



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 Bill Items 0110-001-0001, 0120-011-0001, and 0130-021-0001, Support, Legislature**

**Legislature: State Appropriations Limit Adjustment**—It is requested that the following items be amended as follows to reflect the increase in the State Appropriations Limit:

- Item 0110-001-0001 be increased by \$4,537,000 ongoing
- Item 0120-011-0001 be increased by \$5,978,000 ongoing
- Item 0130-021-0001 reflects a net zero adjustment between the following schedules:
  - Schedule (1) be increased by \$308,000 ongoing
  - Schedule (2) be decreased by \$154,000 ongoing
  - Schedule (3) be decreased by \$154,000 ongoing

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 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  
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**Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, and Statutory Changes, Judicial Branch**

**Early Disposition Readiness Conference Program**—It is requested that Item 0250-001-0001 be increased by \$30 million one-time to incentivize court participation in the voluntary Early Disposition Readiness Conference Program. This program expedites the adjudication of criminal cases by making assigned judges available to complete readiness conferences to facilitate plea deals before going to trial, providing victims and offenders more timely resolution. It is also requested that provisional language be added to Items 0250-001-0001 and 0250-101-0932 to specify that the \$30 million will be available for allocation by the Chief Justice's Temporary Assigned Judges Program via the Judicial Council to support trial courts that are working to address COVID-19 Pandemic-induced backlogs of criminal matters (see Attachments 1 and 2).

**MR Infrastructure Package - One-Time Deferred Maintenance**—It is requested that Item 0250-001-0001 be increased by \$158 million one-time for the Judicial Branch to address deferred maintenance projects that represent critical infrastructure deficiencies. It is also requested that Provision 7 of this item be amended as follows to reflect this additional funding:

"7. Of the amount provided in Schedule (3), ~~\$30,000,000~~ \$188,000,000 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."

**Provisional Language—Augmentation Authority to Address Trial Court Backlogs for Civil and Criminal Cases**—It is requested that provisional language be added to

Items 0250-101-0932 and 0250-111-0001 to allow the Department of Finance to augment trial court funding by up to \$60 million to address civil and criminal case backlogs resulting from the COVID-19 Pandemic (see Attachments 2 and 3).

**Statewide Expansion of Pretrial Diversion**—It is requested that Item 0250-101-0001 be increased by \$140 million in 201-22 and \$70 million ongoing beginning in 2022-23. It is also requested that provisional language be added to state that the funding will be used to implement and sustain court programs and practices that promote the safe, efficient, fair, and timely pretrial release of individuals booked into county jails (see Attachment 4).

**Trial Court Benefit Adjustment**—It is requested that Items 0250-101-0932 and 0250-111-0001 both be decreased by \$7,822,000 ongoing to reflect the updated health benefit and retirement rate changes for trial court employees.

**Chapter 957, Statutes of 1996 (AB 1058) Reimbursement Authority**—It is requested that Item 0250-102-0932 be amended by increasing reimbursements by \$5 million ongoing to enable the Judicial Council to receive additional resources from the Department of Child Support Services' contract for the Child Support Commissioner and Family Law Facilitator Program.

**Legal Aid for Renters in Landlord-Tenant Disputes and Homeowners to Avoid Foreclosure**—It is requested that Item 0250-162-8506 be added in the amount of \$20 million until 2023-24 to provide grants to non-profit legal service organizations to provide legal aid services for renters and homeowners to avoid eviction and foreclosure. It is also requested that provisional language be added to clarify that the \$20 million must be spent on legal aid related to cases of eviction or foreclosure (see Attachment 5).

**Debt Forgiveness Program**—It is requested that Item 0250-162-8506 be added in the amount of \$150 million one-time to support a Debt Forgiveness program for low-income Californians to have their debt eliminated from existing fines and fees for traffic tickets issued between January 1, 2015 and June 30, 2021. This would require a corresponding amendment to the existing Ability to Pay statutory changes to effectuate the Debt Forgiveness program, which changes will be forthcoming. Individuals would apply directly to the trial court with a paper application to have these fines and fees eliminated. This one-time funding will be allocated to courts to backfill revenue losses resulting from these statutory changes, as well as support implementation costs. It is also requested that provisional language be added to specify that the Department of Finance must approve any request to backfill revenue loss for courts funds, and that funding will be made available to legal service providers to market and provide outreach for the program (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 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: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
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No. 5  
Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5  
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Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
John Wordlaw, Chief Administrative Officer, Judicial Council of California  
Zlatko Theodorovic, Deputy Director and Chief Financial Officer, Budget Services,  
Judicial Council of California  
Angela Cowan, Manager, Budget Services, Judicial Council of California

Add the following provisions to Item 0250-001-0001:

8. Of the amount appropriated in Schedule (3) of this item, \$30,000,000 will be available for allocation by the Chief Justice's Temporary Assigned Judges Program via the Judicial Council to support trial courts that are working to address the COVID-19 Pandemic-induced backlog of criminal matters by encouraging courts to establish early disposition readiness conference programs. The Temporary Assigned Judges Program via the Judicial Council shall determine the amount of funding that is needed for those courts that have implemented or are in the process of implementing an early disposition readiness conference program and allocate that funding.
9. Defendants who participate in the courts' early disposition readiness conference programs and are represented by counsel have a right to appear through counsel and are not required to be personally present at the conferences. Readiness conferences established pursuant to this program may take place with counsel either in person or through remote appearance by leveraging the technologies and processes implemented by the courts during the pandemic.
10. In order to initially receive funding, courts must provide data and information as required by the Chief's Temporary Assigned Judges Program via the Judicial Council on the use of the funding, including the number of criminal cases that have already been referred to the early disposition readiness conference programs and the number of cases that have been resolved. In instances where courts have not yet established early disposition readiness conference programs, courts must provide information to the Judicial Council on their criminal case backlogs and the number of cases the court anticipates will be referred to the program.
11. Courts may use the funds for any purpose that enables the development of the early disposition readiness conference program, including for:
  - (a) overtime hours or temporary court staff to ensure there is full staffing for the program;
  - (b) justice system partners that have a demonstrated need for support to initiate or continue their participation in the program.
12. These funds may be allocated to fund Temporary Assigned Judges to support the courts' early disposition readiness conference programs.
13. On or after January 1, 2022, the Chief's Temporary Assigned Judges Program via the Judicial Council may allocate any remaining funding to courts to initiate new early disposition readiness conference programs or that need additional funds to continue programs that have demonstrated success in addressing their backlog.
14. Courts that receive funding shall provide data to the Judicial Council on the use of the funds, the number of backlogged criminal cases, the number of criminal cases brought to the early disposition readiness conference program, and the number of criminal cases disposed of through use of the program. The Judicial Council shall

report to the Legislature on the use of early disposition readiness conference program funds by the courts.

15. Upon approval of the Administrative Director, the Controller shall transfer up to \$30,000,000 to Item 0250-101-0932 for costs associated with early disposition readiness conference programs.

Add the following provisions to Item 0250-101-0932:

21. Upon approval of the Administrative Director, the Controller shall increase Schedules (1) or (3) of this item by an amount sufficient to allow for the expenditure of any transfer to this item made pursuant to Provisions 15, of Item 0250-001-0001 to support early disposition readiness conference programs.
  
22. Upon order of the Director of Finance, the Controller shall increase the amount available for expenditure in this item by up to \$60,000,000 from the General Fund to address trial court backlogs for civil and criminal cases and workload delays resulting from the COVID-19 Pandemic. Any such order issued by the Director of Finance shall be based on a request submitted by the Judicial Council that justifies the need for additional resources. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee or no sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee may determine.



Add the following provision to Item 0250-111-0001:

3. Upon order of the Department of Finance, the amount available for transfer in this item may be increased by the amount authorized by Provision 22 of Item 0250-101-0932 to address trial court backlogs for civil and criminal cases and workload delays.

Add the following provisions to Item 0250-101-0001:

3. Of the amount appropriated in Schedule (1), \$70,000,000 shall be allocated to the Judicial Council to fund the implementation and operation of court programs and practices that promote the safe, efficient, fair, and timely pretrial release of individuals booked into jail. The purpose of this funding is to provide courts with information and resources to support: (a) judicial officers in making pretrial release decisions that impose the least restrictive conditions to address public safety and returns to court; and (b) implementation of appropriate monitoring practices and provision of services for released individuals.
4. The amount allocated in Provision 3 shall be available for support or local assistance to each of the 41 superior courts that did not receive Pretrial Pilot Program funding, administered by the Judicial Council of California, under the 2019 Budget Act. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024. The Judicial Council will allocate funding to the courts based on each eligible county's proportion of the state population ages 18 through 25 years.
5. Commencing July 1, 2021, \$70,000,000 shall be allocated to the Judicial Council to fund the ongoing implementation and operation of court programs and practices that promote the safe, efficient, fair, and timely pretrial release of individuals booked into jail. The purpose of this funding is to provide courts with information and resources to support: (a) judicial officers in making pretrial release decisions that impose the least restrictive conditions to address public safety and returns to court; and, (b) implementation of appropriate monitoring practices and provision of services for released individuals. The amount allocated shall be available for support or local assistance to each superior court. The Judicial Council will allocate funding to the courts based on each county's proportion of the state population ages 18 through 25 years.
6. The amounts provided in Provisions 3 and 5 may be used for the following:
  - (a) Costs associated with judicial officer pretrial release decisions prior to or at arraignment.
  - (b) Costs for technology to facilitate information exchange and process automation between courts and probation departments.
  - (c) Implementation and improvement of court date reminder programs.
  - (d) Costs associated with assessments of defendants' ability to pay a financial condition in cases where the court determines that such a condition is necessary to ensure public safety and returns to court.
  - (e) Costs associated with providing services to and monitoring of individuals released pretrial.
  - (f) Other programs and practices related to pretrial decision-making that address public safety, appearance in court, and the efficient and fair administration of justice.

7. Of the amounts allocated in Provisions 3 and 5, superior courts may retain up to 30 percent of the funding for costs associated with these programs and practices. The superior courts shall contract with their county probation departments to provide the remainder of the funds to be used by county probation departments for costs outlined in Provision 6, as appropriate.
8. The Superior Court of California, County of Santa Clara may contract with the Office of Pretrial Services in that county. The Superior Court of California, County of San Francisco may contract, as appropriate, with the county probation department and with the existing not-for-profit entity that is performing pretrial services in the city and county for pretrial assessment and supervision services.
9. The Judicial Council shall retain up to 5 percent of the amounts available to the superior courts in Provision 7 for costs associated with implementing, supporting, and evaluating pretrial programs in courts, including, but not limited to: (a) Providing technical assistance to courts on practices and programs related to pretrial decision-making; (b) providing judicial education; and (c) evaluating pretrial programs and practices as mandated by the Legislature.
10. To receive the funding provided in Provisions 3, 5 and 7, courts and probation departments must collaborate with local justice system partners in reporting to the Judicial Council on pretrial programs and practices, including information on expenditure of funds, as required by the Council, for evaluation of the programs and practices, as mandated by the Legislature.
11. Commencing July 1, 2023, the Judicial Council shall provide an annual report to the Legislature providing an evaluation of pretrial programs and practices, as required in Provision 9.

0250-162-8506—For local assistance, Judicial Branch, payable from the Coronavirus Fiscal Recovery Fund of 2021.....170,000,000

Schedule:

(1) 0140010-Judicial Council.....150,000,000  
(2) 0150083-Equal Access Fund.....20,000,000

Provisions:

1. Upon approval of the Department of Finance, funds appropriated in Schedule (1) may be transferred to the State Trial Court Improvement and Modernization Fund, Trial Court Trust Fund, State Court Facilities Construction Fund, Court Facilities Trust Fund, to backfill revenue losses resulting from the fines and fees being eliminated from the Debt Forgiveness program. The amount transferred to each fund will be determined by the Department of Finance using information provided by the trial courts and the Judicial Council.
2. Notwithstanding any other law, the Department of Finance may authorize funds appropriated in Schedule (1) to be used for administrative purposes, including for distribution by the Judicial Council to qualified legal service providers to provide marketing, outreach, and applicant support for the Debt Forgiveness Program.
3. The funding in Schedule (2) shall be distributed by the Judicial Council through the Legal Service Trust Fund Commission to qualified legal service projects and support centers as defined in Section 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Ten percent of the funds in Schedule (2) shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds in Schedule (2) shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.
4. The funding in Schedule (2) shall be distributed by the Judicial Council through the State Bar of California pursuant to Provision 3 to qualified legal services projects and support centers to provide eviction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosure for homeowners, including pre-eviction and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation, and legal services to improve habitability, increasing affordable housing, ensuring receipt of eligible income or benefits to improve housing stability, and homelessness prevention. Of this amount, \$150,000 shall be available, upon order of the Department of Finance, for administrative costs of the Judicial Council and the State Bar. The remaining funds shall be allocated as follows:
  - a. 75 percent shall be distributed to qualified legal services projects and support centers that currently provide eviction defense or other tenant defense

- assistance in landlord-tenant rental disputes, as set forth in Provision (4). To expedite the distribution of this percentage of the \$20,000,000, eligible programs shall be limited to those found eligible for 2021 Interest on Lawyer Trust Accounts (IOLTA) funding. Each eligible program shall receive a percentage equal to that legal services project's 2021 IOLTA allocation divided by the total 2021 IOLTA allocation for all legal services projects eligible for this funding, except that to ensure meaningful funding is provided, a minimum amount of \$50,000 shall be allocated to each eligible program unless the program requests a lesser amount, in which case the additional funds shall be distributed proportionally to the other qualified legal services projects. These funds shall be distributed as soon as practicable after the effective date of this act and shall not supplant existing resources.
- b. 25 percent shall be allocated through a competitive grant process developed by the Legal Services Trust Fund Commission of the State Bar to award grants to qualified legal service projects and support centers to provide eviction defense, other tenant defense assistance in landlord-tenant rental disputes, or services to prevent foreclosures for homeowners, as set forth in Provision (4), to meet the needs of tenants not addressed by the formula provided in subdivision (a). The grant process shall ensure that any qualified legal service project or support center that received funding pursuant to subdivision (a) may only receive funding pursuant to this subdivision if that qualified legal service project or support center demonstrates that funds received under this subdivision will be not be used to supplant existing resources, and will be used to provide services to tenants not otherwise served by that qualified legal service project or support center. The commission shall make the grant award determinations. In awarding these grants, preference shall be given to qualified legal aid agencies that serve rural or underserved communities and that serve clients regardless of immigration or citizenship status. Any funding not allocated pursuant to this competitive grant process shall be distributed pursuant to subdivision (a), except that there shall be no minimum funding amount for these funds.
5. Funds appropriated in Schedules (1) and (2) are available for encumbrance or expenditure until December 31, 2024.



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 of Budget Bill Item 0250-301-0001 and Statutory Changes, Capital Outlay, Judicial Branch**

**Butte County: Juvenile Hall Addition and Renovation—Preliminary Plans and Working Drawings (Issue 195)**—It is requested that Item 0250-301-0001 be increased by \$604,000 for the preliminary plans and working drawings phases of a project that will include new construction of approximately 600 square feet (SF) and renovation of approximately 1,300 SF of court exclusive space in the existing Butte County Juvenile Hall in Oroville.

**San Bernardino County: Juvenile Dependency Courthouse Addition and Renovation—Acquisition and Preliminary Plans (Issue 196)**—It is also requested that Item 0250-301-0001 be increased by \$901,000 for the acquisition and preliminary plans phases of a project that will include construction of two new courtrooms totaling approximately 5,000 SF, associated clerical space, and a lobby expansion at the current Juvenile Dependency Courthouse in San Bernardino.

**Monterey County: New Fort Ord Courthouse—Acquisition and Performance Criteria (Issue 197)**—It is also requested that Item 0250-301-0001 be increased by \$38,720,000 for the acquisition and performance criteria phases of a project that will include the construction of a new seven-courtroom courthouse totaling approximately 83,000 SF at Fort Ord.

**Design-Build Authority for Judicial Branch**—It is requested that statutory changes be adopted to provide Judicial Council the authority to utilize the Design-Build methodology to complete any new capital outlay project. These statutory changes will replace the proposal 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 Koreen H. van Ravenhorst, Principal Program Budget Analyst, at (916) 445-9694.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

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Zlatko Theodorovic, Deputy Director of Budget Services, Judicial Branch  
John Wordlaw, Chief Administrative Officer, Judicial Branch  
Angela Cowan, Budget Manager, Judicial Branch  
Pella McCormick, Director of Facilities Services, Judicial Branch  
Shima Mirzaei, Budget Supervisor, Judicial Branch  
Fran Mueller, Deputy Director of Budget Services, Judicial Branch

**SECTION 1. Section 70391.7 of the Government Code is repealed.**

~~70391.7 (a) For purposes of this section, the definitions in subdivision (a) of Section 13332.19 shall apply. For purposes of subdivision (a) of Section 13332.19, references to the Department of General Services shall be deemed to be references to the Judicial Council.~~

~~(b) Notwithstanding any provision of the Public Contract Code or any other law, when the Legislature appropriates funds for a specific project, the Judicial Council may contract and procure court facilities pursuant to this section.~~

~~(c) Prior to contracting with a design-build entity for the procurement of a court facility under this section, the Judicial Council shall:~~

~~(1) Prepare a program setting forth the performance criteria for the design-build project. The performance criteria shall be prepared by a design professional duly licensed and registered in the State of California.~~

~~(2) (A) Establish a competitive prequalification and selection process for design-build entities, including any subcontractors listed at the time of bid, that clearly specifies the prequalification criteria, and states the manner in which the winning design-build entity will be selected.~~

~~(B) Prequalification shall be limited to consideration of all of the following criteria:~~

~~(i) Possession of all required licenses, registration, and credentials in good standing that are required to design and construct the project.~~

~~(ii) Submission of evidence that establishes that the design-build entity members have completed, or demonstrated the capability to complete, projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project.~~

~~(iii) Submission of a proposed project management plan that establishes that the design-build entity has the experience, competence, and capacity needed to effectively complete the project.~~

~~(iv) Submission of evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance, as well as a financial statement that assures the Judicial Council that the design-build entity has the capacity to complete the project.~~

~~(v) Provision of a declaration certifying that applying members of the design-build entity have not had a surety company finish work on any project within the last five years.~~

~~(vi) Provision of information and a declaration providing detail concerning all of the following:~~

~~(I) Any construction or design claim or litigation totaling more than five hundred thousand dollars (\$500,000) or 5 percent of the annual value of work performed, whichever is less, settled against any member of the design-build entity over the last five years.~~

~~(II) Serious violations of the California Occupational Safety and Health Act of 1973, as provided in Part 1 (commencing with Section 6300) of Division 5 of the Labor Code, settled against any member of the design-build entity.~~

~~(III) Violations of federal or state law, including, but not limited to, those laws governing the payment of wages, benefits, or personal income tax withholding, or of Federal Insurance Contributions Act (FICA) withholding requirements, state disability insurance withholding, or unemployment insurance payment requirements, settled against any~~



~~member of the design-build entity over the last five years. For purposes of this subclause, only violations by a design-build member as an employer shall be deemed applicable, unless it is shown that the design-build entity member, in his or her capacity as an employer, had knowledge of his or her subcontractor's violations or failed to comply with the conditions set forth in subdivision (b) of Section 1775 of the Labor Code.~~

~~(IV) Information required by Section 10162 of the Public Contract Code.~~

~~(V) Violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations or complaints.~~

~~(VI) Any conviction of any member of the design-build entity of submitting a false or fraudulent claim to a public agency over the last five years.~~

~~(vii) Provision of a declaration that the design-build entity will comply with all other provisions of law applicable to the project, including, but not limited to, the requirements of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.~~

~~(C) The Judicial Council, when requested by the design-build entity, shall hold in confidence any information required by clauses (i) to (vi), inclusive, of subparagraph (B).~~

~~(D) Any declaration required under subparagraph (B) shall state that reasonable diligence has been used in its preparation and that it is true and complete to the best of the signer's knowledge. A person who certifies as true any material matter that he or she knows to be false is guilty of a misdemeanor and shall be punished by not more than one year in a county jail, by a fine of not more than five thousand dollars (\$5,000), or by both the fine and imprisonment.~~

~~(3) (A) Determine, as the Judicial Council deems in the best interests of the state, which of the following methods listed in subparagraph (B) will be used as the process for the winning design-build entity. The Judicial Council shall provide a notification to the State Public Works Board, regarding the method selected for determining the winning design-build entity, at least 30 days prior to publicizing the design-build solicitation package.~~

~~(B) The Judicial Council shall make its determination by choosing one of the following methods:~~

~~(i) A design-build competition based upon performance, price, and other criteria set forth by the Judicial Council in the design-build solicitation package. The Judicial Council shall establish technical criteria and methodology, including price, to evaluate proposals and shall describe the criteria and methodology in the design-build solicitation package. Award shall be made to the design-build entity whose proposal is judged as providing the best value in meeting the interests of the Judicial Council and meeting the objectives of the project. A project with an approved budget of ten million dollars (\$10,000,000) or more may be awarded pursuant to this clause.~~

~~(ii) A design-build competition based upon performance and other criteria set forth by the Judicial Council in the design-build solicitation package. Criteria used in this evaluation of proposals may include, but need not be limited to, items such as proposed design approach, life-cycle costs, project features, and functions. However, any criteria and methods used to evaluate proposals shall be limited to those contained in the design-build solicitation package. Award shall be made to the design-build entity whose proposal is judged as providing the best value, for the lowest price, meeting the interests of the Judicial Council and meeting the objectives of the project.~~

A project with an approved budget of ten million dollars (\$10,000,000) or more may be awarded pursuant to this clause.

(iii) A design-build competition based upon program requirements and a detailed scope of work, including any performance criteria and concept drawings set forth by the Judicial Council in the design-build solicitation package. Award shall be made on the basis of the lowest responsible bid. A project with an approved budget of two hundred fifty thousand dollars (\$250,000) or more may be awarded pursuant to this clause.

(4) For purposes of this subdivision, the following definitions shall apply:

(A) "Best interest of the state" means a design-build process that is projected by the Judicial Council to reduce the project delivery schedule and total cost of a project while maintaining a high level of quality workmanship and materials, when compared to the traditional design-bid-build process.

(B) "Best value" means a value determined by objective criteria that may include, but are not limited to, price, features, functions, life-cycle costs, experience, and other criteria deemed appropriate by the Judicial Council.

(d) The Legislature recognizes that the design-build entity is charged with performing both design and construction. Because a design-build contract may be awarded prior to the completion of the design, it is often impracticable for the design-build entity to list all subcontractors at the time of the award. As a result, the subcontractor listing requirements contained in Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code can create a conflict with the implementation of the design-build process by requiring all subcontractors to be listed at a time when a sufficient set of plans may not be available. It is the intent of the Legislature to establish a clear process for the selection and award of subcontracts entered into pursuant to this section in a manner that retains protection for subcontractors while enabling design-build projects to be administered in an efficient fashion. Therefore, all of the following requirements shall apply to subcontractors, licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, that are employed on design-build projects undertaken pursuant to this section:

(1) The Judicial Council, in each design-build solicitation package, may identify types of subcontractors, by subcontractor license classification, that will be listed by the design-build entity at the time of the bid. In selecting the subcontractors that will be listed by the design-build entity, the Judicial Council shall limit the identification to only those license classifications deemed essential for proper completion of the project. In no event, however, may the Judicial Council specify more than five licensed subcontractor classifications. In addition, at its discretion, the design-build entity may list an additional two subcontractors, identified by subcontractor license classification, that will perform design or construction work, or both, on the project. In no event shall the design-build entity list at the time of bid a total number of subcontractors that will perform design or construction work, or both, in a total of more than seven subcontractor license classifications on a project. All subcontractors that are listed at the time of bid shall be afforded all of the protection contained in Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code. All subcontracts that were not listed by the design-build entity at the time of bid shall be awarded in accordance with paragraph (2).

(2) All subcontracts that were not to be performed by the design-build entity in accordance with paragraph (1) shall be competitively bid and awarded by the design-

build entity, in accordance with the design-build process set forth by the Judicial Council in the design-build solicitation package. The design-build entity shall do all of the following:

(A) Provide public notice of the availability of work to be subcontracted in accordance with Section 10140 of the Public Contract Code.

(B) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with Section 10141 of the Public Contract Code.

(C) As authorized by the Judicial Council, establish reasonable prequalification criteria and standards, limited in scope to those detailed in paragraph (2) of subdivision (c).

(D) Provide that the subcontracted work shall be awarded to the lowest responsible bidder.

(e) This section shall not be construed and is not intended to extend or limit the authority specified in Section 19130.

(f) Any design-build entity that is selected to design and construct a project pursuant to this section shall possess or obtain sufficient bonding consistent with applicable provisions of the Public Contract Code. Nothing in this section shall prohibit a general or engineering contractor from being designated the lead entity on a design-build entity for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.

(g) Any payment or performance bond written for the purposes of this section shall use a bond form developed by the Judicial Council. In developing the bond form, the Judicial Council shall consult with the surety industry to achieve a bond form that is consistent with surety industry standards, while protecting the interests of the state.

(h) The Judicial Council shall submit to the Joint Legislative Budget Committee, before January 1, 2014, a report containing a description of each public works project procured through the design-build process described in this section that is completed after January 1, 2009, and before December 1, 2013. The report shall include, but shall not be limited to, all of the following information:

(1) The type of project.

(2) The gross square footage of the project.

(3) The design-build entity that was awarded the project.

(4) The estimated and actual project costs.

(5) An assessment of the prequalification process and criteria.

(6) An assessment of the effect of any retention on the project made under the law.

(7) A description of the method used to award the contract. If the best value method was used, the report shall describe the factors used to evaluate the bid, including the weighting of each factor and an assessment of the effectiveness of the methodology.

(i) The authority under this section and Section 14661.1 shall apply to a total of not more than five state office facilities, prison facilities, or court facilities, which shall be determined pursuant to this subdivision.

(1) In order to enter into a contract utilizing the procurement method authorized under this section, the Judicial Council shall submit a request to the Department of Finance.

(2) The Department of Finance shall make a determination whether to approve or deny a request made pursuant to paragraph (1) if the design-build project requested will not exceed the five facilities maximum set forth in this section and Section 14661.1.

(3) After receiving notification that the Department of Finance has approved the request and that the Legislature has appropriated funds for a specific project, the Judicial Council may enter into a design-build contract under this section.

~~(j) Nothing in this section is intended to affect, expand, alter, or limit any rights or remedies otherwise available under the law.~~

~~(Added by Stats. 2009, 2nd Ex. Sess., Ch. 2, Sec. 2. Effective May 21, 2009.)~~

**SEC. 2. Article 7.1 (commencing with Section 70398) is added to Chapter 5.7 of Title 8 of the Government Code, to read:**

### **Article 7.1 Superior Court Design-Build Projects**

70398. For purposes of this article, the following definitions and the definitions in subdivision (a) of Section 13332.19 of the Government Code shall apply:

(a) "Best value" means a value determined by evaluation of objective criteria that relate to price, features, functions, life-cycle costs, experience, and past performance. A best value determination may involve the selection of the lowest cost proposal meeting the interests of the Judicial Branch and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by the Judicial Council, or a tradeoff between price and other specified factors.

(b) "Construction subcontract" means each subcontract awarded by the design-build entity to a subcontractor that will perform work or labor or render service to the design-build entity in or about the construction of the work or improvement, or a subcontractor licensed by the State of California that, under subcontract to the design-build entity, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications produced by the design-build team.

(c) "Design-build" means a project delivery process in which both the design and construction of a project are procured from a single entity.

(d) "Design-build entity" means a corporation, limited liability company, partnership, joint venture, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(e) "Design-build team" means the design-build entity itself and the individuals and other entities identified by the design-build entity as members of its team. Members shall include the general contractor and, if utilized in the design of the project, all electrical, mechanical, and plumbing contractors.

70398.1. (a) Subject to the provisions of this article and Section 13332.19, the Judicial Council may procure design-build contracts for public works projects.

(b) The Judicial Council shall develop guidelines for a standard organizational conflict-of-interest policy, consistent with applicable law, regarding the ability of a person or entity that performs services for the Judicial Council relating to the solicitation of a design-build project to submit a proposal as a design-build entity, or to join a design-build team. This conflict-of-interest policy shall apply to the Judicial Council entering into a design-build contract authorized pursuant to this article.

70398.2. The Judicial Council shall notify the State Public Works Board regarding the method to be used for selecting the design-build entity, prior to advertising the design-build project.

70398.3. The procurement process for the design-build projects shall progress as follows:

(a) (1) The Judicial Council shall prepare a set of documents setting forth the scope and estimated price of the project. The documents may include, but need not be limited to, the size, type, and desired design character of the project, performance specifications covering the quality of materials, equipment, workmanship, preliminary plans or building layouts, or any other information deemed necessary to adequately describe the Judicial Council's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(2) The documents shall not include a design-build-operate contract for any project. The documents, however, may include operations during a training or transition period but shall not include long-term operations for any project.

(b) The Judicial Council shall prepare and issue a request for qualifications (RFQ) in order to prequalify or short-list the design-build entities whose proposals will be evaluated for final selection. The RFQ shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the expected cost range, the methodology that will be used by the Judicial Council to evaluate proposals, the procedure for final selection of the design-build entity, and any other information deemed necessary by the Judicial Council to inform interested parties of the contracting opportunity.

(2) Significant factors that the Judicial Council reasonably expects to consider in evaluating qualifications, including technical design and construction expertise, and all other nonprice-related factors.

(3) A standard template request for statements of qualifications, prepared by the Judicial Council. In preparing the standard template, the Judicial Council may consult with the construction industry, the building trades and surety industry, and other agencies with authorization to delivery projects using the design-build methodology. The template shall require the following information:

(A) If the design-build entity is a privately held corporation, limited liability company, partnership, or joint venture, a listing of all of the shareholders, partners, or members known at the time the statement of qualifications is submitted who will perform work on the project.

(B) Evidence that the members of the design-build team have completed, or demonstrated the experience, competency, capability, and capacity to complete projects of similar size, scope, or complexity; and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, and a financial statement that ensures that the design-build entity has the capacity to complete the project.

(C) The licenses, registration, and credentials required to design and construct the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(D) Evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(E) Information concerning workers' compensation experience history and a worker safety program.

(F) If the proposed design-build entity is a corporation, limited liability company, partnership, joint venture, or other legal entity, a copy of the organizational documents or agreement committing to form the organization.

(G) An acceptable safety record. A proposer's safety record shall be deemed acceptable if its experience modification rate for the most recent three-year period is an average of 1.00 or less, and its average total recordable injury or illness rate and average lost work rate for the most recent three-year period does not exceed the applicable statistical standards for its business category or if the proposer is a party to an alternative dispute resolution system, as provided for in Section 3201.5 of the Labor Code.

(H) A declaration certifying that applying members of the design-build entity have not had a surety company finish work on any project within the preceding five years.

(I) A declaration providing detail concerning all of the following:

(i) Any construction or design claim or litigation totaling more than five hundred thousand dollars (\$500,000) or 5 percent of the annual value of work performed, whichever is less, settled against any member of the design-build entity in the preceding five years.

(ii) Serious violations of the California Occupational Safety and Health Act of 1973, as provided in Part 1 (commencing with Section 6300) of Division 5 of the Labor Code, settled against any member of the design-build entity. Notwithstanding subparagraph (G), the Judicial Council may find a proposer's safety record unacceptable based on serious violations of the California Occupational Safety and Health Act of 1973.

(iii) Violations of federal or state law, including, but not limited to, those laws governing the payment of wages, benefits, or personal income tax withholding, or of Federal Insurance Contributions Act (FICA) withholding requirements, state disability insurance withholding, or unemployment insurance payment requirements, settled against any member of the design-build entity in the preceding five years. For purposes of this subclause, only violations by a design-build member as an employer shall be deemed applicable, unless it is shown that the design-build entity member, in the capacity as an employer, had knowledge of his or her subcontractor's violations or failed to comply with the conditions set forth in subdivision (b) of Section 1775 of the Labor Code.

(iv) Information required by Section 10162 of the Public Contract Code.

(v) Violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations or complaints.

(vi) Conviction of any member of the design-build entity of submitting a false or fraudulent claim to a public agency in the preceding five years.

(vii) Provision of a declaration that the design-build entity will comply with all laws applicable to the project, including, but not limited to, the requirements of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(4) (A) A declaration required under paragraph (3) shall state that reasonable diligence has been used in its preparation and that it is true and complete to

the best of the signer's knowledge. The information required under this subdivision shall be certified as true by the design-build entity and its general partners or joint venture members. A person or entity who certifies as true any material matter that the person knows to be false is guilty of a misdemeanor and shall be punished by not more than one year in a county jail, by a fine of not more than five thousand dollars (\$5,000), or by both the fine and imprisonment.

(B) Information required under this subdivision that is not otherwise subject to disclosure under Section 68106.2 and Rule 10.500 of the California Rules of Court shall not be open to public inspection.

(c) (1) A design-build entity shall not be prequalified or shortlisted unless the entity provides an enforceable commitment to the Judicial Council that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(2) This subdivision shall not apply if any of the following requirements are met:

(A) The Judicial Council has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce, and the entity agrees to be bound by that project labor agreement.

(B) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the Judicial Council prior to January 1, 2022.

(C) The entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.

(3) For purposes of this subdivision, "project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(d) Based on the documents prepared as described in subdivision (a), the Judicial Council shall prepare a request for proposals that invites prequalified or short-listed entities to submit competitive sealed proposals in the manner prescribed by the Judicial Council. The request for proposals shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the estimated cost of the project, the methodology that will be used by the Judicial Council to evaluate proposals, whether the contract will be awarded on the basis of low bid or best value, and any other information deemed necessary by the Judicial Council to inform interested parties of the contracting opportunity.

(2) Significant factors that the Judicial Council reasonably expects to consider in evaluating proposals, including, but not limited to, cost or price and all nonprice-related factors.

(3) The relative importance or the weight assigned to each of the factors identified in the request for proposals.

(4) When a best value selection method is used, the Judicial Council may reserve the right to request proposal revisions and hold discussions and negotiations with responsive proposers. iThe Judicial Council shall specify this reservation in the request for proposals and shall publish separately or incorporate into the request for proposals applicable

procedures to be observed by the Judicial Council to ensure that any discussions or negotiations are conducted in good faith.

(e) For those projects utilizing low bid as the final selection method, the competitive bidding process shall result in lump-sum bids by the prequalified or short-listed design-build entities, and awards shall be made to the design-build entity that is the lowest responsible bidder.

(f) For those projects utilizing best value as a selection method, the design-build competition shall progress as follows:

(1) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposals. The following minimum factors, however, shall be weighted as deemed appropriate by the Judicial Council:

(A) Price, unless a stipulated sum is specified.

(B) Technical design and construction expertise.

(C) Life-cycle costs over 15 or more years.

(2) The Judicial Council may hold discussions or negotiations with responsive proposers using the process articulated in paragraph (4) of subdivision (d).

(3) When the evaluation is complete, the responsive proposers shall be ranked based on a determination of value provided. The Judicial Council is not required to rank more than three proposers.

(4) The contract shall be awarded to the responsible design-build entity whose proposal is determined by the Judicial Council to have offered the best value to the public.

(5) Notwithstanding any other provision of this code, upon issuance of a contract award, the Judicial Council shall publicly announce its award, identifying the design-build entity to which the award is made, along with a statement regarding the basis of the award.

(6) The statement regarding the Judicial Council's contract award described in paragraph (5), and the contract file shall provide sufficient information to satisfy an external audit.

70398.4. The design-build entity shall provide payment and performance bonds for the project in the form and in the amount required by the Judicial Council, and issued by a California admitted surety. The amount of the payment bond shall not be less than the amount of the performance bond.

(b) The design-build contract shall require errors and omissions insurance coverage for the design elements of the project.

(c) The Judicial Council shall develop a standard form of payment and performance bond for its design-build projects.

70398.5. (a) The Judicial Council, in each design-build request for proposals, may identify specific types of subcontractors that must be included in the design-build entity statement of qualifications and proposal. All construction subcontractors that are identified in the proposal shall be afforded all the protections of Chapter 4

(commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code.

(b) Following award of the design-build contract, the design-build entity shall award construction subcontracts with a value exceeding one-half of 1 percent of the contract price allocable to construction work as follows:



(1) Provide public notice of availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of the Judicial Council, including a fixed date and time on which qualifications statements, bids, or proposals will be due.

(2) Establish reasonable qualification criteria and standards.

(3) Award the subcontract either on a best value basis or to the lowest responsible bidder. The process may include prequalification or short-listing. The process specified in this subdivision does not apply to construction subcontractors listed in the original proposal. Subcontractors awarded construction subcontracts under this subdivision shall be afforded all the protections of Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code.

70398.6. (a) If the Judicial Council elects to award a project pursuant to this article, retention proceeds withheld by the Judicial Council from the design-build entity shall not exceed five percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(b) In a contract between the design-build entity and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld may not exceed the percentage specified in the contract between the Judicial Council and the design-build entity. If the design-build entity provides written notice to any subcontractor that is not a member of the design-build entity, prior to or at the time the bid is requested, that a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the design-build entity, then the design-build entity may withhold retention proceeds in excess of the percentage specified in the contract between the Judicial Council and the design-build entity from any payment made by the design-build entity to the subcontractor.

70398.7. This article does not affect, expand, alter, or limit rights or remedies otherwise available at law.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



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 State Retirement Contributions to the Judges' Retirement System II, Support and Local Assistance, Judges' Retirement System**

It is requested that state retirement contributions to the Judges' Retirement System (JRS) II, be decreased by a net of \$567,000 ongoing. These changes comply with the statutory requirement pursuant to Government Code section 75600.5, that the state retirement contribution to JRS II be appropriated based on the contribution rate submitted by the California Public Employees' Retirement System (CalPERS) Board of Administration. The CalPERS Board approved a decrease in the JRS II contribution rate from 24.40 percent to 24.24 percent. The contribution rate decrease is due mainly to a decrease in the employer normal cost as a percentage of payroll.

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 Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee  
No. 5  
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, Fiscal Operations, Government Operations Agency  
Michael Cohen, Chief Financial Officer, California Public Employees' Retirement System  
Jennifer Harris, Chief, Financial Policy, Planning, and Budgeting, California Public  
Employees' Retirement System  
Stacy Guzman, Budget Manager, California Public Employees' Retirement System



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, Governor's Office of Business and Economic Development**

**California Dream Fund**—It is requested that Item 0509-001-0001 be increased by \$35 million one-time to support microgrants up to \$10,000 to seed entrepreneurship and small business creation in underserved small business groups that are facing opportunity gaps. This request amends the Governor's Budget proposal by shifting the proposed funding from fiscal year 2020-21 to 2021-22.

**Energy Unit**—It is requested that Item 0509-001-0001 be increased by \$413,000 ongoing and 2 positions to provide additional dedicated resources to expedite critical projects and essential infrastructure with an initial focus on energy generation and wildfire mitigation. This request amends the Governor's Budget proposal that requested \$537,000 General Fund and 3 positions to establish the Energy Unit. Additional resources are necessary to support the Energy Unit because of the significant investments the state is making to meet its clean energy goals. The state presently lacks dedicated capacity focused on advancing critical private-sector solutions to California's clean energy and climate challenges. Improving outcomes in these market categories requires greater attention to conditions on the ground, and a sustained focus on the implementation challenges these projects face. This request brings the total funding available for the Energy Unit to \$950,000 and 5 positions. In addition, statutory changes necessary to establish a Governor's appointee to manage the Energy Unit are forthcoming.

**California Jobs Initiative Staffing**—It is requested that Item 0509-001-0001 be increased by \$127,000 ongoing and 1 position to provide additional support for the Governor's Office of Business and Economic Development's (GO-Biz) Legislative Affairs Unit. This request amends the Governor's Budget proposal that requested \$1,223,000 General Fund and 9 positions to manage workload associated with the growing number of grant programs at GO-Biz and the various complexities associated with administering the programs. The additional position is necessary to address the increased workload in the Legislative Affairs Unit related to the increased programs administered by GO-Biz. This request brings the total funding available for this proposal to \$1,350,000 and 10 positions.

**Small Business Finance Center and Small Business Loan Guarantees**—It is requested that Item 0509-001-0001 be decreased by \$100 million one-time and Item 0509-111-0001 be added in the amount of \$70 million one-time to reflect proposed changes to the Governor's Budget proposals below. It is also requested that provisional language be included in Item 0509-111-0001 to specify the use of these funds (see Attachment 1).

- **Small Business Finance Center**—The Governor's Budget included \$50 million one-time General Fund to use across the California Infrastructure and Economic Development Bank's programs including the California Rebuilding Fund, with a focus on programs that benefit underserved businesses in California. This net-zero technical request realigns the \$50 million one-time General Fund provided in the Governor's Budget to the correct Item.
- **Small Business Loan Guarantee Program**—The Governor's Budget included \$50 million one-time General Fund in 2021-22 for the California Infrastructure and Economic Development Bank's Small Business Loan Guarantee Program to continue to provide loans as businesses recover from the economic impacts of COVID-19. Historically, the Small Business Loan Guarantee Program used state funds to supplement federal State Small Business Credit Initiative (Initiative) funds and were used for guarantees that were not eligible for Initiative funding. Given the availability of additional federal Initiative funding, this request reduces the amount available for the Small Business Loan Guarantee Program from \$50 million one-time General Fund to \$20 million one-time General Fund to support guarantees that are not eligible for the Initiative funds. In addition, this request realigns the funding to the correct item.

**California Competes Grant Program and Visit California**—It is requested that Item 0509-062-8506 be added in the amount of \$345 million one-time to fund the following proposals (see Attachment 2):

- **CalCompetes Grant Program**—\$250 million to establish a grant component in CalCompetes to expand the pool of businesses that can benefit from the program. A CalCompetes grant program is an additional incentive for businesses conducting multi-state site selection analyses for future growth, and is intended to improve the quality of the applicant pool in terms of job creation. It is requested that statutory changes be made to implement this grant program (see Attachment 3).
- **Visit California**—\$95 million to implement strategic media recovery campaigns that will jump start a quick recovery of California's travel and tourism industry once it is safe to travel. The COVID-19 Pandemic has impacted the travel and hospitality industry more than any other industry and almost half of all leisure and hospitality workers lost their jobs. The California Office of Tourism, within GO-Biz, will work with Visit California to implement these marketing campaigns to encourage travel and tourism in California.

**Wildfire and Forest Resilience**—It is requested that Item 0509-112-0001 be added in the amount of \$31 million one-time to provide revolving loans for climate-related projects (see Attachment 4). Chapter 14, Statutes of 2021 (SB 85) included \$16 million one-time

one-time General Fund investment that will be deposited for use in the Climate Catalyst Fund. Statutory changes necessary to implement this grant program are forthcoming. In addition, it is requested that 1 position be added to Item 0509-112-0001 to oversee all of the Climate Catalyst Fund programs proposed in both the Governor's Budget and the May Revision, which includes the Climate Smart Agriculture, Wildfire and Forest Resilience, and Recycling Infrastructure related proposals. This position will be funded by a portion of the 5 percent authorized in provisional language to be used to cover administrative costs.

**Small Business Grants and Economic Support for Ports**—It is requested that Item 0509-162-8506 be added in the amount of \$1.75 billion one-time to support the following proposals (see Attachment 5):

- **Small Business Grants**—\$1.5 billion to fund additional rounds of grants for small businesses impacted by the COVID-19 Pandemic and health and safety restrictions. These grants will be administered through the California Small Business COVID-19 Relief Grant Program established by Chapter 7, Statutes of 2021 (SB 87). The California Office of the Small Business Advocate will offer two closed rounds first to target the applicants who are currently waitlisted and then offer a final round that will be open for new applicants, as well as waitlisted applicants, to capture any entities who have not applied before or may still be on the waitlist.
- **Economic Support for Ports**—\$250 million to provide resources to California ports that provide a vital role in the state's economy. This funding will address some of the revenue impacts suffered by ports as a result of the COVID-19 Pandemic, especially as a result of the loss of tourism. These ports drive economic activity, regional employment, and recovery for local jurisdictions and the state.

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  
Dee Dee Myers, Director, Governor's Office of Business and Economic Development  
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic  
Development  
Maral Farsi, Deputy Director, Legislative Affairs, Governor's Office of Business and  
Economic  
Development  
Scott Dosick, Deputy Director, California Competes, Governor's Office of Business and  
Economic Development  
Tara Lynn Gray, Director, Office of the Small Business Advocate, Governor's Office of  
Business and Economic Development  
Scott Wu, Executive Director, California Infrastructure and Economic Development Bank  
Clint Kellum, Chief Deputy Executive Officer, California Infrastructure and Economic  
Development Bank  
Dan Adler, Senior Advisor, California Infrastructure and Economic Development Bank  
Jenifer Henneke, Administrative Manager, Governor's Office of Business and Economic  
Development

0509-111-0001—For transfer, upon order of the Director of Finance, to the California Small Business Expansion Fund..... 70,000,000

Provisions:

1. Of the amount appropriated in this item, \$50,000,000 shall be used by the Infrastructure and Economic Development Bank's Small Business Finance Center to provide financing to the most underserved small businesses, including female owned, minority owned, and small businesses operated in low to moderate income tracts. The Infrastructure and Economic Development Bank shall notify the Joint Legislative Budget Committee if these funds are used for any purpose other than the California Rebuilding Fund.
2. Of the amount appropriated in this item, \$20,000,000 shall be available for the Small Business Loan Guarantee Program.



0509-062-8506—For support of Governor's Office of Business and Economic Development (GO-Biz), payable from the Coronavirus Fiscal Recovery Fund of 2021 .....345,000,000

Schedule:

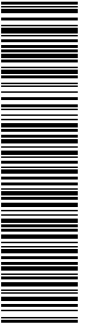
(1) 0220—GO-Biz.....345,000,000

Provisions:

1. Of the amount appropriated in this item, \$250,000,000 is for the California Competes Grant Program and shall be available for encumbrance or expenditure until June 30, 2024.
2. Of the amount appropriated in this item, \$95,000,000 is available for Visit California to implement strategic media recovery campaigns to jump start the recovery of the travel and tourism industry.

An act to add and repeal Article 4.4 (commencing with Section 12096.6) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, and to amend Section 18410.2 of, and to add Article 8 (commencing with Section 19292) to Chapter 5 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to California Competes Grant Program.

SECURE  
COPY



210615186305BILL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 4.4 (commencing with Section 12096.6) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 4.4. California Competes Grant Program

12096.6. For purposes of this article, all of the following definitions apply:

(a) "Applicant" means any taxpayer, including, but not limited to, an individual, corporation, or partnership, submitting a California Competes Grant Program application to GO-Biz that is a person or entity legally authorized to do business in California or that will incorporate, qualify, or register with the Secretary of State to do business in California prior to the execution of an agreement under this article.

(b) "California Competes Grant Program" means the program that authorizes the grants allowed under this article.

(c) "Committee" means the California Competes Tax Credit Committee established in Section 18410.2 of the Revenue and Taxation Code.

(d) "GO-Biz" means the Governor's Office of Business and Economic Development.

(e) "Qualified grantee" means an applicant for grants under this article that satisfies the requirements of subdivision (b) of Section 12096.6.1.

(f) "Recaptured grant amount" shall mean the amount identified in any recommendation for recapture of a grant approved, in whole or in part, by the committee pursuant to this article and Section 18410.2 of the Revenue and Taxation Code.

12096.6.1. (a) Upon appropriation by the Legislature, GO-Biz shall establish the California Competes Grant Program pursuant to this article.

(b) Upon appropriation by the Legislature, GO-Biz is authorized to provide grants pursuant to this article. GO-Biz shall provide grants only to an applicant that meets at least one of the following criteria:

(1) The applicant will create at least 500 new, full-time jobs in this state, determined on the basis of an annual full-time equivalent, as defined in Section 8000 of Title 10 of the California Code of Regulations, as that section read on January 1, 2021.

(2) The applicant will make a significant infrastructure investment in this state.

(3) The applicant will create jobs or make the investments in a high-need or high-opportunity area, as those terms are defined by GO-Biz, in this state.

(4) The Director of GO-Biz designates the applicant's application as strategically important to the state.

(c) The committee shall approve or reject grants pursuant to subdivision (b) of Section 18410.2 of the Revenue and Taxation Code.

(d) (1) The amount of a grant shall be set forth in a written agreement between GO-Biz and the qualified grantee, and shall be based on the factors as described in subparagraphs (A) to (L), inclusive, of paragraph (2) of subdivision (a) of Sections 17059.2 and 23689 of the Revenue and Taxation Code, and considerations described in paragraph (2).

(2) When determining whether to enter into a written agreement with a qualified grantee pursuant to this section, GO-Biz shall consider the extent to which the grant



will influence the qualified grantee's ability, willingness, or both, to create jobs in this state that might not otherwise be created in the state by the qualified grantee or any other California business. GO-Biz may also consider other factors, including, but not limited to, all of the following:

(A) The financial solvency of the qualified grantee and the qualified grantee's ability to finance its proposed expansion.

(B) The qualified grantee's current and prior compliance with federal and state laws.

(C) Current and prior litigation involving the qualified grantee.

(D) The reasonableness of the fee arrangement between the qualified grantee and any third party providing any services related to the grant allowed pursuant to this section.

(E) Any other factors GO-Biz deems necessary to ensure that the administration of the California Competes Grant Program allowed pursuant to this article is a model of accountability and transparency and that the effective use of the limited amount of grant funds is maximized.

(e) A qualified grantee shall receive a grant pursuant to this article only if the qualified grantee has not received a tax credit, pursuant to Sections 17059.2 or 23689 of the Revenue and Taxation Code, for the same jobs or investment on which the grant is sought.

(f) The written agreement described in subdivision (d) shall include both of the following:

(1) Provisions indicating whether the grant is to be allocated in full upon approval, or in increments based on mutually agreed-upon milestones, when satisfactorily met by the qualified grantee.

(2) Provisions that allow the committee to recapture the grant, in whole or in part, if the qualified grantee fails to fulfill the terms and conditions of the written agreement.

12096.6.2. (a) A grant may be recaptured, in whole or in part, if the qualified grantee fails to fulfill the terms and conditions of the written agreement entered into pursuant to Section 12096.6.1.

(b) Any recapture, in whole or in part, of a grant approved by the committee pursuant to Section 18410.2 of the Revenue and Taxation Code shall be collected by the Franchise Tax Board pursuant to Article 8 (commencing with Section 19292) of Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code.

(c) Amounts recaptured pursuant to Article 8 (commencing with Section 19292) of Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code shall be transmitted to the General Fund, and, if necessary, transferred to the fund from which the appropriation was made, if not the General Fund.

12096.6.4. (a) GO-Biz shall do all of the following:

(1) Negotiate with a qualified grantee the terms and conditions of proposed written agreements that provide the grant allowed pursuant to this article to a qualified grantee.

(2) Provide the negotiated written agreement to the committee for its approval pursuant to Section 18410.2 of the Revenue and Taxation Code.

(3) Post on its internet website all of the following:

(A) The name of each qualified grantee allocated a grant.



(B) The estimated amount of the investment by each qualified grantee.  
 (C) The estimated number of jobs created or retained.  
 (D) The amount of the grant approved for the qualified grantee.  
 (E) The amount of the grant recaptured from the qualified grantee, if applicable.  
 (F) The primary location where the grantee has committed to increasing the net number of jobs or making investments. The primary location shall be listed by city or, in the case of unincorporated areas, by county.

(b) The Franchise Tax Board shall do both of the following:

(1) Review the books and records of all qualified grantees allocated a grant pursuant to this section to ensure compliance with the terms and conditions of the written agreement between the qualified grantee and GO-Biz.

(2) Notwithstanding Section 19542 of the Revenue and Taxation Code, notify GO-Biz of a possible breach of the written agreement by a qualified grantee and provide detailed information regarding the basis for that determination.

12096.6.5. (a) The Franchise Tax Board and GO-Biz may prescribe regulations as necessary or appropriate to carry out the purposes of this article.

(b) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1) shall not apply to any regulation, standard, criterion, procedure, determination, rule, notice, guideline, or any other guidance established or issued by the Franchise Tax Board or GO-Biz pursuant to this article.

(c) Except as provided in this article, Section 19542 of the Revenue and Taxation Code shall apply to all information obtained by the Franchise Tax Board and GO-Biz for the purpose of administering the California Competes Grant Program.

(d) Notwithstanding Section 19542 of the Revenue and Taxation Code, the Franchise Tax Board may disclose information to GO-Biz and GO-Biz may disclose information to the Franchise Tax Board for administration of the California Competes Grant Program.

12096.6.6. This article shall be repealed on January 1, 2030.

SEC. 2. Section 18410.2 of the Revenue and Taxation Code is amended to read:

18410.2. (a) The California Competes Tax Credit Committee is hereby established. The committee shall consist of the Treasurer, the Director of Finance, and the Director of the Governor's Office of Business and Economic Development, who shall serve as chair of the committee, or their designated representatives, and one appointee each by the Speaker of the Assembly and the Senate Committee on Rules. A Member of the Legislature shall not be appointed.

(b) For purposes of Article 4.4 (commencing with Section 12096.6) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code and Sections 17059.2 and 23689, the California Competes Tax Credit Committee shall do all of the following:

(1) Approve or reject any written agreement for a tax credit or grant allocation by resolution at a duly noticed public meeting held in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), but only after receipt of the fully executed written agreement between the taxpayer and the Governor's Office of Business and Economic Development.

(2) Approve or reject any recommendation to recapture, in whole or in part, a tax credit or grant allocation by resolution at a duly noticed public meeting held in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with



Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), but only after receipt of the recommendation from the Governor's Office of Business and Economic Development pursuant to the terms of the fully executed written agreement.

(c) For purposes of Article 4.4 (commencing with Section 12096.6) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code and Sections 17059.2 and 23689, the Governor's Office of Business and Economic Development shall provide a member of the committee, or their designated representatives, listed in subdivision (a), upon request of that member, with any information necessary to fulfill their duties or otherwise comply with the requirements of this section. Nothing in this subdivision shall be construed to require the Governor's Office of Business and Economic Development to provide information to the member or their designated representative that the applicant considers to be a trade secret, confidential, privileged, or otherwise exempt from disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

SEC. 3. Article 8 (commencing with Section 19292) is added to Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

#### Article 8. Collection of Recaptured California Competes Grants

19292. For purposes of this article, all of the following definitions apply:

(a) "California Competes Grant Program" means the program that authorizes the grants allowed under Article 4.4 (commencing with Section 12096.6) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code.

(b) "Committee" means the California Competes Tax Credit Committee established in Section 18410.2.

(c) "GO-Biz" means the Governor's Office of Business and Economic Development.

(d) "Qualified grantee" means an applicant for grants the California Competes Grant Program that satisfies the requirements of subdivision (b) of Section 12096.6.1 of the Government Code.

(e) "Recaptured grant amount" shall mean the amount identified in any recommendation for recapture of a grant approved, in whole or in part, by the committee pursuant to the California Competes Grant Program and Section 18410.2 of this code.

19293. (a) GO-Biz shall provide to the Franchise Tax Board a list of qualified grantees and their respective recaptured grant amounts as approved, in whole or in part, by the committee pursuant to Section 18410.2 for collection.

(b) Any recaptured grant amount shall be treated as final and due and payable to the State of California, and shall be collected from the qualified grantee by the Franchise Tax Board in any manner authorized under the law for collection of a delinquent personal income tax liability, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes, and any overpayment of any liability imposed under this part or, Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) shall be credited against any balance due pursuant to this section.



(c) The Controller may, in the Controller's discretion, offset any amount due a qualified grantee by a state agency against any recaptured grant amount pursuant to Article 2 (commencing with Section 12410) of Chapter 5 of Part 2 of Division 3 of Title 2 of the Government Code.

(d) This part and Part 10 (commencing with Section 17001), Part 10.7 (commencing with Section 21001), and Part 11 (commencing with Section 23001) shall apply to amounts provided to the Franchise Tax Board under this section in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this article, except to the extent that any provision is either inconsistent with this article or is not relevant to this article.

(e) For amounts that GO-Biz provided to the Franchise Tax Board for collection under subdivision (a), interest shall accrue at the greater of the rate applicable to the amount due being collected or the rate provided under Section 19521. When notice of the amount due includes interest and is mailed to the qualified grantee and the amount is paid within 15 days after the date of notice, interest shall not be imposed for the period after the date of notice.

(f) Any information, information sources, or enforcement remedies and capabilities available to GO-Biz or the state with respect to the recaptured grant amount described in subdivision (a) shall be available to the Franchise Tax Board to be used in conjunction with, or independent of, the information, information sources, or remedies and capabilities available to the Franchise Tax Board.

(g) The activities required to implement and administer this article shall not interfere with the primary mission of the Franchise Tax Board to administer Part 10 (commencing with Section 17001), this part, and Part 11 (commencing with Section 23001).

(h) A collection under this article is not a payment of income taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) of Division 2 this code.

19294. (a) The Franchise Tax Board and GO-Biz may prescribe regulations as necessary or appropriate to carry out the purposes of this article.

(b) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of the Government Code) shall not apply to any regulation, standard, criterion, procedure, determination, rule, notice, guideline, or any other guidance established or issued by the Franchise Tax Board or GO-Biz pursuant to this article.

(c) Except as provided in this article, Section 19542 shall apply to all information obtained by the Franchise Tax Board and GO-Biz for the purpose of administering the California Competes Grant Program.

(d) Notwithstanding Section 19542, the Franchise Tax Board may disclose information to GO-Biz and GO-Biz may disclose information to the Franchise Tax Board to facilitate the collection of recaptured grant amounts under this article.

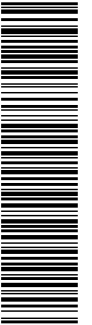
SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes



the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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## LEGISLATIVE COUNSEL'S DIGEST

Bill No.  
as introduced, \_\_\_\_\_.  
General Subject: California Competes Grant Program.

Existing law vests the California Competes Tax Credit Committee (committee) with the authority to approve or reject written agreements between the Governor's Office of Business and Economic Development and a taxpayer related to the California Competes tax credit (office).

This bill would create, until January 1, 2030, and upon appropriation, a California Competes Grant Program. The bill would authorize the office to provide grants to an applicant that meets specified criteria relating to the creation of jobs or investments in the state, following the receipt of a fully executed written agreement containing certain provisions between the office and a qualified grantee, as defined. The bill would provide that the grant is only available for applicants, as defined, that have not received a California Competes tax credit for the same jobs or investments for which the grant is to be allocated. The bill would set forth procedures for recapturing grant amounts if the qualified grantee fails to satisfy the terms of the written agreement and would set forth additional duties of the committee and office in relation to the program.

Existing law makes it a misdemeanor for the Franchise Tax Board or any member thereof, or as specified, who in the course of their employment or duty has or had access to returns, reports, or documents required to be filed under specified laws, to disclose or make known in any manner information as to the amount of income or any particulars, as provided.

This bill would also make this provision applicable to all information obtained by the Franchise Tax Board and office for the purpose of administering the program and recapturing grant amounts. By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



0509-112-0001—For transfer, upon order of the Director of Finance, to the Climate Catalyst Revolving Fund..... 31,000,000

Provisions:

1. Not more than 5 percent of the amount appropriated in this item may be used to support administrative costs, which shall be available for encumbrance or expenditure until June 30, 2026.

0509-162-8506—For local assistance, Governor's Office of Business and Economic Development (GO-Biz), payable from the Coronavirus Fiscal Recovery Fund of 2021 ..... 1,750,000,000

Schedule:

(1) 0230-Office of the Small Business Advocate..... 1,750,000,000

Provisions:

1. Of the amount appropriated in this item, \$1,500,000 is available to fund additional rounds of grants for small businesses impacted by the COVID-19 Pandemic. These grants will be administered through the California Small Business COVID-19 Relief Grant Program established by Chapter 7, Statutes of 2021 (SB 87).
2. Of the amount appropriated in this item, \$250,000,000 is to be allocated to California ports impacted by the COVID-19 Pandemic.



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 0511-490, Support, Secretary of Government Operations Agency**

**Census Funding Reappropriation**—It is requested that Item 0511-490 be added to reappropriate up to \$2,242,000 in Item 0511-001-0001, Budget Act of 2019 and be available for encumbrance or expenditure until June 30, 2024 to support the residual costs of the California Complete Count Census 2020:

0511-490—Reappropriation, Secretary of Government Operations. The amount specified in the following citations are reappropriated for the purpose provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2024:

0001—General Fund

(1) Up to \$2,242,000 in Item 0511-001-0001, Budget Act of 2019

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  
Honorable Yolanda Richardson, Secretary, Government Operations Agency  
Justyn Howard, Deputy Secretary of Fiscal Policy and Administration, Government  
Operations Agency



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 and Reimbursements, Support and Local Assistance, Business, Consumer Services, and Housing Agency and Department of Consumer Affairs**

**Homeless Landscape Assessment**—It is requested that Item 0515-001-0001 be increased by \$5,622,000 and 4 positions, on a one-time basis, for the Homeless Coordinating and Financing Council (HCFC) to contract with a vendor to conduct an analysis of the homelessness service providers and programs at the local and state level. HCFC staff will provide oversight and support for the data collection and analysis effort. This will allow the state to better understand and optimize investments in the state's homelessness response system. Corresponding statutory changes will be introduced.

**Encampment Clean-Up**— It is requested that Item 0515-001-0001 be increased by \$300,000 and 2 positions and Item 0515-101-001 be added in the amount of \$50 million, on a one-time basis, for HCFC to partner with a selection of local governments and assist them with resolving critical encampments and transitioning individuals living on site into permanent housing. Two Encampment Liaisons will develop policies and coordinate resources with state partners, local governments, and homelessness service providers to monitor and oversee the safety and wellness of people living in encampments while working toward rehousing these individuals. It is also requested that provisional language be added to Item 0515-101-0001 to extend the funding availability period to give HCFC adequate time to implement this new program (see Attachment 2).

**Family Homelessness Challenge Grants/Technical Assistance**—It is also requested that Item 0515-101-0001 be added in the amount of \$40 million on a one-time basis, for HCFC to provide grants and technical assistance to local jurisdictions to develop action plans that will address family homelessness and accelerate local jurisdictions' rehousing efforts. This initiative helps local communities work toward eliminating family

homelessness in an equitable and holistic manner. It is also requested that provisional language be added to Item 0515-101-0001 to extend the funding availability period to give HCFC adequate time to implement this new program (see Attachment 2).

**Facility Relocation Due to Renovation**—It is requested that the following items be increased by the amounts indicated below to relocate the Business, Consumer Services, and Housing Agency from the Jesse Unruh Building. This building is scheduled for renovations beginning January 1, 2022, and the Business, Consumer Services, and Housing Agency is required to move prior to this date. This proposal provides \$50,000 one-time and \$100,000 ongoing for costs related to the required relocation.

- Item 0515-001-0001 be increased by \$8,000 and reimbursements be increased by \$105,000
- Item 0515-001-0299 be increased by \$1,000
- Item 0515-001-0317 be increased by \$10,000
- Item 0515-001-3036 be increased by \$11,000
- Item 0515-001-3153 be increased by \$1,000
- Item 0515-001-3363 be increased by \$14,000

The Business, Consumer Services, and Housing Agency is reimbursed for a portion of these costs from various funds administered by the Department of Consumer Affairs. Therefore, it is requested that the following items be increased by the amounts indicated below to help fund this proposal.

- Item 1111-001-0069 be increased by \$3,000
- Item 1111-001-0152 be increased by \$1,000
- Item 1111-001-0310 be increased by \$1,000
- Item 1111-001-0704 be increased by \$3,000
- Item 1111-001-0706 be increased by \$1,000
- Item 1111-001-0735 be increased by \$12,000
- Item 1111-001-0741 be increased by \$2,000
- Item 1111-001-0758 be increased by \$5,000
- Item 1111-001-0759 be increased by \$1,000
- Item 1111-001-0761 be increased by \$7,000
- Item 1111-001-0767 be increased by \$4,000
- Item 1111-001-0770 be increased by \$1,000
- Item 1111-001-0773 be increased by \$2,000
- Item 1111-001-0775 be increased by \$1,000
- Item 1111-001-0777 be increased by \$1,000
- Item 1111-001-0779 be increased by \$2,000
- Item 1111-002-0239 be increased by \$2,000
- Item 1111-002-0305 be increased by \$3,000
- Item 1111-002-0325 be increased by \$1,000
- Item 1111-002-0400 be increased by \$1,000
- Item 1111-002-0421 be increased by \$16,000
- Item 1111-002-0582 be increased by \$2,000
- Item 1111-002-0717 be increased by \$1,000
- Item 1111-002-0752 be increased by \$1,000

It is also requested that Schedule (3) of Item 1111-002-0702 be increased by \$74,000, and Schedule (6) be decreased by \$74,000, to reflect corresponding adjustments for the increase to this item from the Business, Consumer Services, and Housing Agency's proposal.

**Continuation of Existing Provisional Language**—It is requested that provisional language be added to Item 0515-001-0001 to continue authorizing funding transfers, as appropriate, from local assistance that was appropriated in prior years with extended availability periods, to Program 0265-Homeless Coordinating and Financing Council for the administration of planning and progress grants to address homelessness (see Attachment 1). The requested provisional language was approved as part of the 2020 Budget Act, but was inadvertently excluded in the Governor's Budget. This would restore existing language in the current Budget until the funding availability expires.

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 Kimberly Harbison, Principal Program Budget Analyst, at (916) 996-9790.

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  
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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  
Lourdes M. Castro Ramírez, Secretary, Business, Consumer Services, and Housing Agency  
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency  
Tiffany Garcia, Deputy Secretary, Fiscal Policy and Administration, Business, Consumer Services,  
and Housing Agency  
Brian Skewis, Budget Manager, Business, Consumer Services, and Housing Agency  
Kimberly Kirchmeyer, Director, Department of Consumer Affairs  
Sara Murillo, Deputy Director, Administrative Services, Department of Consumer Affairs  
Janice Shintaku-Enkoji, Chief Fiscal Officer, Department of Consumer Affairs  
Taylor Schick, Fiscal Officer, Department of Consumer Affairs  
Robert de los Reyes, Budget Officer, Department of Consumer Affairs

Add the following provisions to Item 0515-001-0001:

1. Upon order of the Department of Finance, up to 5 percent of the funds appropriated in Item 0515-101-0001, Budget Act of 2019, may be transferred to Schedule (2) of this item for the administration of planning and progress grants to address homelessness. Any amount transferred to this item shall be made available for encumbrance or expenditure until June 30, 2025.
2. Upon order of the Department of Finance, up to 5 percent of the funds appropriated in Item 0515-101-0001, Budget Act of 2020, may be transferred to Schedule (2) of this item for the administration of planning and progress grants to address homelessness. Any amount transferred to this item shall be made available for encumbrance or expenditure until June 30, 2025.

0515-101-0001-For local assistance, Secretary of Business, Consumer Services, and  
Housing.....90,000,000

Schedule:

(1) 0265-Homeless Coordinating and Financing Council.....90,000,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024.



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 0521-001-0046, and Addition of Item 0521-031-0001, Support, and Items 0521-131-0001 and 0521-131-0890, Local Assistance, California State Transportation Agency**

**Transportation Infrastructure Package**—It is requested that various Budget Bill Items be added in the total amount of \$2,906,741,000 to provide resources for a proposed Transportation Infrastructure Package (see Attachments 1-3). These resources will provide improved statewide transportation connectivity and help the state in its goal of an equitable recovery from COVID-19 impacts. The request includes changes to the following items:

- Item 0521-001-0046 be increased by \$280 million
- Item 0521-031-0001 be added in the amount of \$70 million
- Item 0521-131-0001 be added in the amount of \$2.53 billion
- Item 0521-131-0890 be added in the amount of \$26,741,000

It is further requested that Provision 1 be added to Item 0521-001-0046 as follows:

1. Of the funds appropriated in Schedule (1), \$280,000,000 shall be available for zero-emission rail and transit equipment and infrastructure. These funds shall be available for encumbrance and liquidation until June 30, 2027, and may be used for state operations, local assistance, or capital outlay.

**National Environmental Policy Act (NEPA) Delegation**—Existing law authorizes the California Secretary of Transportation to assume the responsibilities of the United States Secretary of Transportation under the NEPA and other federal environmental laws for any railroad, public transportation, or multimodal project undertaken by government agencies within the state. This authority is scheduled to expire January 1, 2022. Current State law provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of these responsibilities. The proposed language would remove the sunset provision and allow this NEPA delegation to be a permanently available option for California transit and rail projects (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 Steve Wells, 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 Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
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  
Toks Omishakin, Director, California Department of Transportation  
KC Handren, Division of Budgets, California Department of Transportation  
David Kim, Secretary, California State Transportation Agency  
Elissa Konove, Undersecretary, California State Transportation Agency  
Carlos Quant, Deputy Secretary, California State Transportation Agency

0521-031-0001—For support of Secretary of Transportation..... 70,000,000

Schedule:

(1) 0276-Transit and Intercity Rail Capital Program..... 70,000,000

Provisions:

1. Funds appropriated in this item shall be available for encumbrance or expenditure and liquidation until June 30, 2027.
2. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 0521-131-0001.

0521-131-0001—For local assistance, Secretary of Transportation.....2,530,000,000

Schedule:

(1) 0276-Transit and Intercity Rail Capital Program..... 2,530,000,000

Provisions:

1. Funds appropriated in this item shall be available for encumbrance or expenditure and liquidation until June 30, 2027.
2. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 0521-031-0001. These transfers shall require the prior approval of the Department of Finance.

0521-131-0890—For local assistance, Secretary of Transportation, payable  
from the Federal Trust fund..... 26,741,000

Schedule:

(1) 0270-Administration of Transportation Agency..... 26,741,000

Provisions:

1. Funds appropriated in this item shall be available for encumbrance or expenditure and liquidation until June 30, 2027.



**Government Code Section 13979.2.**

“(a) The secretary, on behalf of the agency, and any department, office, or other unit within the agency with the authority to implement transportation projects, may assume responsibilities under the federal National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.) and other federal environmental laws, pursuant to Section 327 of Title 23 of the United States Code, for any railroad, public transportation, or multimodal project.

(b) Before assuming the responsibilities set forth in subdivision (a) through execution of a memorandum of understanding between the State of California and the federal government, the secretary shall submit a copy of the draft memorandum of understanding to the Joint Legislative Budget Committee. Execution of the memorandum of understanding shall occur no sooner than 30 days after the secretary provides the draft memorandum of understanding to the Joint Legislative Budget Committee, or whatever lesser time after that notification that the chair of the joint committee, or the chair's designee, may determine.

(c) The State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of any responsibilities assumed pursuant to subdivision (a).

(d) In any action brought pursuant to the federal laws described in subdivision (a) for a project for which responsibilities have been assumed pursuant to subdivision (a), no immunity from suit may be asserted pursuant to the Eleventh Amendment to the United States Constitution, and any immunity is hereby waived.

(e) No responsibility assumed pursuant to subdivision (a) may be delegated to any political subdivision of the state, such as a county, or its instrumentalities.

(f) This section does not affect the obligation of the secretary and all departments, offices, and other units within the agency to comply with state and federal law.

(g) Nothing in this section is intended to repeal or modify Section 820.1 of the Streets and Highways Code.

~~(h) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.”~~



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 0530-001-0001 and Addition of Item 0530-062-8506, Support, California Health and Human Services Agency**

**Office of Youth and Community Restoration (Issue 39)**—It is requested that Item 0530-001-0001 be increased by \$4,167,000 and 14 positions ongoing to reflect additional resources to help stand up and administer the Office of Youth and Community Restoration.

**Children and Youth Behavioral Health Initiative: Public Education and Change (Issue 43)**—It is requested that Item 0530-062-8506 be added in the amount of \$25.1 million and 1 position one-time to support the Office of the Surgeon General in a public awareness campaign on Adverse Childhood Experiences (ACEs) and development of a trauma-informed training curriculum for the education sector. See related issues in the Department of Health Care Services, Office of Statewide Health Planning and Development, and Department of Public Health Finance Letters.

**Children and Youth Behavioral Health Initiative: Coordination, Subject Matter Expertise, and Evaluation (Issue 44)**—It is requested that Item 0530-062-8506 be added in the amount of \$10 million ongoing for coordination, subject matter expertise, and evaluation of the Children and Youth Behavioral Health Initiative. See related issues in the Department of Health Care Services, Office of Statewide Health Planning and Development, and Department of Public Health Finance Letters.

**Language Access Services (Issue 45)**—It is requested that Item 0530-001-0001 be increased by \$20 million one-time to improve and deliver language access services across the spectrum of Health and Human Services programs. This proposal builds on the Governor's Budget proposal for the Health and Human Services Agency to develop and implement an Health and Human Services Agency-wide policy framework to improve language access standards across programs and services. It is also requested that provisional language be added to this item as follows to conform to this action:

3. Of the funds appropriated in this item, \$20,000,000 is available for activities to improve and deliver language access services in Health and Human Services programs. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

**Health Information Exchange Leadership (Issue 48)**—It is requested that Item 0530-001-0001 be increased by \$2.5 million one-time for Health and Human Services Agency to lead efforts and stakeholder engagement in building out health information exchanges. It is also requested that provisional language be added to this item as follows to conform to this action:

4. Of the funds appropriated in this item, \$2,500,000 is available for Health and Human Services Agency to lead efforts and stakeholder engagement in building out information exchanges for health and social services programs. The amount allocated shall be available for encumbrance or expenditure until June 30, 2023.

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 Tyler Woods, Principal Program Budget Analyst, at (916) 445-6423.

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 Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
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  
Michelle Baass, Undersecretary, Health and Human Services Agency  
Marko Mijic, Deputy Secretary, Health and Human Services Agency  
Sonia Herrera, Deputy Secretary, Health and Human Services Agency  
Matt Schuller, Chief of Staff, Office of Surgeon General



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 0540-001-0001 and 0540-001-0140, Support, and Addition of Item 0540-101-0001, Local Assistance, California Natural Resources Agency**

**New Natural Resources Building Move and Demobilization Costs**—It is requested that Item 0540-001-0001 be increased by \$4,543,000 one-time and Item 0540-001-0140 be decreased by \$4,543,000 one-time to shift the fund source to provide additional resources for the move and demobilization costs for the new building for Natural Resources Agency.

**New Natural Resources Building Rent Increase**—It is also requested that Item 0540-001-0001 be increased by \$381,000 ongoing to support increased rental costs associated with the new building for Natural Resources Agency.

**Presidio Improvement Projects**—It is requested that Item 0540-101-0001 be added in the amount of \$27.5 million in one-time funding to support various projects at the Presidio in San Francisco (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: 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  
Wade Crowfoot, Secretary, Natural Resources Agency  
Bryan Cash, Assistant Secretary for Administration and Finance, Natural Resources Agency  
Amanda Martin, Deputy Assistant Secretary of Administration and Finance, Natural  
Resources Agency  
Andrea Scharffer, Deputy Assistant Secretary, Natural Resources Agency

0540-101-0001—For local assistance, Secretary of the Natural Resources Agency.....399,200,000

Schedule:

(1) 0320-Administration of Natural Resources Agency .....399,200,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2024. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.
2. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the funds appropriated in this item for the development and adoption of program guidelines and selection criteria.



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 0555-001-0028 and Statutory Changes, Support,  
California Environmental Protection Agency**

**Unified Hazardous Waste and Hazardous Materials Regulatory Management Program Realignment**—It is requested that Item 0555-001-0028 be increased by \$843,000 and 4 positions ongoing to realign the state's staff resources, funding, and authorities within the Unified Hazardous Waste and Hazardous Materials Regulatory Management Program. Specifically, this proposal seeks to realign the Hazardous Materials Business Plan Program, the Local Emergency Response Plan Coordination Program, and the California Accidental Release Prevention Program components. This proposal represents a net-zero shift of funding and positions from the California Governor's Office of Emergency Services to the California Environmental Protection Agency. It is also requested that statutory changes be made to effectuate this program transition.

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 Krystal Acierto, Principal Program Budget Analyst, at (916) 324-0043.

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  
Jared Blumenfeld, Secretary, California Environmental Protection Agency  
Serena McIlwain, Undersecretary, California Environmental Protection Agency  
Eric Jarvis, Assistant Secretary, California Environmental Protection Agency



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 0559-001-0001, Support, Labor and Workforce Development Agency**

It is requested that Item 0559-001-0001 be increased by \$563,000 and 3 positions to provide limited-term resources for three years to enhance the Labor and Workforce Development Agency's coordination and oversight of workforce development programs. These resources will allow the agency to develop workforce strategies to aid the labor market's recovery from the COVID-19 Pandemic.

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 Danielle Brandon, Principal Program Budget Analyst, at (916) 956-6771.

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 Wendy Carillo, 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  
Julie Su, Secretary, Labor and Workforce Development Agency  
Jay Sturges, Assistant Secretary, Fiscal Policy, Labor and Workforce Development Agency



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, Office of Planning and Research**

**Student Success Coach Grant Program**—It is requested that Item 0650-001-0001 be increased by \$15 million one-time to create a grant program that will establish student success coaches in communities to nurture relationships with K-12 students and collaborate with teachers to help prepare students with skills to achieve their goals.

**Precision Medicine: Adverse Childhood Experiences (ACEs)**—It is requested that Item 0650-001-0001 be increased by \$12,415,000 one-time to expand ACEs research which assists in detecting toxic stress to prevent long-term health impacts of youth homelessness. It is also requested that provisional language be added to specify that the resources provided are available for encumbrance or expenditure until June 30, 2026 (see Attachment 1).

**California Climate Action Corps State Service Program**—It is requested that Item 0650-001-0001 be increased by \$4,683,000 and 5 positions in 2021-22, decreasing to \$823,000 ongoing, to create service opportunities to take on climate action such as urban greening, food waste recovery, and wildfire prevention.

**California Volunteer's Statewide Emergency Response Framework**—It is requested that Item 0650-001-0001 be increased by \$1,324,000 and 7 positions ongoing to maintain an emergency response framework to prepare and train for future disaster response.

**Californians For All College Service Program**—It is requested that Item 0650-062-8506 be added in the amount of \$30,374,000 one-time, Item 0650-101-0001 be added in the amount of \$45,845,000 one-time, and Item 0650-162-8506 be added in the amount of \$208,989,000 one-time to create the Californians For All College Service Program in partnership with the University of California, California State University system, and California Community Colleges. This program will provide 12,500 part-time service

opportunities to college students in critical issue areas such as climate action, education and youth development, specifically tutoring and mentoring, health, and disaster response. It is also requested that provisional language be included in these items to specify that the resources provided are available for encumbrance or expenditure until June 30, 2024 (see Attachments 2, 3, and 4).

**Regional K-16 Education Collaboratives**—It is requested that Item 0650-101-0001 be increased by \$250 million one-time to provide support for a regional K-16 education collaborative grant program to promote educational alignment across institutions and workforce and economic development in specific regions. It is also requested that provisional language be added to specify the qualifications of the grant program (see Attachment 3).

**Science, Technology, Engineering, and Mathematics (STEM) Teacher Recruitment Grants**—It is requested that Item 0650-101-0001 be increased by \$3 million one-time to provide grants to help recruit STEM professionals into the teaching profession by connecting them with teaching, tutoring, and speaking opportunities in K-12 schools. These grants are intended to address the shortage of STEM teachers in California by providing learning and training opportunities for potential future teachers, especially in under-resourced communities. It is also requested that provisional language be added to specify the use of funds for these grants (see Attachment 3).

**Youth Workforce Development Program**—It is requested that Item 0650-163-8506 be added in the amount of \$200 million one-time for grants to cities or counties to create or expand youth volunteer and job opportunities (see Attachment 5). The funding, which will be administered by California Volunteers, will be provided both directly to large cities on a per capita basis and to other cities and counties through a competitive grant process. The goal of this funding is to increase employment opportunities, such as part-time work or summer jobs, for youth to provide them an opportunity to gain valuable work experience.

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 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  
Kate Gordon, Director, Office of Planning and Research  
Scott Morgan, Deputy Director, Office of Planning and Research  
Javier Camacho, Budget Officer, Office of Planning and Research

Add the following provision to Item 0650-001-0001:

2. Of the amount appropriated in Schedule (1), \$12,415,000 shall be available for Adverse Childhood Experiences research. These funds shall be available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2028.

0650-062-8506—For support of Office of Planning and Research, payable from the  
Coronavirus Fiscal Recovery Fund of 2021.....30,374,000

Schedule:

(1) 0365-California Volunteers.....30,374,000

Provisions:

1. The funds appropriated in this item shall be used for the Californians For All College Service Program. These funds shall be available for encumbrance or expenditure until June 30, 2024.



0650-101-0001—For local assistance, Office of Planning and Research.....298,845,000

Schedule:

(1) 0360-State Planning & Policy Development..... 250,000,000  
 (2) 0365-California Volunteers.....48,845,000

Provisions:

1. Of the funds appropriated in Schedule (2), \$45,845,000 shall be used for the Californians For All College Service Program. These funds shall be available for encumbrance or expenditure until June 30, 2024.
2. Of the funds appropriated in Schedule (1), \$250,000,000 shall be available for a competitive grant program to establish regional K-16 education collaboratives that create streamlined pathways from high school to postsecondary education and into the workforce. To qualify to receive a grant under this program, a regional K-16 education collaborative must meet the following criteria:
  - (a) Include at least one University of California campus, at least one California State University campus, and at least one California Community College district.
  - (b) Establish a steering committee, of which at least 25 percent of the members must be local employers, thereby ensuring that regional economic needs inform the creation of the streamlined pathways.
  - (c) Commit to participate in the California Cradle-to-Career Data System established pursuant to Article 2 (commencing with Section 10860) of Chapter 8.5 of Part 7 of Division 1 of Title 1 of the Education Code.
  - (d) Commit to implement at least four of the following seven recommendations from the February 2021 Recovery with Equity report to promote student success:
    - (1) Improve faculty, staff, and administrator diversity;
    - (2) Cultivate inclusive, engaging, and equity-oriented learning environments;
    - (3) Retain students through inclusive supports;
    - (4) Provide high-tech, high-touch advising;
    - (5) Support college preparation and early credit;
    - (6) Subsidize Internet access for eligible students; and
    - (7) Improve college affordability.
  - (e) Commit to create occupational pathways, including accelerated degree and/or credential programs that incorporate work-based learning, in at least two of the following sectors, based on regional needs:
    - (1) Healthcare;
    - (2) Education;
    - (3) Business management; and
    - (4) Engineering or Computing.

- (f) By June 30, 2024, implement two of the target Recovery with Equity report recommendations and fully establish one occupational pathway, demonstrate progress toward the final two target Recovery with Equity report recommendations and occupational pathway, and participate fully in a statewide evaluation of the regional collaboratives; and
  - (g) By June 30, 2026, fully implement both occupational pathways and all four target Recovery with Equity report recommendations.
  - (h) Notwithstanding any other law, the Office of Planning and Research may contract with a third-party entity to administer the program on behalf of the Office of Planning and Research. However, the Office of Planning and Research shall serve as fiscal agent of the funds appropriated in this item.
  - (i) Notwithstanding any other law, the Office of Planning and Research may provide advance payments of grant funds from this appropriation to the third-party administrator and subsequent grant awardees.
  - (j) No more than 10 percent of this appropriation may be used for administrative support costs, limited to no more than 5 percent of this appropriation for administrative costs incurred by the Office of Planning and Research, and no more than 5 percent of this appropriation for administrative costs incurred by the third-party administrator.
  - (k) Funds appropriated for this program shall be available for encumbrance or expenditure until June 30, 2026.
3. Of the funds appropriated in Schedule (2), \$3,000,000 shall be used for grants to recruit STEM professionals into the teaching profession by connecting them with teaching, tutoring, and speaking opportunities in K-12 schools.

0650-162-8506—For local assistance, Office of Planning and Research, payable from the Coronavirus Fiscal Recovery Fund of 2021.....208,989,000

Schedule:

(1) 0365-California Volunteers.....208,989,000

Provisions:

1. The funds appropriated in this item shall be used for the Californians For All College Service Program. These funds shall be available for encumbrance or expenditure until June 30, 2024.

0650-163-8506—For local assistance, Office of Planning and Research, payable from the Coronavirus Fiscal Recovery Fund of 2021.....200,000,000

Schedule:

(1) 0365-California Volunteers.....200,000,000

Provisions:

1. The funds appropriated in this item shall be used for grants to cities or counties to create or expand youth volunteer and job opportunities. These funds shall be available for encumbrance or expenditure until June 30, 2024.



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, Office of Emergency Services**

**Strengthening California's Emergency Capacity and Capabilities**—The May Revision proposes to strengthen the state's resiliency and ability to respond to increasingly complex disasters and emergencies; lead multi-faceted, long-term recovery efforts across California; and strengthen equity and connections with vulnerable and disadvantaged communities. It is requested the following items be increased by a total of \$98,373,000 and 224 positions for the following purposes:

- **Reducing Reliance on Redirected and Temporary Staff for Emergency Response and Recovery**—It is requested that Item 0690-001-0001 be increased by \$16,475,000 and 73 positions in fiscal year 2021-22, and \$15,994,000 ongoing, to establish a permanent and dedicated Incident Support Team, a deployable Incident Management Assistance Team, and needed support to operate the California State Operations Center or Regional Emergency Operations Centers to respond to the all-hazard events. These teams will strengthen the capabilities of the State Operations Center and lessen the Office of Emergency Services' (Cal OES) reliance on redirected staff from other areas in the organization.
- **Long-Term Recovery Support**—It is requested that Item 0690-001-0001 be increased by \$15,690,000 and 47 positions, Item 0690-001-0890 by \$22,128,000 and 63 positions ongoing to better support California's recovery efforts and recoupment of eligible federal disaster cost reimbursements for state and local governments, and to maximize the hazard mitigation program to mitigate the impacts of future disasters on the state and local jurisdictions. This request also includes permanent funding for 104 permanent positions provided in 2018 with three-year limited-term funding.
- **Strengthening Equity and Connections with Communities**—It is requested that Item 0690-001-0001 be increased by \$4,935,000 and 13 positions to establish a new Office of Equity and make permanent a Listos grant program to further strengthen connections and build resiliency with all communities. California's disasters have had

a significant impact on communities across the diverse state, but some communities have been hit harder than others. A strong connection between California's diverse communities and the emergency response network is key to better planning and preparation for disasters and swiftly meeting community needs during and after the emergency event. It is further requested that Item 0690-101-0001 be increased by \$25 million on-going for a Listos emergency preparedness, response, and recovery grant program.

- **Modernizing Technology and Data Analytics**—It is requested that Item 0690-001-0001 be increased by \$10,174,000 and 14 positions in 2021-22, \$9,584,000 ongoing, and provisional language be added to modernize the Department's technology and data capabilities through new technology and updating outdated systems (see Attachment 1). Reliable data analytics have proven more important than ever to make data-informed decisions impacting the state emergency response and overall recovery strategy.
- **Strengthening Tracking and Reporting of Disaster Costs and Funding**—It is requested that item 0690-001-0001 be increased by \$3,971,000 and 14 positions in 2021-22, and \$3,671,000 ongoing, to establish a new unit within Cal OES to better coordinate and lead the state's disaster cost tracking and public facing reporting efforts in coordination with all state agencies. In addition, this new unit would serve as a liaison with the Department of Finance to better align cost tracking and federal cost recovery efforts, as this work is currently being done across agencies. It is further requested that Items 0690-006-0001 and 0690-006-0890 both be added in the amount of \$1,000 to increase transparency in the funding of disaster-related costs out of the Disaster Response-Emergency Operations Account and the receipt of federal funding for reimbursement of eligible disaster response costs (see Attachments 2 and 3).

**Wildfire Forecast and Threat Intelligence Integration Center (SB 209)**—It is requested that Item 0690-001-0001 be increased by \$799,000 and 5 positions in 2021-22, decreased by \$61,000 ongoing, and provisional language be amended to establish the Wildfire Forecast and Threat Intelligence Integration Center, as required by Chapter 405, Statutes of 2019 (see Attachment 4). Further, it is requested that Item 0690-495 be added to revert the unspent amount associated with SB 209 in the 2020 Budget Act (see Attachment 5).

This request is part of a total \$7.4 million General Fund, \$191,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA), and 22 position request including the California Military Department, Department of Forestry and Fire Protection, and Public Utilities Commission. This additional investment builds on the \$2 million ongoing General Fund provided in the 2020 Budget Act for a total investment of \$9,340,000 General Fund, \$191,000 PUCURA in 2021-22, \$6,355,000 General Fund, \$190,000 PUCURA in 2022-23, and \$6,343,000 General Fund, and \$190,000 PUCURA ongoing across all four entities.

**Southern Region Emergency Operations Center Relocation**—It is requested that Item 0690-001-0001 be increased by \$7,726,000 in 2021-22, \$1,359,000 in 2022-23, \$1,392,000 in 2023-24, \$1,409,000 in 2024-25, and \$1,427,000 in 2025-26, for lease,

equipment, and tenant improvement costs associated with relocating the Southern Regional Emergency Operations Center to a temporary facility while a new Southern Regional Emergency Operations Center is constructed in Southern California.

**Unified Hazardous Waste and Hazardous Materials Regulatory Management Program Realignment**—It is requested that Item 0690-001-0028 be decreased by \$843,000 and 4 positions ongoing to realign the state's staff resources, funding, and authorities within the state's Unified Hazardous Waste and Hazardous Materials Regulatory Management Program. Specifically, this proposal seeks to realign the Hazardous Materials Business Plan Program, the Local Emergency Response Plan Coordination Program, and the California Accidental Release Prevention Program components. This proposal represents a net-zero shift of funding and positions from the Office of Emergency Services to the California Environmental Protection Agency. It is also requested that statutory changes be made to effectuate this program transition.

**Nonprofit Security Grant Program**—It is requested that Item 0690-103-0001 be added in the amount of \$50 million one-time for Cal OES' Nonprofit Security Grant Program to help nonprofit organizations that are targets of hate-motivated violence and hate crimes (see Attachment 6). It is also requested that provisional language be added to allow up to 5 percent of the funds to be used for administrative costs.

**Victims of Crime Act Supplemental Funding**—It is requested that Item 0690-105-0001 be added in the amount of \$100 million one-time to supplement funding supporting a variety of services for victims of domestic violence (see Attachment 7). It is also requested that provisional language be added to allow up to 5 percent of the funds to be used for administrative costs. Domestic violence and sexual abuse have increased during the pandemic and at the same time, the amount of funding that California is receiving in Victims of Crime Act federal funding—which supports a variety of programs including rape crisis programs, domestic violence housing, victim witness programs, and child advocacy centers—has declined in recent years. This one-time augmentation will allow existing programs to continue, while building capacity to handle the increased need.

**Community Hardening to Build Disaster Resilient Communities**—It is requested that Item 0690-106-0001 be added in the amount of \$250 million one-time to develop and implement a new initiative, "Prepare California," designed to build disaster resistant communities through state, local, federal, and private sector and nongovernmental organization partnerships (see Attachment 8). It is also requested that provisional language be added to allow up to 5 percent of the funds to be used for administrative costs. This proposal would be implemented in a manner that promotes the principles of equity in building statewide resiliency and education to all hazards, including earthquakes, through community hardening programs.

This program maximizes the effectiveness of governmental, non-profit, and local community partnerships and seeks to eliminate current barriers for local and tribal governments, including paying up to 100 percent of the local government's cost share for participating in the federal hazard mitigation program.

**California Disaster Assistance Act Adjustment**—It is requested that Item 0690-112-0001 be decreased by \$119,753,000 to reflect updated California Disaster Assistance Act (CDAA) projections. CDAA is a disaster assistance program administered by Cal OES that provides financial assistance to local governments for costs incurred as a result of a disaster. Because it is difficult to estimate the annual CDAA need, this appropriation is adjusted at both Governor's Budget and May Revision as updated projections are available.

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 Stephen Benson, Principal Program Budget Analyst, 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 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  
Mark Ghilarducci, Director, Office of Emergency Services  
Christina Curry, Chief Deputy Director, Office of Emergency Services  
Lisa Mangat, Chief Deputy Director, Office of Emergency Services



Add the following provision to Item 0690-001-0001:

5. Of the funds appropriated in Schedule (1) of this item, up to \$5,812,000 is allocated for project costs to support modernization of technology and data analytics and is authorized for expenditure upon the Department of Technology's project approval.

0690-006-0001—For support of Office of Emergency Services.....1,000

Schedule:

(1) 0385-Special Programs and Grant Management.....1,000

Provisions:

1. This item shall be used to receive transfers from the Disaster Response-Emergency Operations Account for disaster-related costs incurred by the Office of Emergency Services.

0690-006-0890—For support of Office of Emergency Services, payable from the Federal Trust Fund .....1,000

Schedule:

(1) 0385-Special Programs and Grant Management..... 1,000

Provisions:

1. This item shall be used for the receipt of disaster response and recovery related funding from the Federal Emergency Management Agency or any other federal entity.
2. Notwithstanding any other law, funds received into this item may be transferred to the General Fund to reimburse, provide funding for, or otherwise recover authorized disaster response and recovery related expenditures. Transfers may be made without regard to the fiscal year in which the application for funding was submitted to the Federal Emergency Management Agency or any other federal entity.
3. The Department of Finance may augment this item for the purposes identified in Provisions 1 and 2, and any such augmentations to this item are exempt from Section 28.00. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee. Augmentations to this item for any other purpose shall remain subject to Section 28.00.

Amend Provision 2 of Item 0690-001-0001 as follows:

2. ~~\$2,000,000~~ \$2,799,000 of the amount appropriated in Schedule (1) is for the Wildfire Forecast and Threat Intelligence Integration Center, pursuant to Chapter 405 of the Statutes of 2019. ~~Upon order of the Director of Finance, up to \$2,000,000 of this amount may be transferred to any other entity to support activities related to that purpose.~~

0690-495—Reversion, Office of Emergency Services. As of June 30, 2021, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) \$2,000,000 in Item 0690-001-0001, Budget Act of 2020, appropriated for the Wildfire Forecast and Threat Intelligence Integration Center.

0690-103-0001—For local assistance, Office of Emergency Services.....50,000,000

Schedule:

(1) 0385-Special Programs and Grant Management.....50,000,000

Provisions:

1. The funding appropriated in this item is for the California Nonprofit Security Grant Program to help non-profit organizations that are targets of hate-motivated violence and hate crimes.
2. This appropriation shall be available for encumbrance or expenditure until June 30, 2024. Not more than 5 percent of the amount appropriated in this item may be used for administrative support costs.

0690-105-0001—For local assistance, Office of Emergency Services.....100,000,000

Schedule:

(1) 0385-Special Programs and Grant Management.....100,000,000

Provisions:

1. The funds appropriated in this item are to supplement Victims of Crime Act funding.
2. This appropriation shall be available for encumbrance or expenditure until June 30, 2024. Not more than 5 percent of the amount appropriated in this item may be used for administrative support costs.

0690-106-0001—For local assistance, Office of Emergency Services.....250,000,000

Schedule:

(1) 0385-Special Programs and Grant Management..... 250,000,000

Provisions:

1. The funds appropriated in this item are for community hardening to build disaster resistant communities.
2. This appropriation shall be available for encumbrance or expenditure until June 30, 2024. Not more than 5 percent of the amount appropriated in this item may be used for administrative support 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 Item 0690-301-0001, Capital Outlay, Office of Emergency Services**

**Southern Region: Emergency Operations Center**—It is requested that Item 0690-301-0001 be increased by \$26,490,000 one-time General Fund for the acquisition phase for the Southern Region: Emergency Operations Center project, for the Governor's Office of Emergency Services (Cal OES). This facility will serve as a Regional Emergency Operations Center for Cal OES in the Southern California area, and will support the day-to-day operations of Cal OES emergency management programs, serve as a regional training center, and provide public safety communication operations and redundant back-up for the State Operations Center in Sacramento. This project replaces the planned construction of a joint California Military Department and Cal OES facility in Los Alamitos.

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: 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  
Christina Curry, Chief Deputy Director, Governor's Office of Emergency Services  
Lisa Mangat, Chief Deputy Director of Policy and Administration, Governor's Office of  
Emergency Services  
Tabitha Stout, Deputy Director of Finance and Administration, Governor's Office of  
Emergency Services



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 0750-001-0001, Support, Office of the Lieutenant Governor**

**Lieutenant Governor Support Staff**—It is requested that Item 0750-001-0001 be increased by \$500,000 ongoing and 3 permanent positions to support increased workload within the Office of the Lieutenant Governor.

**Lieutenant Governor Relocation Costs**—It is also requested that Item 0750-001-0001 be increased by \$58,000 in fiscal year 2021-22. This amount would decrease to \$7,000 in 2022-23 and 2023-24. The funding will cover expenses associated with relocating the Office of the Lieutenant Governor from the Capitol Annex building to 1021 O Street in November 2021, including moving and storage 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 Aaron Edwards, Associate 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 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  
Matthew Dumlao, Chief of Staff, Office of the Lieutenant Governor



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 0820-001-0001, Support, Department of Justice**

**Firearms: Unsafe Handguns (Chapter 289, Statutes of 2020 [AB 2699])**—It is requested that Item 0820-001-0001 be increased by \$982,000 and 7 positions. This amount fluctuates in subsequent years as follows: \$912,000 in fiscal year 2022-23, \$2,875,000 in 2023-24, \$2,979,000 in 2024-25, \$1,931,000 in 2025-26, and \$778,000 in 2026-27 and ongoing. The requested resources will be used to gather information about unsafe firearms transactions involving peace officers and develop/upgrade information technology infrastructure to maintain a database of such transactions, pursuant to the mandates of AB 2699.

**Police Use of Force (Chapter 326, Statutes of 2020 [AB 1506])**—It is also requested that Item 0820-001-0001 be increased by the following amounts to support implementation of Chapter 326, Statutes of 2020 (AB 1506):

- \$522,000 and 4 positions in 2021-22. This amount decreases to \$491,000 in 2022-23 and ongoing. The requested funding will support victim advocacy and supportive services to the survivors of those killed in officer-involved shootings that are being investigated by the Department of Justice pursuant to AB 1506.
- \$1,742,000 and 10 positions in 2021-22. This amount decreases to \$1,597,000 in 2022-23 and ongoing. The requested funding will provide the Department of Justice with resources for one additional investigative unit in the southern region to conduct investigations per requirements under AB 1506.

It is further requested that provisional language be added to Item 0820-001-0001 as follows to allow the Department of Finance to provide additional funding to the Department of Justice to conduct investigations per the mandates of AB 1506 if sufficient justification is provided:

4. The Department of Finance may augment this appropriation, after review of a request submitted by the Department of Justice that includes data on actual workload demonstrating a need for additional resources to conduct investigations per the mandates of Chapter 326 of the Statutes of 2020. Any augmentation under this provision shall be authorized not sooner than either 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee or not sooner than whatever lesser time the chairperson or the chairperson's designee may determine.

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: 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  
Chris Ryan, Chief of Operations, Department of Justice



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 0840-001-0001, 0840-001-0970, and 0840-001-9740, Support, State Controller's Office**

**Continuity of Operations Program**—It is requested that Item 0840-001-0001 be increased by \$229,000 and 2 positions in fiscal year 2021-22 (\$218,000 in 2022-23 and ongoing), and Item 0840-001-0970 be increased by \$72,000 in 2021-22 (\$69,000 in 2022-23 and ongoing), to support development of the State Controller's Office Continuity of Operations Program. One position and \$154,000 in 2021-22 (\$144,000 in 2022-23 and ongoing) for this workload is included in the Governor's Budget.

**Financial Information System for California (FI\$Cal) Implementation for Annual Comprehensive Financial Report and Other Annual Reports**—It is requested that Item 0840-001-0001 be increased by \$497,000 in 2021-22 (\$487,000 in 2022-23), and Item 0840-001-9740 be increased by \$375,000 in 2021-22 (\$367,000 in 2022-23), and 6 positions to support the transition of financial reporting functions from the current Legacy system to FI\$Cal.

It is further requested that provisional language be added to Item 0840-001-0001 to conform to this action:

17. Notwithstanding any other law, of the amount appropriated in this item, \$497,000 in 2021-22 is provided on a one-time basis for the FI\$Cal implementation of the Annual Comprehensive Financial Report and other annual reports. The Department of Finance, in consultation with the State Controller's Office, will reevaluate these resources after the 2022-23 fiscal year.

It is also requested that provisional language be added to Item 0840-001-9740 to conform to this action:

1. Notwithstanding any other law, of the amount appropriated in this item, \$375,000 in 2021-22 is provided on a one-time basis for the FI\$Cal implementation of the Annual Comprehensive Financial Report and other annual reports. The Department of Finance, in consultation with the State Controller's Office, will reevaluate these resources after the 2022-23 fiscal year.

**Golden State Stimulus I and II Administrative Costs**—It is requested that provisional language be added to Item 0840-001-0001 to authorize the augmentation of this appropriation for the administrative costs of making the Golden State Stimulus I and II tax refund payments as follows:

19. The Department of Finance may augment the amount authorized under this item for the costs associated with processing and disbursing the Golden State Stimulus I and II tax refund payments. The Controller must submit a detailed schedule of costs directly related to the activities required pursuant to Section 8150 of the Welfare and Institutions Code to the Department of Finance for review and approval. Any adjustment shall not be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

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 Susan Wekanda, Principal Program Budget Analyst, at (916)445-5332.

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  
Honorable Betty Yee, State Controller  
Karen Greene Ross, Chief of Staff, State Controller's Office  
Dave O'Toole, Chief Operating Officer, State Controller's Office  
Russell Fong, Chief Administrative Officer, State Controller's Office  
Jennifer Chavez, Chief of Administration and Disbursements, State Controller's Office  
Jennifer Urban, Chief of Budgets and Accounting, State Controller's Office  
An-Vi Ching, Budget Officer, State Controller'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 0890-001-0001, Support, Secretary of State**

**Oral History Program and Preservica Subscription**—It is requested that Item 0890-001-0001 be increased by \$225,000 ongoing to reflect the shift of funding for the State Government Oral History Program and digital preservation subscription services from the State Library to the Secretary of State (SOS). The State Archives has administered the Oral History Program since 1986 and has statutory authority for the Program. However, funding for the Program resides in the State Library's budget. Each year, the SOS and State Library enter into an inter-agency agreement providing for the SOS to be reimbursed for specific projects and activities related to the Program and for the digital preservation subscription. This type of agreement requires the SOS to pay for program costs out of its existing budget, and seek reimbursement retroactively from the State Library. This funding mechanism is administratively burdensome and can delay the completion of projects. This request will permanently transfer the funding allocated for the Program and digital preservation subscription services from the State Library to the SOS. This request aligns with a corresponding reduction to the State Library's budget by an equivalent amount. It is also requested that provisional language be added to Item 0890-001-0001 to specify collaboration between the State Library and the SOS related to the Program as follows:

4. Of the amount appropriated in this item, \$150,000 shall be used for support of the State Government Oral History Program consistent with section 12233 of the Government Code, and \$75,000 for the costs of a digital preservation subscription service. Expenditure of this funding requires collaboration between the Secretary of State and the State Library on projects and activities related to the State Government Oral History Program.

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. Shirley N. Weber, Secretary of State  
Lisa Martin, Chief Deputy Secretary, Secretary of State  
Reggie Fair, Deputy Secretary of Operations, Secretary of State  
Tamara Martin, Chief, Archives Division, Secretary of State  
Maria Walton, Acting Chief, Management Services Division, Secretary of State  
Kristin Dagsher, Fiscal Affairs Bureau Chief, Management Services Division, Secretary of  
State  
Russell Vaneekhoven, Budget Officer, Management Services Division, Secretary of State



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 0911-001-0001, Support, Citizens Redistricting Commission**

**Redistricting Process, 2020 Census**—It is requested that Item 0911-001-0001 be increased by \$8,472,000 one-time to provide funding to the Citizens Redistricting Commission to complete redistricting activities related to the 2020 Census. The United States Census Bureau originally planned to deliver redistricting data to all states by March 31, 2021, but announced that it will instead deliver redistricting data to all states by September 30, 2021. This delay is projected to extend the Commission's overall redistricting activities and costs by at least two months. This request will provide the Commission with additional one-time funding to complete the necessary maps and to perform related support activities to finalize redistricting activities. Overall, this augmentation increases the Commission's total budget for the 2020 Census to \$25,194,000. It is also requested that provisional language be added to Item 0911-001-0001 to make funding available through fiscal year 2022-23, and to allow the Department of Finance to augment the Item to support extended redistricting activities related to the 2020 Census, if necessary (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: 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  
Alvaro E. Hernandez, Executive Director, California Redistricting Commission  
Alicia Fernandez, Chairperson, California Redistricting Commission  
Isra Ahmad, Vice Chairperson, California Redistricting Commission  
Marian Johnston, Legal Counsel, California Redistricting Commission  
John Fitzpatrick, Fiscal Director, Citizens Redistricting Commission

Add the following provisions to Item 0911-001-0001:

2. During the 2021-22 fiscal year, if additional costs materialize as a result of: (a) further delays in the release of United States Census data that impact the map preparation schedule for the Citizens Redistricting Commission, or: (b) litigation occurring in advance of map certification, the Commission shall submit a written request to the Director of Finance for an augmentation to the amount available for expenditure under this item to provide funding for the associated expenses of the Commission. The Director of Finance shall provide notification in writing of any augmentation granted under this provision to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider the State Budget no less than 30 days prior to the effective date of that approval, or no later than whatever lesser time prior to that effective date the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.
3. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2023. Any unexpended funds from this appropriation shall revert back to the General Fund.



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 0950-001-0001, Support, State Treasurer's Office**

It is requested that Item 0950-001-0001 be increased by \$1,222,000 one-time for the cost of relocating the State Treasurer's Office staff and building contents prior to the renovation of the Treasurer's Office building, scheduled to begin in late spring 2022. To the extent that relocation costs may exceed the amount provided, additional flexibility to augment this item is requested to ensure that relocation and construction timelines remain on schedule.

It is further requested that provisional language be added to this item as follows to conform to this action:

3. Of the amount provided in this item, \$1,222,000 is provided on a one-time basis to cover the cost of relocating staff and building contents prior to the renovation of the State Treasury Building. Notwithstanding any other law, the Director of Finance may authorize expenditures in excess of the amount provided, if deemed necessary but not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

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 Greg Bruss, Principal Program Budget Analyst, at (916) 445-5332.

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  
Honorable Fiona Ma, State Treasurer  
Genevieve Jopanda, Chief of Staff, State Treasurer's Office  
Becky Grajski, Director, Administration Division, State Treasurer's Office  
Karma Manni, Budget Officer, Administration Division, State Treasurer'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

**Addition of Budget Bill Item 0954-162-8506, Local Assistance, Scholarshare Investment Board**

It is requested that Item 0954-162-8506 be added as follows in the amount of \$2,039,494,000 one-time Coronavirus Fiscal Recovery Fund of 2021 to establish child savings accounts for all current Local Control Funding Formula unduplicated pupils, foster youth, and homeless pupils enrolled in a public school. Making child savings accounts widely available will help set underrepresented children and their families on a clearer, more direct path to affording postsecondary education, helping to address equity gaps.

It is also requested that provisional language be included in Item 0954-162-8506 as follows:

0954-162-8506—For local assistance, Scholarshare Investment Board.....2,039,494,000

Schedule:

(1) 0795-Statewide Child Savings Account Program.....2,039,494,000

Provisions:

1. The funds appropriated in this item shall be available to support child savings accounts for underrepresented and low-income public school students, addressing equity gaps and increasing opportunities for higher education, pursuant to pending legislation.

It is further requested that statutory changes be added to establish this program. Statutory changes associated with this request can be viewed at [www.dof.ca.gov](http://www.dof.ca.gov).

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 Brianna Bruns, Principal Program Budget Analyst, at (916) 445-0328.

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 John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2  
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  
Noah Lightman, Manager, Child Savings Account Initiatives, ScholarShare Investment Board  
Karma Manni, Budget Manager, Fiscal Services, State Treasurer'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

**Addition of Budget Bill Items 0985-201-0001 and 0985-220-0001, and Statutory Changes, Local Assistance, California School Finance Authority**

**Item 0985-201-0001, Local Assistance, Higher Education Student Housing (Issue 16)**—It is requested that Item 0985-201-0001 be added in the amount of \$2 billion one-time for the California School Finance Authority (CSFA) to provide grants to public higher education segments for the purpose of constructing and rehabilitating commercial properties for student housing. It is also requested that provisional language be included in this item to conform to this action (see Attachment 1).

**Item 0985-220-0001, Local Assistance, Charter School Facilities Grant Program (Issues 14 and 15)**—It is requested that Item 0985-220-0001 be increased by \$2,479,000 ongoing Proposition 98 General Fund to reflect the net effect of a decrease of \$1,349,000 ongoing Proposition 98 General Fund related to a 1.70-percent cost-of-living adjustment and to correct the estimated level from the Governor's Budget, and an increase of \$3,828,000 ongoing Proposition 98 General Fund to reflect updated projections for program participation. The Charter School Facilities Grant Program provides funding to assist charter schools in paying for rent and lease expenditures that are either serving or located in attendance areas where a notable percentage of their students qualify for free or reduced-price meals.

**Statutory Changes**

**Higher Education Student Housing Grant Program**—To conform with the requested addition of Item 0985-201-0001, it is requested that statutory changes be added to establish a grant program to allocate funding for the public higher education segments for the purpose of constructing and rehabilitating commercial properties for student housing. It is intended that the funds effectively serve as an alternative method of providing student financial aid resources by reducing student housing expenses through removal of the cost of student housing construction from the computation of student rents.

**CSFA Intercept Mechanism**—It is requested that statutory changes be added to enable CSFA to intercept state apportionment payments for California community colleges that are provided working capital from CSFA's revenue bonds.

Statutory changes for these requests can be viewed at [www.dof.ca.gov](http://www.dof.ca.gov).

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 Michelle Nguyen, Principal Program Budget Analyst, at (916) 445-0328.

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  
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Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2  
Gabriel Petek, Legislative Analyst  
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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  
Fiona Ma, California State Treasurer, State Treasurer's Office  
Genevieve Jopanda, Chief of Staff, State Treasurer's Office  
Becky Grajski, Director of Administration, State Treasurer's Office  
Karma Manni, Budget Manager, State Treasurer's Office  
Katrina Johantgen, Executive Director, California School Finance Authority

0985-201-0001—For local assistance, California School Finance Authority.....2,000,000,000

Schedule:

(1) 0938-Student Housing ..... 2,000,000,000

Provisions:

1. Funds appropriated in this item shall be used to support the construction or rehabilitation of commercial properties for student housing, pursuant to Article 1 (commencing with Section 17200) of Chapter 18 of Part 10 of Division 1 of Title 1 of the Education Code.
2. Funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2026.