



**2010-11
Budget Conference Committee
on AB 190**

Upon Call of the Chair – Room 4203

**Section II
GENERAL GOVERNMENT**

**Senator Denise Moreno Ducheny, Chair
Assemblymember Bob Blumenfield, Vice Chair
Members: Senator Bob Dutton, Senator Bob Huff, Senator Mark Leno, Senator Alan Lowenthal,
Assemblymember Connie Conway, Assemblymember Felipe Fuentes, Assemblymember Jim Nielsen, and Assemblymember Nancy Skinner**

Table of Contents

<u>Item #</u>	<u>Title</u>	<u>Page</u>
1110	Department of Consumer Affairs.....	1
0650	Office of Planning and Research	4
8855	Bureau of State Audits.....	5
2240	Department of Housing and Community Development.....	6
8850	Public Works Board	8
0559	Labor and Workforce Development Agency	
7350	Department of Industrial Relations	9
7100	Employment Development Department	10
7350	Department of Industrial Relations	14
8955	Department of Veterans Affairs	16
9650	Health and Dental Benefits for Annuitants	19
9800	Augmentation for Employee Compensation	20
Control Section 3.60	Contribution to Public Employees' Retirement Benefits.....	21

1110	Department of Consumer Affairs	Section II	
Issue	Description	Difference (dollars in thousands)	Conference Action

1110-001-0000 Department of Consumer Affairs

100	Consumer Protection Enforcement Initiative (CPEI)	Assembly AAB	
	Governor: The Governor’s budget proposed 107 PY for \$12.7 million to implement CPEI in 2010-11, to grow to 138 PY in 2011-12; trailer bill language, and budget bill language.	Senate \$8,805	
	Assembly: Approved positions as budgeted, approved modified budget bill language, and rejected trailer bill language.	Difference \$3,965 from special funds	
	Senate: Approved 70 PY, approved modified budget bill language (same language as Assembly approved), and rejected trailer bill language.		

1110	Department of Consumer Affairs	Section II	
Issue	Description	Difference (dollars in thousands)	Conference Action

1110-001-0773 Department of Consumer Affairs

126	Board of Behavioral Sciences: Licensed Professional Clinical Counselors	Assembly AAB	
	Governor: The Governor’s budget proposes 6 PY and \$1,079,000 from special funds in 2010-11, to grow to 12 PY and \$1,418,000 in 2011-12. The funds are for the workload to address SB 788 (Wyland, 2009) which requires licensing of professional clinical counselors.	Senate \$731	
	Assembly: Approved as budgeted.	Difference \$348 and 3.5 PY in 2010-11; and 7 PY in 2011-12	
	Senate: Approved five positions and \$731,000 from special funds.		

1110	Department of Consumer Affairs	Section II	
Issue	Description	Difference (dollars in thousands)	Conference Action

1111-002-0305 Department of Consumer Affairs

128	Bureau for Private Postsecondary Education	Assembly Approved positions, BBL, and TBL
	Governor: The Governor’s budget proposes \$8.7 million from special funds and 67.4 PY to start the Bureau for Private Postsecondary Education, which sunset in 2008.	
	Assembly: Approved funding and positions, and approved budget bill language and trailer bill language.	Senate Approved 60 PY and \$8,052
	Senate: Approved 60 PY and \$8,052,000 from special funds.	
		Difference \$687 BBL and TBL

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

0650-001-0001 Office of Planning and Research

101 **Elimination of the Office of Planning and Research (OPR)** Assembly
\$571

Governor proposed to eliminate OPR, retaining 57.1 positions in new locations and eliminating 33.9 positions, thereby generating \$571,000 GF savings. Senate
\$27

Assembly denied the Governor's request and instead deferred to the policy process where several bills related to OPR are pending. Difference
\$544

Senate denied the elimination of OPR, but approved the elimination of 30.9 positions (28.9 positions from the Governor's proposal plus two additional positions the Governor proposed to retain in new locations) for GF savings of \$544,000.

Issue	Description	Difference <small>(dollars in thousands)</small>	Conference Action
--------------	--------------------	--	--------------------------

8855-001-0001 Bureau of State Audits
8955-502-0126
8955-598-0126

301	State Auditor Monitoring of High-Risk, High-Cost Information Technology (IT) Contracts Governor did not propose this item. Assembly Adopted placeholder TBL and \$1,000 placeholder appropriation to expand the role of the Bureau of State Audits in monitoring high-risk, high-cost IT contracts. Senate took no action on this item.	Assembly \$1 TBL Senate \$0 Difference \$1 TBL	
-----	--	---	--

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

2240-001-0001 Department of Housing and Community Development
 2240-001-0648
 2240-011-0985

202	Emergency Housing Assistance Program	Assembly	
	Governor proposed a transfer of \$4.2 million in Emergency Housing Assistance Program (EHAP) funding to the GF.	\$4,177 (GF)	
	Assembly rejected the transfer and adopted BBL to: (1) restart the EHAP program by directing HCD to issue a notice of funding availability; and (2) require HCD to notify the Legislature by February 1 of each year of any programs under its jurisdiction for which funding is available but the programs are not operated.	BBL	
	Senate approved the Governor's request.	Senate	
		\$0	
		Difference	
		\$4,177 (GF)	
		BBL	

2240-101-6069 Department of Housing and Community Development

204	Infill Infrastructure Grant Program Fund Availability	Assembly	
	Governor did not propose this item.	\$9,506 (bond funds) BBL	
	Assembly appropriated: (1) \$3.686 million to the Infill Infrastructure Grant Program and adopted BBL to authorize HCD to allocate the funding pursuant to an existing Notice of Funding Availability; and (2) \$5.82 million to the California Recycle Underutilized Sites program and adopted BBL to allocate the funding pursuant to an existing loan and grant program as specified by statute.	Senate \$9,275 (bond funds) BBL	
	Senate appropriated \$9.275 million for the Infill Infrastructure Grant Program and adopted BBL to authorize HCD to allocate the funding pursuant to an existing Notice of Funding Availability.	Difference \$231 (bond funds) BBL	

8850-801-0660 Public Works Board

301 **Proposed TBL: Capitol Outlay Oversight and Asset Transfers as an Interim Financing Mechanism** Assembly
\$0
TBL

Governor proposed TBL to: (1) enact technical, clarifying, and streamlining statutory changes related to the State Public Works Board (PWB) oversight of capital outlay projects; and (2) authorize the PWB’s use of asset transfers as an interim financing mechanism for lease-revenue bond financed projects. Senate
\$0
TBL

Assembly referred the entire TBL to policy committee for analysis and recommendation. Difference
\$0
TBL

Senate approved the technical, clarifying, and streamlining TBL changes related to project oversight but referred the asset transfers TBL to policy committee for analysis and recommendation by June 5.

0559 Labor and Workforce Development Agency
7350 Department of Industrial Relations

Section II

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

0559-001-0001 Labor and Workforce Development Agency
7350-001-0001 Department of Industrial Relations

101	Economic and Employment Enforcement Coalition	Assembly \$0	
	<p>Governor proposed making the Economic and Employment Enforcement Coalition permanent, including one position at LWDA and 29 positions at DIR. (The EEEEC is also comprised of 11 positions at the Contractors State Licensing Board and 25 positions at the Employment Development Department, all of which the Governor also proposed making permanent.)</p>	Senate \$0	
		Difference Positions limited-term	

Assembly approved making the positions at EDD and CLSB permanent, but denied making the positions at LWDA and DIR permanent and instead continued those positions as limited-term for one additional year.

Senate approved the Governor's request.

7100 Employment Development Department

Section II

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

7100-001-0001 Employment Development Department

000	Unemployment Compensation Disability Insurance Fund Loan	Assembly \$500,000	
-----	---	-----------------------	--

	Governor proposed a Jobs Initiative for training and incentive payments funded by a \$500 million loan from the Disability Insurance Fund.	Senate \$0	
--	---	---------------	--

	Assembly denied the Governor's Jobs Initiative, but borrowed \$500 million from the Disability Insurance Fund to establish the Jobs and Economic Security Fund.	Difference \$500,000 Expenditure authority	
--	--	---	--

Senate denied the Governor's request.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

**7100-001-0869 Employment Development Department
7100-001-0890; 7100-021-0890; 7100-101-0869; 7100-101-0890**

212	April Revision – Workforce Investment Act (WIA) Budget Year Adjustments	Assembly \$0	
-----	--	-----------------	--

<p>Governor proposed a decrease of \$9.9 million state support and \$13.9 million local assistance in budget year adjustments necessary to align the authority reflected in the Governor’s Budget with the State WIA allotment for the 2010-11 fiscal year.</p>	Senate \$0
--	---------------

<p>Assembly approved the adjustments as proposed to place this item into Conference.</p>	Difference \$0 Expenditure authority
---	---

Senate approved the budget adjustments but withheld approval on the specific allocations in the Administration’s expenditure plan for the 15 percent discretionary funds to place this item into Conference.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

7100-001-0870 Employment Development Department

201	Unemployment Compensation Modernization Projects: Single Client Database (SCDB) and Alternate Base Period (ABP) Subprojects	Assembly \$0	
-----	--	-----------------	--

Governor proposed \$25.8 million (\$11.1 million Unemployment Fund and redirection of \$14.7 million Unemployment Administration Fund), 123 new positions, and 33 existing positions for 2010-11 for the SCDB and ABP subproject activities including programming modifications and project implementation.

Senate
 -\$(unknown)
 TBL
 BBL

Assembly approved the Governor’s request.

Difference
 -\$(unknown)
 TBL
 BBL

Senate adopted TBL to extend the current statutory deadline for completion of the ABP subproject by five months, from April 3, 2011, to September 3, 2011, which will result in a revised 2010-11 costing for the SCDB and ABP subprojects. This issue also includes Senate adoption of BBL for the California Unemployment Insurance Appeals Board that was inadvertently omitted from the budget language sheets with the Finance letter for this item. This latter issue is a technical issue.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

7100-001-0870 Employment Development Department

302	Revision to the Provisional Language for the Automated Collection Enhancement System (ACES)	Assembly \$0	
-----	--	-----------------	--

Governor proposed BBL authorizing the Director of Finance to reduce the ACES project GF appropriation should increased revenues through 2010-11 not fully recoup the state’s sunk costs in this project.	Senate \$0 BBL
---	----------------------

Assembly approved the Governor’s request.	Difference BBL
--	-------------------

Senate revised the BBL to include notification to the JLBC should the Director of Finance reduce the GF appropriation.

7350	Department of Industrial Relations	Section II	
Issue	Description	Difference (dollars in thousands)	Conference Action

7350-001-0001 Department of Industrial Relations

102	Apprenticeship Public Works Law Enforcement	Assembly \$0	
	Governor proposed 2.4 positions and \$275,000 (Apprenticeship Training Contribution Fund) and ongoing to enforce apprenticeship labor code requirements on public works projects.	Senate \$0	
	Assembly approved the positions but converted them to one-year limited-term positions.	Difference Positions limited-term	
	Senate approved the Governor's request.		

Issue	Description	Difference <small>(dollars in thousands)</small>	Conference Action
--------------	--------------------	--	--------------------------

7350-001-0001 Department of Industrial Relations

301	Eliminate Prevailing Wage Survey in the Central Valley	Assembly -\$798 (GF) BBL	
-----	---	--------------------------------	--

Governor did not propose this item.

Assembly eliminated \$798,000 GF, which would have funded a prevailing wage survey in the Central Valley, and adopted BBL to specify that no funds may be spent for a Central Valley prevailing wage survey.

Senate
-\$798 (GF)

Difference
\$0
BBL

Senate eliminated \$798,000 GF, which would have funded a prevailing wage survey in the Central Valley, but did not adopt any BBL.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8955-101-0001 Department of Veterans Affairs
8955-102-0083

251 303	Operation Welcome Home	Assembly \$8,400 (GF)	
------------	-------------------------------	--------------------------	--

See also issue 301	Governor proposed to implement and sustain Operation Welcome Home with an increase of \$8.4 million GF to supplement existing local assistance funding to county veteran service offices (CVSOs); and (2) a one-time Veterans Service Office Fund augmentation of \$768,000 to be spent over three years to implement the Subvention Administrative Information System, a common veteran case management application in CVSOs.	BBL SRL	
-----------------------------	---	------------	--

		Senate \$0	
--	--	---------------	--

		Difference \$8,400 (GF)	
--	--	----------------------------	--

		BBL SRL	
--	--	------------	--

Assembly approved the Governor's request and (1) BBL requiring, prior to expenditure of the \$8.4 million, the CDVA to provide notification to the JLBC on specified performance measures, grant criteria, reporting mechanisms, and coordination of CVSO personnel and (2) SRL requiring the CDVA to report annually to the Legislature on progress CVSOs and veteran service organizations have made in complying with the goals and objectives required by the BBL.

Senate withheld action on the Governor's request.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8955-101-0001 Department of Veterans Affairs

301	Revenue from Rector Creek Dam Reservoir Surplus Water Sales and Vintner's Golf Course Lease	Assembly \$0	
See also	Renegotiation	BBL, TBL, SRL	
issues	Governor did not propose this item.		
251		Senate	
and	Assembly approved: (1) TBL authorizing the CDVA to	\$0	
252	sell surplus water from the Rector Creek Reservoir; (2)		
	BBL specifying that the revenue from the sale of surplus	Difference	
	water from the Rector Creek Reservoir or the	\$0	
	renegotiation of the Vintner's Golf Course Lease shall be	BBL, TBL,	
	used to augment funding for County Veteran Service	SRL	
	Offices or the Pathway Home; and (3) SRL requiring the		
	CDVA to report for the prior three years on water usage,		
	buyer inquiries, and the Rector Creek Reservoir.		

Senate took no action on this item.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

8955-102-0001 Department of Veterans Affairs

252	Pathway Home Budget Bill Language	Assembly \$1,300	
-----	--	---------------------	--

See also issue 301	Governor proposed BBL to provide up to \$1.3 million General Fund to the Pathway Home upon the approval of DOF and upon sufficient reporting that the Pathway Home has been unable to secure alternative funding.	Senate \$3 BBL	
--------------------	--	----------------------	--

Assembly approved the Governor's request.	Difference \$1,000	
--	-----------------------	--

Senate approved modified BBL to specify that the DOF may authorize a bridge loan of up to \$300,000 GF to the Pathway Home upon sufficient documentation that the Pathway Home has secured non-state funding for its continued operation and needs the bridge loan for cash flow purposes until it has received the non-state funding.	BBL	
---	-----	--

Issue	Description	Difference <small>(dollars in thousands)</small>	Conference Action
--------------	--------------------	--	--------------------------

9650-001-0001 Health and Dental Benefits for Annuitants

501	<p>Health and Dental Premium Rate Update</p> <p>Governor proposed what were essentially placeholder estimates for health benefits premiums for retired state employees.</p> <p>Assembly approved the Governor’s request.</p> <p>Senate made a technical budget reduction to put this item into Conference so it can be further revised to conform to final healthcare rates to be adopted by CalPERS in mid-June.</p>	<p>Assembly \$0</p> <p>Senate -\$1</p> <p>Difference \$1</p>
-----	---	--

Issue	Description	Difference <small>(dollars in thousands)</small>		Conference Action
--------------	--------------------	--	--	--------------------------

9800-001-0001 Augmentation for Employee Compensation
9800-001-0494
9800-001-0988

401	Health and Dental Premium Rate Update	Assembly -\$1
-----	--	------------------

<p>Governor proposed what were essentially placeholder estimates for health benefits premiums for active state employees.</p>	Senate \$0
--	---------------

<p>Assembly made technical budget reductions to put these items into Conference so they can be further revised to conform to final healthcare rates to be adopted by CalPERS in mid-June.</p>	Difference \$1
--	-------------------

Senate approved the Governor's request.

Issue	Description	Difference (dollars in thousands)	Conference Action
-------	-------------	--------------------------------------	-------------------

Control Section 3.60 Contribution to Public Employees' Retirement Benefits

401	<p>Final State Employer Pension Contribution Rates to be Adopted by CalPERS</p> <p>Governor proposed baseline increases in state spending for pension contributions to be adjusted once CalPERS adopted final contribution rates. On May 19, 2010, CalPERS adopted a final rate for Judges Retirement System II (JRS II), but deferred action on other employee classifications until its June 2010 meeting.</p> <p>Assembly adopted the updated JRS II rate to put this control section into conference.</p> <p>Senate took no action to ensure this control section was put into conference.</p>	<p>Assembly \$7,800 (GF) non-budget act spending</p> <p>Senate \$0</p> <p>Difference \$7,800 (GF) non-budget act spending</p>	
-----	--	---	--