



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).



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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
Attention: Joseph Shinstock, Fiscal Director
Honorable Sydney K. Kamlager, Chair, Senate Budget and Fiscal Review Subcommittee
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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



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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

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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