithstanding any other law, the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.
3. If the allocated amount is insufficient to back fill actual property tax revenue losses for a particular county, the county auditor-controller may submit to the Department of Finance a claim detailing the insufficiency no later than December 1, 2023. The Department of Finance may review the insufficiency claim for consideration in a subsequent Governor's Budget. By December 1, 2023, 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 a determination, the county auditor-controller shall notify the Department of Finance and remit the excess portion to the Controller in the timeframe specified by the Department of Finance.

9210-163-8506—For local assistance, Local Government Financing.....150,000,000

Schedule:

(1) 7540-Aid to Local Government.....150,000,000

Provisions:

1. Upon approval of the Department of Finance, funds appropriated in this item may be used to backfill cities and counties for revenues lost from the elimination of infraction fines and fees by the Debt Forgiveness Act. The amount transferred to each city or county will be determined by schedule established by the Department of Finance. The Department of Finance shall notify the Controller who will provide reimbursement in the amount specified by the schedule.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 9285-101-0001, Local Assistance, Trial Court Security—
Court Construction**

Trial Court Security—It is requested that Provision 5 of Item 9285-101-0001 be amended to adjust trial court security allocations based on annual growth of the Trial Court Security Growth Special Account, Law Enforcement Services Growth Subaccount since fiscal year 2014-15 (see Attachment 1). Under existing law, trial court security allocations are provided at a starting base rate of \$100,000 per position at the time of approval. This base amount then grows annually beginning the year after the position was approved by the Department of Finance. This amendment will instead provide funding at the same rate regardless of when positions were approved. The uniform rate will be based upon the base rate of \$100,000 plus total aggregate growth in the Trial Court Security Growth Special Account since 2014-15, with adjustments made annually.

The effect of my requested action is reflected on the attachment.

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

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
John Wordlaw, Chief Administrative Officer, Judicial Council
Zlatko Theodorovic, Deputy Director, Budget Services, Administrative Division, Judicial
Council

Amend Provision 5 of Item 9285-101-0001 as follows:

"5. The amount provided to counties shall be based on a base rate of \$100,000 for each additional staff that the Department of Finance determines is necessary to meet the increased trial court security workload. ~~shall equal \$100,000. The base rate shall be adjusted annually commensurate with the overall growth in the Trial Court Security Growth Special Account since 2014-15.~~"



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to Various Items, Support, Supplemental Pension Payments

Adjustments will be made to specific funds' assessments for repayment of the loan authorized by Chapter 50, Statutes of 2017 (SB 84). SB 84 directed an internal cash loan from the Surplus Money Investment Fund and other state funds that accrue interest to the General Fund to make a one-time \$6 billion supplemental pension payment in fiscal year 2017-18 to the California Public Employees' Retirement System (CalPERS). SB 84 requires all funds that pay CalPERS contributions to be responsible for repaying the loan by June 30, 2030. As SB 84 authorizes the Department of Finance to determine responsible funds' repayment amounts, the following adjustments are for informational purposes only:

- Adjustments in 2020-21:
 - Decrease Fund 0020 by \$10,000
 - Increase Fund 0243 by \$17,000
 - Decrease Fund 0245 by \$311,000
 - Decrease Fund 0267 by \$117,000
 - Increase Fund 0392 by \$6,315,000
 - Decrease Fund 0813 by \$300,000
 - Increase Fund 0834 by \$2,000
 - Decrease Fund 0911 by \$21,000
 - Decrease Fund 0929 by \$201,000
 - Decrease Fund 0930 by \$101,000
 - Decrease Fund 3036 by \$1,277,000
 - Increase Fund 3085 by \$144,000
 - Increase Fund 3099 by \$4,000
 - Decrease Fund 3113 by \$171,000
 - Increase Fund 3158 by \$4,000
 - Increase Fund 3317 by \$812,000

- Adjustments in 2021-22:
 - Decrease Fund 0017 by \$1,322,000
 - Decrease Fund 0020 by \$10,000
 - Increase Fund 0243 by \$17,000
 - Decrease Fund 0245 by \$311,000
 - Increase Fund 0267 by \$29,000
 - Increase Fund 0588 by \$23,000
 - Decrease Fund 0813 by \$300,000
 - Increase Fund 0834 by \$2,000
 - Decrease Fund 0908 by \$23,000
 - Decrease Fund 0911 by \$21,000
 - Decrease Fund 0929 by \$201,000
 - Decrease Fund 0930 by \$101,000
 - Decrease Fund 3036 by \$1,277,000
 - Increase Fund 3085 by \$139,000
 - Increase Fund 3086 by \$1,322,000
 - Increase Fund 3099 by \$3,000
 - Decrease Fund 3113 by \$173,000
 - Increase Fund 3158 by \$12,000
 - Increase Fund 3317 by \$812,000

The net effect of these adjustments is a \$4,789,000 increase in 2020-21, and a \$1,380,000 decrease in 2021-22. The changes to the SB 84 loan repayment schedule do not have a material impact on the overall cost of the SB 84 loan.

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/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items and Control Sections and Eliminate Control Section 3.91, Support, Employee Compensation

Augmentation for Employee Compensation: May Revision Employee Compensation

Adjustments—It is requested that Item 9800-001-0001 be increased by \$53,897,000 ongoing, Item 9800-001-0494 be increased by \$45,868,000 ongoing, and Item 9800-001-0988 be increased by \$22,592,000 ongoing to reflect collectively bargained pay increases, updated health and dental rates, increased enrollment in health and dental plans, and a change in the Top 4 Health Plan composition. 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 (CalPERS) Board of Administration until summer 2021.

Augmentation for CSU Health Benefits for Retired Annuitants: 2022 Health Rate Estimate

Reduction—It is requested that Item 6645-001-0001 be decreased by \$2,261,000 ongoing to reflect a revised health rate forecast of 6 percent growth in 2022 versus 7 percent at Governor's Budget. The assumed lower-than-expected premium increase is a function of CalPERS' risk mitigation strategies, service area expansion, and the addition of health plans in 2022.

Augmentation for Health and Dental Benefits for Annuitants: 2022 Health Rate Estimate

Reduction—It is requested that Item 9650-001-0001 be decreased by \$15,452,000 ongoing to reflect a revised health rate forecast of 6 percent growth in 2022 versus 7 percent at Governor's Budget. The assumed lower-than-expected premium increase is a function of CalPERS' risk mitigation strategies, service area expansion, and the addition of health plans in 2022.

Control Section 3.91: Reduction for Employee Compensation (Suspensions)—It is requested that Control Section 3.91 be eliminated.

Control Section 4.11: Budget Position Transparency—It is requested that Control Section 4.11 be amended to outline new vacancy reporting requirements designed to replace the Budget Position Transparency display from the Governor's Budget and Enactment Budget displays to provide enhanced transparency (see Attachment 1).

Control Section 4.20: Contribution to Public Employees' Contingency Reserve Fund—It is requested that Control Section 4.20 be amended to reflect an administrative rate of 0.25 percent to mitigate the impact of changing rates in the out years as a result of updated projections (see Attachment 2).

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/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Justyn Howard, Deputy Secretary of Fiscal Policy and Administration, Government
Operations Agency
Eraina Ortega, Director, Department of Human Resources
Anthony Crawford, Chief, Financial Management Division, Department of Human
Resources
Stephan Higginbotham, Manager, Financial Management Division, Department of Human
Resources

~~“SEC. 4.11. To promote greater transparency in how departments develop their support budgets, which include personal services and operating expenses and equipment, as defined in Section 3.00, the Department of Finance shall report the Past Year Actual percentage of vacant positions for each department, by month, to the Joint Legislative Budget Committee and the Legislative Analyst's Office by October 1 of each year. perform a biennial process for reconciling department budgets as it concerns the aforementioned categories. This reconciliation process was last completed and included as part of the 2020–21 Governor's Budget process; therefore, no adjustments are required for the 2021–22 budget process. This analysis will be performed as part of the 2022–23 Governor's Budget process.”~~

“SEC. 4.20. (a) Notwithstanding any other law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22885 of the Government Code, shall be ~~0.22~~ 0.25 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses. The Director of Finance may, not sooner than 30 days after notification to the Joint Legislative Budget Committee, adjust the rate to ensure a two-month reserve in the Public Employees' Contingency Reserve Fund.”