

# SUBCOMMITTEE NO. 4

# Agenda

Senator Richard D. Roth, Chair  
Senator Steven M. Glazer  
Senator Janet Nguyen  
Senator Richard Pan



Thursday, May 19, 2016  
9:30 a.m. or Upon Adjournment of Floor Session  
State Capitol - Room 2040

Consultant: Samantha Lui

## PART A

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**ISSUES PROPOSED FOR VOTE-ONLY****(MULTIPLE DEPARTMENTS)****Issue 1: TBL – General Administration Costs (Pro Rata)**

**Governor’s Budget.** The budget proposes trailer bill language to simplify the budgeting and accounting processes for the recovery of statewide central administrative costs, by charging directly at the fund level, rather than through each individual appropriation. Charging at the fund level eliminates layers of budgeting and accounting steps while ensuring a fair share of costs will be recovered from other funds. The language includes technical clarifications, such as eliminating duplicative phrases, and authorizes Department of Finance to allocate and charge costs to the fund directly.

**Background.** Central service agencies, such as the Department of Finance, the State Treasurer, the State Controller, provide budgeting, banking, accounting, payroll, and other services to all state departments. The Pro Rata process apportions the costs of providing these central administrative services to all state departments and funding sources that benefit from these services. Amounts apportioned to funds for their fair share of these costs are currently charged at the appropriation level.

**Staff Comment.** Adopt placeholder trailer bill language, allowing for technical modifications during the drafting process and consistent with the intent. Conform placeholder trailer bill with the action related to the proposed Department of Financial Information System for California.

**1111 DEPARTMENT OF CONSUMER AFFAIRS****Issue 1: BCP – Department of Justice (SB 467)**

**Budget.** The department requests \$1.3 million (special funds) in state operations in the budget year, and ongoing, to support the Department of Justice’s budget for increased staffing needs to implement Senate Bill 467 (Hill), Chapter of 656, Statutes of 2015. The request provides the boards and bureaus the budget authority to reimburse DOJ for the cost to implement this reporting requirement. Approximately \$1.3 million will be collected from the following boards and bureaus, in specified amounts, detailed below:

<b>Program Name</b>	<b>Amount (in thousands)</b>
Board of Accountancy	\$31
Board of Behavioral Science	\$37
Board of Barbering and Cosmetology	\$28
Acupuncture Board	\$7
Physical Therapy Board of CA	\$27
Physician Assistant Board	\$14
Board of Psychology	\$29
Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	\$6
CA Board of Occupational Therapy	\$4
State Board of Optometry	\$8
CA State Board of Pharmacy	\$75
Bureau of Real Estate Appraisers	\$12
Professional Fiduciaries Bureau	\$1
CA Architects Board	\$1
Landscape Architects Committee	\$1
State Athletic Commission	\$3
Contractors’ State License Board	\$120
Medical Board of CA	\$577
Osteopathic Medical Board	\$13
Board for Professional Engineers and Land Surveyors	\$25
Geology and Geophysicists Program	\$1
Vocational Nurses Program	\$68
Psychiatric Tech. Program	\$17
Private Investigators Program	\$2
Electronic and Appliance Repair	\$2
Automotive Repair and Smog Check Programs	\$151
Cemetery Program	\$2
Funeral Directors and Embalmers Program	\$22
<b>Total</b>	<b>\$1,284</b>

This request is a companion to the corresponding Department of Justice (DOJ) request for \$1.3 million (Legal Services Revolving Fund) in the budget year, and ongoing, for ten senior legal analyst positions.

**Staff Comment.** The subcommittee considered this item during its May 5, 2016, hearing.

**Staff Recommendation.** Approve as requested. Adopt necessary conforming changes to the DOJ budget for the proposal.

<b>Issue 2: BCP – Attorney General Staffing</b>
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**Governor’s Budget.** The department requests \$1.4 million (special funds) in the budget year, and ongoing, to support the increased staffing at the Department of Justice. The amounts, by program, are listed below:

<b>Program Name</b>	<b>Amount (in thousands)</b>
Board of Accountancy	\$71
Board of Behavioral Science	\$86
Board of Barbering and Cosmetology	\$64
Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	\$6
CA Board of Occupational Therapy	\$10
State Board of Optometry	\$18
CA State Board of Pharmacy	\$175
Bureau of Real Estate Appraisers	\$28
Professional Fiduciaries Bureau	\$3
CA Architects Board	\$3
Landscape Architects Committee	\$3
State Athletic Commission	\$7
Contractors’ State License Board	\$265
Board for Professional Engineers and Land Surveyors	\$57
Geology and Geophysicists Program	\$2
Vocational Nurses Program	\$157
Psychiatric Tech. Program	\$38
Private Investigators Program	\$4
Electronic and Appliance Repair	\$6
Automotive Repair and Smog Check Programs	\$312
Cemetery Program	\$5
Funeral Directors and Embalmers Program	\$53
<b>Total</b>	<b>\$1,373</b>

This is a companion request to the corresponding Department of Justice (DOJ) request for \$1.4 million (Legal Services Revolving Fund) in the budget year, and ongoing, for seven positions (two legal secretaries and five deputy attorneys) in the licensing section to reduce average case processing time to meeting the Consumer Protection Enforcement Initiative.

**Staff Comment.** The subcommittee considered this item during its May 5, 2016, hearing, and ask the department to provide additional information regarding its current practices implementing the Consumer Protection Enforcement Initiative.

**Staff Recommendation.** Reject DCA's budget proposal, without prejudice. Adopt conforming action to reduce the Department of Justice's Governor's budget by \$1.4 million (Legal Services Revolving Fund) and seven positions to reflect the rejection of this proposal.

<b>Issue 3: Medical Cannabis</b>
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**Department of Consumer Affairs (DCA) - Governor's Budget.** The Governor's budget includes 9.7 positions and \$10 million in the current year; \$3.8 million in the budget year and 25 positions ongoing; \$4.1 million in FY 2017-18; and \$492,000 in 2018-19 and 2019-20 to fund the development and initial start-up of the Bureau of Medical Marijuana Regulation (Bureau), and the study as required by the Medical Marijuana Regulation and Safety Act.

**DCA - May Revision.** The department requests \$6.0 million in the budget year; \$6.5 million in 2017-18; \$1.0 million in 2018-19; and \$803,000 ongoing, to fund eight positions and external contract costs for the development, implementation, and maintenance of licensing and enforcement IT system for the Bureau of Medical Marijuana Regulation (Bureau).

	FY 16/17	FY 17/18	FY 18/19	Ongoing
Configuration and Testing	\$2,088	\$2,087	\$0	\$0
Reports and Correspondence Development	40	40	0	0
Update of Existing DOJ Background Check and Third-Party Print Interfaces	5	5	0	0
Development of New Interface with the CDFA to Share License Information	45	45	0	0
Web Portal for Law Enforcement Personnel Easy Access to License Data	13	13	0	0
IT Consulting and Project Management Resources	1,500	1,500	0	0
Unanticipated Enhancement Requests/Initial System Maintenance After Launch	500	1,500	415	170
<b>Total Estimated Contract Costs</b>	<b>\$4,191</b>	<b>\$5,190</b>	<b>\$415</b>	<b>\$170</b>
Hardware + Software	577	183	183	183
Staff	1,184	1,124	450	450
<b>Total Estimated Costs</b>	<b>\$5,952</b>	<b>\$6,497</b>	<b>\$1,048</b>	<b>\$803</b>

**May Revision - Trailer Bill.** The May Revision provides updated trailer bill language for the Medical Cannabis Regulation and Safety Act. The language, among other provisions: (1) authorizes a licensing authority to promulgate regulations, including emergency regulations; (2) requires additional conditions of licensures, such as proof of bond to cover the cost of destroying product; (3) establishes a filing deadline for individuals to submit an application for licensure; (4) authorizes the Board of Equalization (BOE), for purposes of taxation and regulation, to have access to the Department of Food and Agriculture's track and trace electronic database, instead of requiring the BOE to create a separate reporting system; (6) provides the Department of Public Health (DPH) cite and fine authority and the authority for mandatory recalls; (7) shifts authority to license laboratories from the DPH to the Bureau of Medical Cannabis Regulation; and (8) excludes a cannabis manufacturer, who infuses butter with cannabis, from having to be licensed as a milk product plant.

**May Revision – Budget Bill Control Section.** The Administration proposes Control Section 11.42, which would authorize the Department of Finance, no sooner than 30 days after written notification to the Joint Legislative Budget Committee and chairs of the fiscal committees in each house, to augment departmental budgets, as necessary, to fund medical marijuana-related information technology projects.

**Staff Comment.** The Senate Committee on Budget and Fiscal Review considered various facets of the medical cannabis proposal in the respective subject's subcommittee. On May 18, 2016, the Senate Subcommittee No. 2 on Natural Resources rejected the Administration's trailer bill language pertaining to agency roles in protecting streams; licensing and enforcement for when growers apply for a license from the Department of Food and Agriculture; coordination of the Department of Fish and Wildlife and State Water Resources Control Board; process to protect instream flows; and environmental review.

On May 18, 2016, Subcommittee No. 3 on Health and Human Services approved \$500,000 General Fund to the Department of Public Health's (DPH) for a study analyzing the health risks associated with the use of marijuana, and adopted placeholder trailer bill that required DPH to establish minimum security requirements for the storage of medical cannabis; shifted authority to license laboratories to the Bureau of Medical Cannabis Regulation; provided DPH cite and fine authority; authorized DPH to conduct mandatory recalls; among other provisions.

On May 18, 2016, this subcommittee considered this proposal and deliberated the rapidity of the implementation of the IT project, despite many unknowns, such as the number of licensees impacted and whether the system would be folded into BreEZe. The subcommittee also requested updates regarding Bureau and program development in the months leading up to January 1, 2018.

**Staff Recommendation.** Given the expanse of affected departments, and the limited time frame to review the language with various stakeholders, the following recommendations are provided with the intent to move some components to Conference Committee, allowing for additional time to consider the various aspects of the proposal:

- Approve Governor's budget proposals, retaining budget oversight to review of projected out-year costs.
- Reject the May Revision budget bill control section language, without prejudice.
- Adopt placeholder trailer bill language for portions of the proposed budget trailer bill related to this subcommittee's purview, while conforming to actions taken in Senate Subcommittee No. 2 on Natural Resources, Energy, and Subcommittee No. 3 on Health and Human Resources.
- Approve first-year costs for the IT project. Reject out-year costs, without prejudice, with interest in maintaining legislative and departmental oversight of the IT system while supporting the collaboration of departments in the implementation of the Bureau and licensing needs.



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**Issue 4: Registered Dispensing Optician - TBL**

**Governor's Budget.** The Board requests 0.5 office technician - typing and a 0.6 special investigator (SI) to replace current services provided to the program by the Medical Board of California and Division of Investigation (DOI): Health Quality Investigation Unit (HQIU). This request includes an offsetting reduction in position authority of a 0.5 office technician and funding of \$39,000 for the Medical Board, and a 0.6 SI and \$62,000 for DOI: HQIU.

The budget also provides trailer bill language to implement the provision of transitioning the Registered Dispensing Optician (RDO) program from the Medical Board to the Board of Optometry.

**Proposal.** The Administration proposes additional trailer bill language, which authorizes a spectacle lens dispenser or a contact lens dispenser to qualify as one of the nonpublic members of the 11-member Board of Optometry. The language also authorizes a retro-active allowance to appointments made on or after January 1, 2016.

**Background.** Assembly Bill (AB) 684 (Alejo, Chapter 405, Statutes of 2015) moves RDO from the Medical Board of California (MBC) to the State Board of Optometry (Board). AB 684 was a result of over a decade of litigation. In *National Association of Optometrists & Opticians v. Harris*, the plaintiffs argued that the laws restricting business arrangements between opticians and optometrists violate the dormant Commerce Clause of the United States Constitution, stating it was unfair that optometrists and ophthalmologists may set up a practice where patients may receive both eye examinations and prescription eyewear; but opticians may offer only the sale of eyewear. The Court upheld the California law as constitutional, stating the law did not place a burden on interstate commerce because it precludes a preferred, more profitable method of operating in a retail market.

During last year's deliberations, according to the Administration, the term, "RDO," was used as a catch-all. However, existing law defines an "RDO" as the business location or business owner of the location. The Administration is proposing the language to clarify that the RDO member of the Optometry Board also extends to an individual who is a spectacle lens dispenser or as a contact lens dispenser.

**Staff Comment.** The subcommittee considered the Board of Optometry during its March 10 and May 5, 2016, hearings, and approved the Governor's budget request. This proposed language was not discussed at either of those hearing dates.

**Staff Recommendation.** Amend trailer bill proposal to include language, as requested, and adopt placeholder trailer bill language to allow for any technical modifications during the drafting process.

**0890 SECRETARY OF STATE**

**Issue 1: Voter Information Guide**

**May Revision.** The department proposes an increase of one-time \$10 million General Fund (GF) to print the principal and supplemental voter information guides (VIG) for the 2016 Election. The proposal also includes budget bill language to specify that resources can only be used for printing the 2016 VIG; and prior to expending funds, the SOS must provide a report to Department of Finance. In addition, the language authorizes any unexpended funds to revert to the General Fund.

**Staff Recommendation.** Approve \$7.3 million General Fund to reflect the estimated funding cost for a principal VIG. Amend proposed budget bill language to adopt the language below, subject to any technical modifications.

0890-001-0001—For support of Secretary of State	<u>29,038,000</u>
.....	<u>36,338,000</u>
Schedule:	
(1) 0700-Filings and Registrations	1,181,000
.....	
(2) 0705-Elections .....	<del>49,350,000</del>
	<u>26,650,000</u>
(3) 0710-Archives .....	8,174,000
(4) 0715-Department of Justice Legal Services .....	333,000
(5) 9900100-Administration	24,467,000
.....	
(6) 9900200-Administration—Distributed	-24,467,000
.....	

Provisions:

1. The Secretary of State shall not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 which are collected in excess of the cost of administering those special handling fees unless specifically authorized by the Legislature.
2. Of the funds appropriated in this item, ~~\$5,733,000~~ \$13,033,000 is available for the purposes of preparing, printing, and mailing the state ballot pamphlet pursuant to Article 7 (commencing with Section 9080) of Chapter 1 of Division 9 of the Elections Code. At least 30 days before these funds are expended, the Secretary of State shall submit to the Director of Finance and the chairperson of the Joint Legislative Budget Committee an itemized estimate of these costs. Any unexpended funds pursuant to this provision shall revert to the General Fund.

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**Issue 2: CAL-ACCESS**

**April Letter.** The department requests a one-time \$757,000 (Political Disclosure, Accountability, Transparency, and Access Fund) [PDATA Fund] in the budget year, to procure contracted services to complete system and business requirements, market research, project management documents, and other deliverable required in the Stage 2 Alternatives Analysis phase of the project approval lifecycle.

**Staff Comment.** The subcommittee considered this item during its May 5, 2016, hearing.

**Staff Recommendation.** Approve as requested, with opportunity to review and conduct oversight in advance of next year's subcommittee hearings.

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**Issue 3: Assembly Bill 120 – Supplemental Reporting Language**

**Proposal.** Assembly Bill 120 (Budget Committee), Chapter 11, Statutes of 2016, provides \$16.3 million General Fund to the Secretary of State to provide counties reimbursement for elections costs related to the June 2016 primary. The proposed supplemental reporting language (below) provides the fiscal committees and the joint Legislative Budget Committee additional information regarding the amount counties requested in reimbursement for elections costs, related to the Jun 7, 2016, primary.

**Item 0890-101-0001**

1. ***Reimbursement of Election Costs to County Governments.*** Chapter 11 of 2016 (AB 120, Committee on Budget) establishes a process through which as much as \$16.3 million can be reimbursed to counties that request assistance to pay for identified costs incurred between April 26, 2016 and July 15, 2016 in conducting the June 7, 2016 primary election simultaneously with completing statewide initiative signature verifications in a timely manner. On or before January 10, 2017, the Secretary of State shall submit to the Joint Legislative Budget Committee and the fiscal committees of both houses of the Legislature a report that includes the following information:
  - (a) The formula developed by the Secretary of State that was used to determine the maximum amount of money counties seeking reimbursement were eligible to receive as reimbursement pursuant to this item.
  - (b) For each county seeking reimbursement, the maximum amount of money available for reimbursement under this item as determined by the formula developed by the Secretary of State.
  - (c) For each county seeking reimbursement, the amount of money those counties reported to the State Controller as costs incurred between April 26, 2016 and July 15, 2016 in conducting the June 7, 2016 primary election simultaneously with completing statewide initiative signature verifications in a timely manner.
  - (d) For each county seeking reimbursement, the amount of money received pursuant to this item.

**Staff Recommendation.** Approve as placeholder provisional language, allowing for any technical modifications and clarifications during the drafting process and remaining consistent with intent of language.

**8955 DEPARTMENT OF VETERANS AFFAIRS (CALVET)****Issue 1: Transition Assistance Program**

**May Revision.** The department requests \$813,000 (General Fund), and \$774,000 (General Fund) ongoing, for seven positions (five existing but unfunded positions, and two new permanent positions) to implement Assembly Bill 1509 (Fox), Chapter 647, Statutes of 2014. AB 1509 requires the department to develop a transition assistance program (Cal-TAP) for veterans, discharged from the Armed Forces of the United States or the National Guard of any state, into civilian life. This proposal requests one staff services manager II and six associate governmental program analysts (AGPA).

**Staff Recommendation.** Approve as proposed.

**Issue 2: Veterans Homes – Supplemental Reporting Language**

**Proposal.** The proposal requests the LAO submit a report to the Legislature, by March 15, 2017, on the role of the Veterans Homes in the 21<sup>st</sup> century.

Item 8955-001-0001

The Legislative Analyst's Office, with assistance from the California Department of Veterans Affairs and the Department of Finance, shall report to the Legislature, by March 15, 2017, on the role of Veterans Homes in the 21<sup>st</sup> century. To the extent feasible, topics of the report shall include, but are not limited to: demographics of the state's veterans; an analysis on whether the services provided at the Homes align with veterans' needs in the community, such as housing, employment assistance, or behavioral or mental health services; options to improve federal funding; and the implications of various funding scenarios.

**Staff Comment.** During the subcommittee's March 10 and May 5, 2016, hearing, the subcommittee's considered several veterans issues, including the Homes and their several capital outlay requests, outdated infrastructure, and staffing constraints. In a shifting long-term care landscape, the subcommittee may wish to consider adopting the above SRL to have more information for next year's subcommittee deliberations, on the department's plan for use the Veterans Homes, whether Homes meet current needs demands of the demographics, and how to best use federal matching funds.

**Staff Recommendation.** Adopt placeholder SRL, as proposed.

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**Issue 3: SFL, Cap Outlay –Yountville Home: Steam Distribution System Renovation, Working Drawings and Construction**

**April Letter.** The department requests to reappropriate \$6.9 million of the unencumbered balances of the working drawings and construction phases of the Yountville Home’s Steam Distribution System Renovation project. As a result of design and contracting delays, completion of preliminary plans is scheduled for March 2017, working drawings are scheduled for completion by April 2018, and construction is scheduled to begin in October 2018. Project completion is scheduled for September 2020. Total estimated project costs for working drawings and construction are \$6,903,000 (\$2,808,000 lease-revenue bond funds, \$4,095,000 federal funds).

**Staff Comment.** The subcommittee considered this item during its March 5, 2016, hearing.

**Staff Recommendation.** Approve as proposed.

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**Issue 4: SFL – Administrative Support Services**

**Budget.** The department requests \$1.7 million (\$1.6 million General Fund and \$103,000 Farm and Home Building Fund of 1943 [F&H Fund]) in the budget year, and \$1.7 million (\$1.6 million General Fund and \$99,000 F&H Fund) in 2017-18, and ongoing, to support 15 positions in information services, contracts, performance management, and new federal payroll-based-journal (PBJ) reporting requirements. The requested positions are in the following areas:

**Information Services Division (ISD).** The Helpdesk staff is located in Sacramento and manages service requests for all technology needs. The budget requests two information system analyst positions to help restructure the PC support to a 24/7 tiered system for staff working second and third shifts in the Homes:

**Contracts.** Currently, the department has one manager to oversee eight contract analysts– four in Sacramento, and one located in each Yountville, Chula Vista, Redding, and Fresno Homes. The budget requests positions (one staff services manager, three associate governmental program analysts, and one office assistant general for standardized contract scopes of work, rates, general terms and conditions, and streamlined bid and contract award processes. The current contract analysts at the homes will be restructured to become contract liaisons.

**Human Resources Division (HRD).** With the recent growth in Homes and staffing, the department has experience an increase in preventative and corrective memoranda, adverse and non-punitive actions, rejections during probation, absence without leave, and other employee performance issues. The budget requests four positions (one staff services manager and three associate personnel analysts) to improve initial and ongoing assistance and training for personnel and performance management. In addition, around \$9,000 is included in the request for travel to the eight homes.

**Legal Division.** Currently, the department has seven staff attorneys to handle all litigation. When the homes in West Los Angeles, Lancaster, and Ventura were opened, the division was not provided an additional position to handle increased workload. The budget requests one attorney to train the performance management unit on personnel actions, hearing processes, writing legally sufficient declarations. The position will be assigned litigation out of the West Los Angeles, Lancaster, and Ventura Homes, and will be assigned regulatory review to update the department's regulations.

**Reasonable Accommodation (RA).** The department has two equal employment opportunity (EEO) officers and one officer/manger to assist with processing RA requests in the homes and to manage the discrimination complaint process. With the unanticipated volume of complaints in the Redding and Fresno homes and increased number of RAs as the homes come to capacity, some RAs were not managed timely. The budget requests one SSM I (Specialist) to facilitate communication, manage the volume of RA requests, and provide guidance and direction and training to supervisory staff.

**PBJ Reports.** To remain in compliance with federal regulations and eligibility for Medicare funding,<sup>1</sup> the department must have a system for implementing PBJ reporting by June 30, 2016. Specifically, long-term care (LTC) facilities that participate in Medicare and/or Medicaid/Medi-Cal must submit electronically in a uniform format, direct care staffing information based on payroll and other verifiable and auditable data. The budget requests two associate governmental program analysts in Yountville and Fresno Homes.

**Staff Comment.** The subcommittee considered this item during its March 5, 2016, hearing.

**Staff Recommendation.** Approve as proposed.

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<sup>1</sup> In 2014-15, the CalVet drew down \$6.3 million in Medicare funding and \$7.0 million in Medi-Cal funding

<b>Issue 5: SFL – Vets Services Division Support</b>
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**April Letter.** The department requests \$1.7 million General Fund in the budget year, and ongoing, to fund 16 positions; the reclassification of one associate governmental program analyst (AGPA) to associate management auditor (AMA); and the reclassification of the three district office managers from staff services manager (SSM) I to SSM II, due to the increase in personnel reporting to them. All of these positions are within existing position authority. Of those resources, 15 positions and three reclassified positions will be located in CalVet's three district offices, commensurate to the workload in the respective district offices:

Location	Currently Projected 2016-17 Position Funding	Requested 2016-17 Funding in this Proposal	Total 2016-17 and ongoing Positions if Proposal is Approved
Los Angeles	1 Staff Services Manager (SSM) I 4 Associate Governmental Program Analysts (AGPA) 1 Office Technician, Typing (OT(T))	Reclassify SSM I to SSM II 5 AGPAs	1 SSM II 9 AGPAs 1 OT(T)
Oakland	1 SSM I 5 AGPAs 1 OT(T)	Reclassify SSM I to SSM II 7 AGPAs	1 SSM II 12 AGPAs 1 OT(T)
San Diego	1 SSM I 2 AGPAs 1 OT(T)	Reclassify SSM I to SSM II 3 AGPAs	1 SSM II 5 AGPAs 1 OT(T)

**Staff Comment.** The subcommittee considered this item during its March 5, 2016, hearing.

**Staff Recommendation.** Approve as proposed.

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**0690 OFFICE OF EMERGENCY SERVICES****Issue 1: California Disaster Assistance Act**

**May Revision.** The department requests an increase of \$30 million General Fund for the California Disaster Assistance Act (CDAA) Program to remove hazardous trees out of the public rights-of-way and away from public infrastructure.

**Staff Comment.** The subcommittee discussed this item at its May 18, 2016, hearing.

**Staff Recommendation.** Approve as requested.

**Issue 2: Cap. Outlay – Relocation of Red Mountain Communications Site**

**Budget.** The Office of Emergency Services requests \$1.26 million General Fund reappropriation of the 2015-16 working drawings appropriation for the relocation of the Red Mountain communications site to allow completion of the working drawings phase.

**Staff Comment.** The subcommittee discussed this item during its April 21, 2016, hearing.

**Staff Recommendation.** Approve as requested.

**Issue 3: SFL – Headquarters Complex, Rancho Cordova: Public Safety Communications Network**

**Budget.** The department requests to re-appropriate \$609,000 General Fund of the \$1.5 million General Fund 2015-16 preliminary plans appropriation to complete the preliminary plans phase. In addition, the department requests to include \$92,000 General Fund for the bidding process to begin at the end of fiscal year 2016-17. The total cost of the project has increased by \$1.9 million, from \$4.3 million to \$6.2 million.

**Staff Comment.** The subcommittee discussed this item during its April 21, 2016, hearing.

**Staff Recommendation.** Approve as requested.



**Issue 4: Spring Finance Letter (SFL) Provisional Language: Victim Assistance Discretionary Grant Training Program**

**Budget.** The department requests provisional language to authorize the use of \$2.7 million in local assistance federal funds to provide training for the Victims of Crime Act (VOCA) Victim Assistance Discretionary Grant (VADG) Training Program, which provides training and technical assistance to victim assistance service providers and others who work with crime victims.

**Staff Comment.** The subcommittee discussed this item during its April 21, 2016, hearing.

**Staff Recommendation.** Adopt placeholder provisional language.

**Issue 5: Victim Services Funding**

**Proposal.** Shift all funding for victims services from 0690-101-0890 to a newly created budget item, such as 0690-102-0890.

**Staff Comment.** During the subcommittee's oversight at the April 21, 2016, hearing, the subcommittee discussed improving the funding transparency in the department's budget line item to distinguish the amount of funding provided for victim services and federal disaster emergency response.

**Staff Recommendation.** Approve as proposed.

**7870 VICTIMS COMPENSATION GOVERNMENT CLAIMS BOARD****Issue 1: Increase Local Assistance Funding**

**Governor's Budget.** The budget requests permanent increase of \$707,000 (Restitution Fund) to the local assistance portion of the Victim Compensation and Government Claims Boards (VCGCB) budget due to increases in contracted staff and county employee wages, benefits, and operating costs. Local assistance supports the California Victim Compensation Program (CalVCP) Joint powers (JPs) contracts and the Criminal Restitution Compact (CRCs) contracts. Joint powers contracts would be increased by \$578,451 and the CRC contracts would be increased by \$128,549 annually.

**Staff Comment.** This item was previously heard at the April 21, 2016, hearing.

**Staff Recommendation.** Approve as requested.

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**7760 DEPARTMENT OF GENERAL SERVICES**  
**7870 VICTIM'S COMPENSATION GOVERNMENT CLAIMS BOARD****Issue 1: BCP + TBL - Transfer of the Government Claims Program to DGS**

**Governor's Budget.** The budget proposes to shift the Government Claims Program (GCP) from the Victims Compensation Government Claims Board (VCGCB) to the Department of General Services (DGS). As part of this shift, the budget transfers nine permanent positions and \$1.2 million (Service Revolving Fund) ongoing to DGS. The Administration also proposes trailer bill language to make conforming statutory changes related to moving the program to DGS.

The budget also proposes to retain the existing \$25 filing fee—which generates about \$90,000 annually—but to eliminate the charge on departments of up to 15 percent of approved claims.

In addition, the budget proposes trailer bill language to effectuate the above changes.

**May Revision.** The Administration released updated trailer bill language to recast the VCGCB to the Victims Compensation Board.

**Staff Comment.** With this proposal, other than victim compensation and TRCS, VCGCB would keep the Indemnity for Erroneously Convicted Persons Program (PC 4900 claims), which provides compensation to individuals wrongly convicted of crimes. VCGCB would also continue to process claims for the Missing Children Reward Program and the Good Samaritan Program. The following items would be transferred to DGS, along with the Government Claims Program: IT bid protests, goods bid protests, the State Employee Charitable Campaign, legislator's per diem and travel, and Discharge from Accountability.

During the April 21, 2016, hearing, the subcommittee deliberated the shift of the government claims program and heard testimony from the Legislative Analyst's Office, regarding its recommendations to restructure the VCGCB and task the new VCGCB to create a comprehensive strategy that would assist victims statewide. In addition, the subcommittee considered why a report, which asked the Administration to identify a consolidation of administering victim programs under one entity, was not provided as expected.

Currently, the VCGCB serves as an administrative entity approving victims' claims. To the extent the Legislature remains interested in discussing the future duties and composition of the Board, and whether the current construct of providing victim services in separate departments, the subcommittee may wish to formally create a workgroup, comprised of members of the Administration and stakeholders, about determining next steps for the Board and other victim service issues.

**Staff Recommendation.** Amend proposal to retain the existing charge on department of up to 15 percent of approve claims. Conform placeholder trailer bill language to this action, and adopt placeholder language approving the shift of the government claims program to DGS and additional language, if necessary, regarding possible consolidation.

**7760 DEPARTMENT OF GENERAL SERVICES****Issue 1: Capital Outlay – Central Plant, Capitol Irrigation Project**

**Budget.** The department requests \$1.7 million in existing lease-revenue bond funds, sold in 2009, to provide a reclaimed water system to reuse cooling tower water from the Sacramento Downtown Central Plant as irrigation water for the Capitol Park. The project will include piping, piping modifications, underground water storage tanks, chemical treatment, and signage.

**Staff Comment.** The subcommittee considered this item during its April 7, 2016, hearing. The subcommittee clarified the length of the payback period.

**Staff Recommendation.** Approve as proposed.

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**ITEM PROPOSED FOR DISCUSSION/VOTE**
**0690 OFFICE OF EMERGENCY SERVICES**
**Issue 1: Emergency Operations and Critical Support**

**Budget.** The budget requests \$35.2 million General Fund in state operations authority in the budget year, and \$14.8 million General Fund in state operations authority in 2017-18 and ongoing; 77 permanent positions, and a permanent decrease of \$3.9 million Federal Trust Fund state operations authority. The chart below describes the proposal's 16 components.

**Governor's Proposed Positions and General Fund for Emergency Operations and Critical Infrastructure Support**

Program	Ongoing Positions	2016-17	2017-18
<b>Fire Response</b>			
Fire apparatus fleet replacement and augmentation	—	\$20,000,000	—
Fire and Rescue Branch staffing	12	2,528,000	\$2,368,000
Automated Vehicle Location	—	342,000	177,000
Fire apparatus operating costs and maintenance	—	102,000	224,000
<b>Disaster Coordination</b>			
Statewide disaster programs	2	4,987,000	4,987,000
Regional response and readiness	13	1,951,000	1,951,000
Law Enforcement Branch staffing	6	1,661,000	1,533,000
Disaster Logistics Program	3	421,000	421,000
<b>Facilities</b>			
Regional Coordination center	—	700,000	700,000
Fire Maintenance Shop lease	—	94,000	94,000
<b>Technology</b>			
Information technology	—	1,030,000	1,030,000
Cal EOC support	3	495,000	495,000
<b>Other</b>			
Federal Emergency Management Program	—	700,000	700,000
Emergency Operations Incident Support Training	—	169,000	169,000
Public Safety Communications	28	—	—
Administrative support	10	—	—
<b>Totals</b>	<b>77</b>	<b>\$35,180,000</b>	<b>\$14,849,000</b>

**Staff Comment.** The subcommittee considered all pieces of this proposal during its April 21, 2016, hearing.

**Staff Recommendation.** The committee may wish to adopt the following, subject to any technical modifications but consistent with subcommittee intent:

Program	Governor's Proposal		Proposed	
	Positions	Funding		
<b>Fire Response</b>				
Fire Apparatus Fleet Replacement and Augmentation		\$ 20,000,000		\$ 10,000,000 for replacement apparatus
Fire and Rescue Branch Staffing	12	2,528,000	6 coord 1 mech.	1,500,000
Automated Vehicle Location		342,000		227,000
Fire Apparatus Operating Costs and Maintenance		102,000		102,000
<b>Disaster Coordination</b>				
Statewide Disaster Programs - Administration	2	4,987,000		188,000
Regional Response and Readiness	13	1,951,000	6	879,000
Law Enforcement Branch Staffing	6	1,661,000	4	1,107,000
Disaster Logistics Program	3	421,000		
<b>Facilities</b>				
Regional Coordination Center		700,000		700,000
Fire Maintenance Shop Lease		94,000		94,000
<b>Technology</b>				
Information Technology		1,030,000		1,030,000
Cal EOC Support	3	495,000		495,000
<b>Other</b>				
Federal Emergency Management Program		700,000		
Emergency Operations Incident Support Training		169,000		
Public Safety Communications	28	-	28	
Administrative Support	10	-	3.5	
<b>TOTAL</b>	<b>77</b>	<b>\$ 35,180,000</b>	<b>48.5</b>	<b>\$ 16,322,000</b>

**8940 MILITARY DEPARTMENT****Issue 1: Work for Warriors**

**Proposal.** The proposal provides an additional one-time \$670,000 General Fund to support the Work for Warrior (WFW) Program.

**Background.** The WFW uses a direct placement model, which walks service members through each step of the hiring process, includes resume preparation, and interviews. Since February 2012, according to the department, the WFW has placed over 5,000 service members with over 300 business partners through the state. Currently, the program has 18 staff service members and veterans, who help match military personnel, veterans and military family members into employment commensurate with their education and experience

In 2014-15, the state received approximately \$391 million from the federal Workforce Investment Act (WIA). According to the 2013 Annual Report on the Workforce Investment Act Title 1-B (California), \$675,000 was allocated to “Veterans Employment Services” and \$262,000 was allocated to CalVet.

Currently, the program has a WIA grant, which fund five uniformed state active duty service members, from the state Employment Development Department. These funds are anticipated to be fully expended by June 30, 2016. In addition, the department was recently notified of a \$1 million federal award, which will expire on September 30, 2016. This funding is used to hire 11 federal contractors to help staff the program. Although the department has successfully applied and received funding in the last three years, it remains uncertain whether additional grant funding for the staffing will be available.

**Staff Comment.** Adopt as proposed.