

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, 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, Local Assistance, and Statutory Changes, California Department of Food and Agriculture

Carbon Sequestration Registry (SB 27)—It is requested that Item 8570-001-0001 be increased by \$125,000 one-time in 2022-23 and 1 position for the California Department of Food and Agriculture (Department) to implement Chapter 237, Statutes of 2021 (SB 27). The budget includes resources to support this effort beginning in 2023-24, but funding is needed for the Department to collaborate with relevant agencies on the Carbon Sequestration and Climate Resiliency Project Registry beginning in 2022-23.

Programmatic Environmental Impact Report Litigation Fees—It is requested that Item 8570-001-0001 be increased by \$2,275,000 one-time in 2022-23 to pay court-ordered fees associated with the Department's Programmatic Environmental Impact Report legal case. This includes funding for the Department to consult with the Attorney General's Office as it updates its Programmatic Environmental Impact Report.

Drought Resilience and Response Package: Special Assistant for Drought Response—It is requested that statutory changes be made to add Item 8570-001-3398 in the amount of \$223,000 in 2021-22 and Item 8570-001-0001 be increased by \$223,000 and 1 position ongoing beginning in 2023-24 to serve as the lead for the Department on the state's drought response, including statewide program implementation of projects related to the drought (see Attachment 1). This proposal accelerates funding to address the immediate needs of the state and aligns appropriations to the fiscal year in which the resources are available. It is also requested that provisional language be added to allow for encumbrance or expenditure of current year funding until June 30, 2023.

Continuation of the Bee Safe Program—It is requested that Item 8570-001-0001 be increased by \$477,000 ongoing and Item 8570-001-0111 be increased by \$250,000 ongoing to continue operating a statewide Bee Safe Program to promote and protect

a safe, healthy food supply through the protection of commercial honeybees. This request includes statutory changes to authorize the Department to increase the annual apiary registration fee to support program activities performed by the counties.

State Water Efficiency and Enhancement Program—It is requested that Item 8570-101-0001 be decreased by \$50 million in 2022-23, Item 8570-102-0001 be decreased by \$20 million in 2022-23, and that statutory changes be made that increases Item 8570-101-0001 by \$110 million in 2021-22 for the State Water Efficiency and Enhancement Program to help farmers reduce irrigation water use and reduce greenhouse gas emissions from agriculture pumping and aid in statewide emergency response efforts (see Attachments 2, 3, and 4). This proposal accelerates funding which enables the state to prioritize these projects moving forward at a point when the state has available resources and aligns appropriations to the fiscal year in which the resources are available. . Additionally, it is requested that Provision 1 be deleted from Item 8570-101-0001 in 2022-23, Provision 7 be deleted from Item 8570-102-0001 in 2022-23, and Provision 2 of 8570-101-0001 be modified in 2021-22 to reflect additional funding for the Program in 2021-22. It is also requested that provisional language be added to allow for encumbrance or expenditure of current year funding until June 30, 2024.

Extreme Heat: Various Investments—It is requested that Item 8570-001-0001 be increased by \$850,000 in 2022-23 and 2023-24 and Item 8570-102-0001 be increased by \$1,075,000 in 2022-23 and \$1,575,000 in 2023-24 to fund activities that mitigate extreme heat impacts consistent with Chapter 258, Statutes of 2021 (see Attachment 3). This includes funding to support small, underserved farmers in implementing integrated pest management strategies, provide technical assistance to better handle unexpected animal mortality due to extreme heat, and provide origin inspection services to ensure that pests that may thrive under increased heat conditions are excluded from entering the state. It is also requested that provisional language be added to allow for encumbrance or expenditure of local assistance funding until June 30, 2025.

Nature-Based Solutions: Healthy Soils Program—It is requested that Item 8570-102-0001 be increased by \$10 million one-time in 2022-23 for the Healthy Soils Program to incentivize the implementation of conservation management that improves soil health, sequesters carbon, and reduces greenhouse gas emissions (see Attachment 3). This Program advances multi-benefit and nature-based solutions consistent with Chapter 258, Statutes of 2021. It is also requested that provisional language be added to allow for encumbrance or expenditure of this funding until June 30, 2025.

Drought Resilience and Response Package: Drought Relief for Small Farmers—It is requested that Item 8570-102-0001 be decreased by \$5 million one-time in 2022-23 and that statutory changes be made that add Item 8570-101-3398 in the amount of \$25 million one-time in 2021-22 for drought relief for small, mid-sized, and historically underserved farmers (see Attachments 3 and 5). This proposal accelerates funding which enables the state to prioritize these projects moving forward at a point when the state has available resources and aligns appropriations to the fiscal year in which the resources are available.. Additionally, it is requested that Provision 10 be deleted from Item 8570-102-0001 in 2022-23, and that provisional language be added to allow for encumbrance or expenditure of current year funding until June 30, 2024.

Drought Resilience and Response Package: Water Efficiency Technical Assistance

Program—It is requested that statutory changes be made that add Item 8570-101-3398 in the amount of \$15 million one-time in 2021-22 for the Water Efficiency Technical Assistance Program to help growers identify and implement efficiency improvements in existing irrigation systems and aid in statewide emergency response efforts (see Attachment 5). This proposal accelerates funding which enables the state to prioritize these projects moving forward at a point when the state has available resources and aligns appropriations to the fiscal year in which the resources are available.. It is also requested that provisional language be added to allow for encumbrance or expenditure of this funding until June 30, 2024.

Reappropriation of Greenhouse Gas Reduction Funding—It is requested that Item 8570-491 be added to reappropriate the unencumbered balances of Item 8570-101-3228, Budget Act of 2017 and Item 8570-101-3228, Budget Act of 2018 for methane reductions projects until June 30, 2024 (see Attachment 6). This funding supports the Alternative Manure Management Project and the Dairy Digester Research and Development Program, which help the state meet its greenhouse gas reduction goals.

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 Chris R. Holden, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Karen Ross, Secretary, California Department of Food and Agriculture
Christine Birdsong, Undersecretary, California Department of Food and Agriculture
Kevin Masuhara, Deputy Secretary, Administration and Finance, California Department of
Food and Agriculture
Jody Lusby, Division Director, Administrative Services, California Department of Food and
Agriculture
Nathan Johnson, Budget Officer, California Department of Food and Agriculture

Statutory change to add Item 8570-001-3398 to the Budget Act of 2021:

8570-001-3398—For local assistance, Department of Food and Agriculture...223,000

Schedule:

(1) 6590-General Agricultural Activities

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2023.

Amendment to Item 8570-101-0001

"8570-101-0001—For local assistance, Department of Food and Agriculture... ~~59,010,000~~
9,010,000

Schedule:

(1) 6570-Agricultural Plant and Animal Health; Pest Prevention; Food Safety
Services...6,405,000

(2) 6580-Assistance to Fair and County Agricultural Activities...2,605,000

~~(3) 6590-General Agricultural Activities...50,000,000~~

Provisions:

~~1. The amount appropriated in Schedule (3) shall be available for the State Water Efficiency and Enhancement Program and shall be available for encumbrance or expenditure until June 30, 2024. Up to 5 percent of this amount may be used for administrative costs. No less than 5 percent and no more than \$5,000,000 shall be used for technical assistance grants pursuant to Section 570 of the Food and Agriculture Code."~~

Amend Item 8570-102-0001 as follows:

“Provisions:

~~7. Of the amount appropriated in Schedule (2), \$20,000,000 shall be available for the State Water Efficiency and Enhancement Program. This amount shall be available for encumbrance or expenditure until June 30, 2024, and liquidation until June 30, 2026.~~

~~10. Of the amount appropriated in Schedule (2), \$5,000,000 shall be available for drought relief for small farmers. This amount shall be available for encumbrance or expenditure until June 30, 2024, and liquidation until June 30, 2026.~~

13. Of the funding appropriated in Schedule (2), \$1,075,000 shall be available for integrated pest management technical assistance. This amount shall be available for encumbrance or expenditure until June 30, 2025.

14. Of the funding appropriated in Schedule (2), \$10,000,000 shall be available for the Healthy Soils Program. This amount shall be available for encumbrance or expenditure until June 30, 2025.”

Statutory changes to amend Item 8570-101-0001, Budget Act of 2021:

"8570-101-0001—For local assistance, Department of Food and Agriculture...
~~109,010,000~~ 219,010,000

Schedule:

- (1) 6570-Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services...6,405,000
- (3) 6580-Assistance to Fair and County Agricultural Activities...52,605,000
- (4) 6590-General Agricultural Activities...~~50,000,000~~ 160,000,000

Provisions:

- 2. Of the amount appropriated in Schedule (4), ~~\$50,000,000~~ \$160,000,000 shall be available for the State Water Efficiency and Enhancement Program. Up to 5 percent of this amount may be used for administrative costs. No less than 5 percent and no more than \$5,000,000 shall be used for technical assistance grants pursuant to Section 570 of the Food and Agriculture Code.
- 3. The amount appropriated in Schedule (4) shall be available for encumbrance or expenditure until June 30, ~~2023~~ 2024."

Statutory changes to add Item 8570-101-3398 to the Budget Act of 2021:

8570-101-3398—For local assistance, Department of Food and Agriculture...40,000,000

Schedule:

(1) 6590-General Agricultural Activities

Provisions:

1. Of the funding appropriated in this item, \$15,000,000 shall be available for the Water Efficiency Technical Assistance Program.
2. Of the funding appropriated in this item, \$25,000,000 shall be available for drought relief for small farmers.
3. The amount appropriated in this item shall be available for state operations or local assistance and shall be available for encumbrance or expenditure until June 30, 2024. Up to 5 percent of this item may be used for administrative costs.

8570-491—Reappropriation, Department of Food and Agriculture. The amounts specified in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2024:

3228-Greenhouse Gas Reduction Fund

- (1) Item 8570-101-3228, Budget Act of 2017, as reappropriated by Item 8570-491, Budget Act of 2021
- (2) Item 8570-101-3228, Budget Act of 2018, as reappropriated by Item 8570-492, Budget Act of 2021

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Energy Package: Residential Solar and Storage—It is requested that Item 8660-002-0001 be added in the amount of \$48.5 million in fiscal year 2022-23 and \$48.5 in 2023-24, and Item 8660-102-0001 be added in the amount of \$21.5 million in 2022-23 and \$851.5 million in 2023-24 to support a new sector in the Self Generative Incentive Program that will provide residential solar and storage system incentives for low-income households and storage-only incentives. This proposal is part of the Administration's Energy Reliability, Relief and Clean Energy Package. Statutory language for this proposal is forthcoming (see Attachment 1 and 2).

Energy Package: Capacity Building Grants—It is requested that Item 8660-001-0001 be added in the amount of \$30 million to provide capacity grants to community-based organizations that conduct outreach and technical assistance to foster participation in commission decision-making processes, support ongoing equity initiatives, and provide clean energy access opportunities. This proposal is part of the Administration's Energy Reliability, Relief and Clean Energy Package (see Attachment 3).

Universal Lifeline Telephone Service Program (California LifeLine Program)—It is requested that Item 8660-001-0471 be increased by \$901,000 ongoing and Item 8660-101-0471 be decreased by \$9,782,000 ongoing to reflect new caseload projections and an extension of COVID-19 Pandemic service protections through June 30, 2022.

Energy Package: Removal of the Fixed Charge Cap—It is requested that Statutory Changes be added to remove the current statutory cap on fixed charges that may be assessed by the CPUC on the electric investor-owned utilities' default residential electric

rate tariffs. This proposal is part of the Administration's Energy Reliability, Relief and Clean Energy Package. Statutory language for this proposal is forthcoming.

Energy Package: Energy Data Sharing—It is requested that Statutory Changes be added to allow the CPUC to share data with the California Independent System Operator to help with planning and reliability efforts. This proposal is part of the Administration's Energy Reliability, Relief and Clean Energy Package. Statutory language for this proposal is forthcoming.

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 Teresa Calvert, Program Budget Manager, 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 Chris R. Holden, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Director, California Public Utilities Commission
Harsh Thakar, Budget Officer, California Public Utilities Commission

8660-002-0001—For support of Public Utilities Commission.....48,500,000

Schedule:

(1) 6680055-Energy.....\$48,500,000

Provisions:

1. The funds appropriated in this item shall be used by the Public Utilities Commission for administrative costs for the purposes of section 379.10 of the Public Utilities Code. The funds shall be available for encumbrance or expenditure by the Public Utilities Commission until June 30, 2025, and shall be available for liquidation until June 30, 2027.

8660-102-0001—For support of Public Utilities Commission21,500,000

Schedule:

(1) 6680055-Energy.....\$21,500,000

Provisions:

1. The funds appropriated in this item shall be used by the Public Utilities Commission for the purposes of section 379.10 of the Public Utilities Code. The funds shall be available for encumbrance or expenditure by the Public Utilities Commission until June 30, 2025, and shall be available for liquidation until June 30, 2027.

8660-001-0001—For support of Public Utilities Commission30,000,000

Schedule:

(1) 6680055-Energy.....\$30,000,000

Provisions:

1. The funds appropriated in this item shall be used by the Public Utilities Commission for capacity grants to community-based organizations that conduct outreach and obtain technical assistance for participation in commission decision-making processes and supporting activities and that support ongoing equity initiatives and provide clean energy access opportunities to tribes, as defined pursuant to Section 21073 of the Public Resources Code, and other underrepresented communities. The funds shall be available for encumbrance or expenditure by the Public Utilities Commission until June 30, 2025, and shall be available for liquidation until June 30, 2027.

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Items 8860-001-0001, Reimbursements and 8860-001-9740,
Support, Department of Finance**

It is requested that Item 8860-001-0001 be increased by \$6,046,000 and 33 positions and be amended by decreasing reimbursements by \$4,376,000 and 22 positions, and Item 8860-001-9740 be increased by \$4,552,000 and 17 positions to add and realign resources to support the creation of four new units. These new units will address increased workload associated with recent growth in the state's budget and programs.

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 Richard Gillihan, Chief Operating Officer, at (916) 445-4923.

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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Sydney K. Kamlager, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

California Cadet Corps Restoration—It is requested that Item 8940-001-0001 be increased by \$3,074,000 and 5 positions in 2022-23, and \$4,254,000 and 10 positions annually thereafter, to expand the California Military Department's California Cadet Corps program. This request will increase program participation from 90 schools and 6,000 students to 135 schools and 9,095 students by 2026-27.

Drug Interdiction Efforts Update—It is requested that Item 8940-001-0001 be decreased by \$5 million in 2022-23 and increased by \$15 million in 2023-24 to modify the Governor's Budget proposal to expand the California Military Department's drug interdiction efforts. This adjustment changes the total one-time investment from \$20 million to \$30 million, to be spent over two years instead of one year. This proposal bolsters the Department's existing efforts to prevent drug-trafficking transnational criminal organizations throughout the state, with a particular focus on assisting federal, state, local, and tribal law enforcement agencies in combatting fentanyl.

Lease Revenue Debt Service Adjustment—It is requested that Item 8940-003-0001 be eliminated to represent a decrease of \$9,621,000, as planned lease-revenue debt service authority is no longer necessary due to the removal of the Consolidated Headquarters Project from future lease-revenue bond sales.

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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Sydney K. Kamlager, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Major General Stephen S. Baldwin, California Military Department
Lieutenant Colonel Adam Rix, Comptroller, California Military Department
Ajit Bindra, Budget Officer, California Military Department

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 8955-001-0001, Support, and Addition of
Item 8955-102-0001, Local Assistance, and Item 8955-493, Support, California
Department of Veterans Affairs**

California Veteran Health Initiative—It is requested that Item 8955-001-0001 be increased by \$10 million one-time and Item 8955-102-0001 be added in the amount of \$40 million one-time for the California Veteran Health Initiative to support veteran mental health and suicide awareness, treatment, and research. It is requested that provisional language be added to Item 8955-001-0001 to allow the funding to be spent for up to three years, and to specify that the funding shall be used for education and outreach about veteran mental health and to establish a multidisciplinary team of professionals and stakeholders to identify, collect, analyze, and assess veteran mental health and suicide (see Attachment 1). It is also requested that provisional language be included with Item 8955-102-0001 to specify that the funding shall be used for competitive grants to existing veteran service providers, to allow the funding to be spent for up to three years and to be transferred to the Certified Veteran Service Provider Program Fund (see Attachment 2).

Settlement Costs—It is requested that Item 8955-001-0001 be increased by \$51 million one-time to pay for settlement costs at the Veterans Home of California, Yountville related to the 2018 shooting. It is requested that provisional language be added to Item 8955-001-0001 to specify the funding can only be used for these purposes (see Attachment 3).

Reappropriation for Restroom ADA Upgrades—It is requested that Item 8955-493 be added to reappropriate \$500,000 General Fund from the 2018 Budget to provide CalVet additional time to complete restroom ADA upgrades at the Veterans Home of California, Yountville (see Attachment 4).

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

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

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Sydney K. Kamlager, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Dr. Vito Imbasciani, Secretary, Department of Veterans Affairs
Patty Ingram, Assistant Deputy Secretary, Budget Operations, Department of Veterans
Affairs

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

3. Of the amount provided in this Item, \$5,000,000 shall be used to provide education and outreach regarding veteran mental health and suicide, and \$5,000,000 shall be used to establish a multidisciplinary team of professionals and stakeholders to identify, collect, analyze, and assess veteran mental health and suicide. These funds shall be available for encumbrance or expenditure until June 30, 2025.

8955-102-0001—For local assistance, Department of Veterans Affairs...\$40,000,000

Schedule:

(1) 6995037-Veteran Services Grant Support....\$40,000,000

Provisions:

1. The funds appropriated in this item shall be used for grants to veteran service providers to expand the state's capacity to provide mental health support to veterans and to fill gaps in mental health services.
 - (a) The California Department of Veterans Affairs will award grants on a competitive basis.
 - (b) Applicants must be an existing certified veteran service provider to be eligible.
 - (c) Applicants will be required to provide a description of the proposed activities and how the proposed activities would advance or bolster mental health support for California veterans.
 - (d) Grantees will receive funds for up to three years. Grantees will receive the full amount of funding for their awarded grant in the first year, 75 percent of the grant in the second year, and 50 percent of the grant in the third year. It is expected that grantees make up the difference in funding from different funding sources.
2. Up to 5 percent of the funds appropriated in this item may be used for administrative costs.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025.
4. Upon order of the Department of Finance, the funds available in this item are available for transfer to the Certified Veteran Service Provider Program Fund. If transferred, the funds retain the available administrative costs provided in Provision 2 and the encumbrance and expenditure period provided in Provision 3.

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

4. Of the amount provided in this Item, \$51,000,000 shall be used to pay for settlement costs. Any excess funds not used for this purpose shall revert to the General Fund.

8955-493—Reappropriation, Department of Veterans Affairs. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2023:

0001—General Fund

(1) Up to \$500,000 in Item 8955-001-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018), as reappropriated by Item 8955-490, Budget Act of 2021 (Ch. 21, Stats. 2021).

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 8955-301-0001 and Addition of Items 8955-491 and 8955-496, Capital Outlay, Department of Veterans Affairs

California Construction Cost Index Increase-Construction—It is requested that Item 8955-301-0001 be increased in the amount of \$160,000 one-time for the Northern California Veterans Cemetery, Igo: Columbaria Expansion project that is proposed for construction funding in 2022-23. The national construction market has experienced significant inflation since 2021. The California Construction Cost index, which is the metric the state uses to track overall construction prices, has increased by approximately 10 percent since the Governor's Budget and 25 percent for capital projects that were proposed in the 2021-22 budget. This request will address the cost increases resulting from these inflationary pressures to ensure projects can proceed to the construction phase with adequate funding.

Veterans Home of California, Yountville: Steam Distribution System Renovation—It is requested that Item 8955-301-0001 be increased by \$39,195,000 (\$439,000 for Working Drawings and \$38,756,000 for Construction) one-time for the Steam Distribution System Renovation project at Yountville. This project received construction bids in 2021 that were significantly higher than the state's initial estimate, largely due to the volatility in the construction market. This request will provide adequate funding to allow this important infrastructure project to proceed (See Attachment 1).

It is further requested that Item 8955-491 be added to provide for an extension of the liquidation period for Working Drawings funds appropriated in the 2017 Budget Act for this project (See Attachment 2). It is further requested that Item 8955-496 be added to revert existing construction authority (See Attachment 3). These technical adjustments are requested to reflect the revised construction costs described in the preceding paragraph.

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

If you have any questions or need additional information regarding this matter, please call Barbara Taylor, Principal Program Budget Analyst, at (916) 445-9694.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
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Honorable Sydney K. Kamlager, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Keith Boylan, Deputy Secretary, Veterans Services Division, California Department of
Veterans Affairs
David R. Gerard, Assistant Deputy Secretary, California Department of Veterans Affairs
Jennifer Stewart, Manager, Capital Outlay program, California Department of Veterans
Affairs

"8955-301-0001—For capital outlay, Department of Veterans
Affairs..... ~~2,154,000~~ 41,509,000

Schedule:

(1) 0006766-Northern California Veterans Cemetery, Igo:
Columbaria Expansion.....~~2,154,000~~ 2,314,000

(a) Construction.....~~2,154,000~~ 2,314,000

(2) 0000626- Veterans Home of California, Yountville: Steam Distribution System
Renovation..... 39,195,000

(a) Working Drawings.....439,000

(b) Construction..... 38,756,000 "

Attachment 2

8955-491—Reappropriation, Department of Veterans Affairs. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended as specified below.

0668—Public Buildings Construction Fund Subaccount

(1) \$1,080,000 in Item 8955-310-0668, Budget Act of 2017 (Ch.14, Stats of 2017), until June 30, 2023.

8955-496—Reversion, Department of Veterans Affairs. As of June 30, 2022, the unencumbered balances of appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0660—Public Buildings Construction Fund

(1) Item 8955-301-0660, Budget Act of 2020 (Ch. 40, Stats. 2020)

- (1) 0000626-Veterans Home of California, Yountville: Steam Distribution System Renovation
 - (a) Construction

0890—Federal Trust Fund

(1) Item 8955-301-0890, Budget Act of 2020 (Ch. 6, Stats. 2020)

- (1) 0000626-Veterans Home of California, Yountville: Steam Distribution System Renovation
 - (a) Construction

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Statutory Changes, Local Assistance, Tax Relief

It is requested that statutory changes be made to transfer \$11,500,000,000 one-time General Fund, to the Tax Relief Fund to provide a one-time gas tax relief refund of \$400 to each eligible owner of a registered vehicle, subject to certain parameters.

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

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

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: 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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Sydney K. Kamlager, 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 9285-102-0001, Local Assistance, Trial Court Security – Court Construction

Central Justice Center Trial Court Security—It is requested that Item 9285-102-0001 be added to provide \$534,000 in 2022-23, and \$533,000 in 2023-24 and 2024-25, to address security costs for an existing facility modification project in the Central Justice Center of the Orange County Superior Court. This request is necessary to provide resources to the Orange County Sheriff's Department to secure swing space where staff will be temporarily relocated while renovations are completed. It is also requested that provisional language be added to specify the use of the funds for this purpose and to require the State Controller's Office to allocate these funds based on a schedule provided by the Department of Finance (see Attachment 1).

The effect of my requested actions are reflected on the attachment.

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

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

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cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
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Honorable Chris R. Holden, 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 Christina 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
Katja Townsend, Capitol Director, Assembly Republican Leader's Office

9285-102-0001—For local assistance, payment to counties for Trial Court Security—Court Construction, to be allocated by the Controller.....534,000

Schedule:

(1) 7580-Trial Court Security534,000

Provisions:

1. Notwithstanding Government Code section 69927, the amount appropriated in this item shall be provided to the Orange County Sheriff's Department for security costs related to the facility modification project in the Central Justice Center of the Superior Court of Orange County.
2. The amount appropriated in this item shall be allocated by the Controller according to a schedule provided by the Department of Finance. The Controller shall make the payment to the county within 30 days of receipt of the allocation schedule provided by the Department of Finance.

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to Various Budget Bill Items, Support, Employee Compensation

Augmentation for Employee Compensation: May Revision Employee Compensation

Adjustments—It is requested that Item 9800-001-0001 be increased by \$132,202,000 in fiscal year 2022-23 and \$70,467,000 ongoing, Item 9800-001-0494 be increased by \$57,223,000 in 2022-23 and \$48,569,000 ongoing, and Item 9800-001-0988 be increased by \$28,185,000 in 2022-23 and \$23,922,000 ongoing, to reflect collectively bargained pay increases, updated health and dental rates, increased enrollment in health and dental plans, and a change in the Top 4 Health Plan composition. Additionally, while these figures include estimated health premium rates, we note final health rates are not expected to be adopted by the California Public Employees' Retirement System (CalPERS) Board of Administration until summer 2022.

Augmentation for CSU Health Benefits for Retired Annuitants: Updates to Projections

Based on Retirement and Usage Experience—It is requested that Item 6645-001-0001 be decreased by \$47,276,000 ongoing to reflect updated retirement projections since Governor's Budget. The decrease is a function of lower-than-expected retirements and updated enrollment information.

Augmentation for Health and Dental Benefits for Annuitants: 2023 Health Rate Estimate

Reduction—It is requested that Item 9650-001-0001 be decreased by \$281,722,000 ongoing to reflect updated retirement projections since Governor's Budget. The decrease is a function of lower-than-expected retirements and updated enrollment information.

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: 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 Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
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Honorable Sydney K. Kamlager, Chair, Senate Budget and Fiscal Review Subcommittee
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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Justyn Howard, Deputy Secretary of Fiscal Policy and Administration, Government
Operations Agency
Eraina Ortega, Director, Department of Human Resources
Anthony Crawford, Chief, Financial Management Division, Department of Human
Resources
Stephan Higginbotham, Manager, Financial Management Division, Department of Human
Resources