

Budget Change Proposal - Cover Sheet

Fiscal Year: 2020/21

Business Unit: 0950

Department: State Treasurer's Office

Priority Number: 1

Budget Request Name: 0950-001-BCP-2020-GB

Program: 0740-State Treasurer's Office

Subprogram: [Click or tap here to enter text.](#)

Budget Request Description: Legislative Unit Staff Augmentation

Budget Request Summary: The State Treasurer's Office (STO) Legislative Unit requests one Associate Governmental Program Analyst (AGPA) position, along with corresponding expenditure and reimbursement authority of \$148,000, to address the increasing workload of legislative priorities for the STO, as well as the Boards, Commissions and Authorities (BCAs) under the purview of the Treasurer.

Requires Legislation: Yes No

Code Section(s) to be Added/Amended/Repealed: [Click or tap here to enter text.](#)

Does this BCP contain information technology (IT) components? Yes No

If yes, departmental Chief Information Officer must sign.

Department CIO Name: [Click or tap here to enter text.](#)

Department CIO Signature:

Signed On Date: [Click or tap here to enter text.](#)

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project Number: Click or tap here to enter text.

Project Approval Document: Click or tap here to enter text.

Approval Date: Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal?

Yes No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By: Click or tap here to enter text.

Date: Click or tap here to enter text.

Reviewed By: Click or tap here to enter text.

Date: Click or tap here to enter text.

Department Director: Click or tap here to enter text.

Date: Click or tap here to enter text.

Agency Secretary: Click or tap here to enter text.

Date: Click or tap here to enter text.

Department of Finance Use Only

Additional Reviews: Capital Outlay: ITCU: FSCU: OSAE:

Department of Technology:

PPBA: **Gregory Bruss**

Date submitted to the Legislature: **January 10, 2020**

BCP Fiscal Detail Sheet

BCP Title: Legislative Unit Staff Augmentation

BR Name: 0950-001-BCP-2020-GB

Budget Request Summary

	FY20					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	77	77	77	77	77
Total Salaries and Wages	\$0	\$77	\$77	\$77	\$77	\$77
Total Staff Benefits	0	44	44	44	44	44
Total Personal Services	\$0	\$121	\$121	\$121	\$121	\$121
Operating Expenses and Equipment						
5301 - General Expense	0	4	4	4	4	4
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	3	3	3	3	3
5306 - Postage	0	1	1	1	1	1
5320 - Travel: In-State	0	1	1	1	1	1
5322 - Training	0	1	1	1	1	1
5324 - Facilities Operation	0	4	4	4	4	4
5326 - Utilities	0	1	1	1	1	1
5346 - Information Technology	0	4	4	4	4	4
5368 - Non-Capital Asset Purchases -	0	7	7	7	7	7
Total Operating Expenses and Equipment	\$0	\$27	\$27	\$27	\$27	\$27
Total Budget Request	\$0	\$148	\$148	\$148	\$148	\$148
Fund Summary						
Fund Source - State Operations	0	148	148	148	148	148
0995 - Reimbursements	\$0	\$148	\$148	\$148	\$148	\$148
Total State Operations Expenditures	\$0	\$148	\$148	\$148	\$148	\$148
Total All Funds	\$0	\$148	\$148	\$148	\$148	\$148

Personal Services Details

Positions	Salary Information								
	Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
5393 - Assoc Govtl Program Analyst (Eff. 07-01-				0.0	1.0	1.0	1.0	1.0	1.0

Total Positions

	0.0	1.0	1.0	1.0	1.0	1.0
--	-----	-----	-----	-----	-----	-----

Salaries and Wages

	CY	BY	BY+1	BY+2	BY+3	BY+4
5393 - Assoc Govtl Program Analyst (Eff. 07-01-	0	77	77	77	77	77
Total Salaries and Wages	\$0	\$77	\$77	\$77	\$77	\$77

Staff Benefits

5150350 - Health Insurance	0	13	13	13	13	13
5150450 - Medicare Taxation	0	1	1	1	1	1
5150500 - OASDI	0	5	5	5	5	5
5150600 - Retirement - General	0	24	24	24	24	24
5150800 - Workers' Compensation	0	1	1	1	1	1

Total Staff Benefits

	\$0	\$44	\$44	\$44	\$44	\$44
Total Personal Services	\$0	\$121	\$121	\$121	\$121	\$121

A. Budget Request Summary

The State Treasurer's Office (STO) Legislative Unit requests one Associate Governmental Program Analyst (AGPA) position, along with corresponding expenditure and reimbursement authority of \$148,000, to address the growing workload of legislative priorities for the STO, as well as the Boards, Commissions and Authorities (BCAs) under the purview of the Treasurer. Currently, the Legislative Unit consists of two staff that are tasked with managing, coordinating, and overseeing the Treasurer's legislative priorities and efforts of the growing number of BCAs.

This request will be funded by the following BCAs (special fund and non-governmental funds):

- CA Pollution Control Financing Authority (established 1972)
- CA Educational Facilities Authority (established 1976)
- CA Health Facilities Financing Authority (established 1979)
- CA Alternative Energy & Advanced Trans. Fin. Authority (established 1980)
- CA Debt & Investment Advisory Commission (established 1981)
- CA Debt Limit Allocation Committee (established 1984)
- CA School Finance Authority (established 1985)
- CA Tax Credit Allocation Committee (established 1987)
- ScholarShare Investment Board (established 1999)
- CA Secure Choice Retirement Savings Investment Board (established 2012)
- CA Achieving a Better Life Experience Act Board (established 2015)

The STO is requesting the additional AGPA to assist with facilitating meetings, coordinating outreach/education, providing technical assistance, and acting as a liaison to Legislative staff regarding the expansive and diverse areas of expertise of the BCAs. There has been a steady increase in the involvement of the BCAs in the legislative process.

The additional AGPA will also help track all legislation that pertains to the BCAs, and will allow for all Legislative Unit staff to be more proactive in accommodating fiscal and policy analyses for the Department of Finance and both Legislative Appropriations Committees, as well as the various policy committees that request bill analyses directly related to the BCAs, or other programs that are under the Treasurer's Office.

B. Background/History

The Legislative Unit is responsible for developing, monitoring, and tracking STO sponsored legislation, legislation related to the STO, and legislation related to the BCAs of which the Treasurer chairs. In addition to sponsored legislation, staff is required to keep a list of various bills the STO may support, oppose, and/or watch.

Currently, the Legislative Unit consists of only one Legislative Director (CEA) and one Legislative Analyst (AGPA), and can no longer keep pace with the continual growth of various BCAs under the Treasurer's direction. Historically, Legislative staff coordinates with the STO divisions/BCAs to help represent their respective goals and policies with the Capitol staff and legislators.

As referenced in the summary above, two BCAs have recently been established, and require consistent and time sensitive legislative assistance: CalABLE and CalSavers.

In addition, other BCAs have received new programs or new funding sources that require legislative changes, and further assistance with Capitol staff. These changes and plans to grow are consistent with mission of the Treasurer and will require the additional AGPA to ensure this is done in a thoughtful and comprehensive manner.

There are currently two BCAs that are inactive, which the Treasurer intends to reactivate and ensure they are doing what the public and the Legislature intended, which will also fall under the purview of a BCA-centric legislative staffer:

1. CA Healthy Food Financing Initiative Council (established 2011: currently dormant, but Treasurer working toward revitalizing).
2. CA Urban Waterfront Area Restoration Financing Authority (established 1983: currently dormant, but Treasurer working toward revitalizing).

C. State Level Considerations

Expanding the Legislative Unit will allow the Treasurer's Office to have a greater legislative presence to ensure that the goals of the Treasurer's office, and that of the state, are met; such as addressing the state's housing affordability crisis, retirement security, college savings, fiscal transparency, and economic development. Ensuring this continued growth is of ultimate benefit to the State of California.

D. Justification

Since the inauguration of Treasurer Ma in January of the current year, the STO has experienced an increased level of collaboration and involvement with the Legislature (given the Treasurer's long-standing relationship with the Legislature), as well as a new-found collaborative relationship with the Governor's Office.

The level of staffing in the Legislative Unit is currently insufficient to service the growing demands of the BCAs; and frequently does not allow for staff to be physically present to testify and answer questions in the numerous policy committees that the STO/BCAs are requested to participate in by Legislators, staff, and committee consultants.

The following chart, a three-year history of the Legislative Unit's bill tracking, highlights the increase in legislative activity currently facing the Legislative Unit:

Year	2017	2018	2019
Sponsor	6	3	23
Support	7	5	28
Watch	66	68	97
Oppose	0	2	3
Total Sponsor/Support	13	8	51

Expanding the Legislative Unit will allow the Treasurer's Office to have a greater legislative presence to ensure the goals of the Treasurer's office are met. Specific to the BCAs, this includes addressing the state's housing affordability crisis, retirement security, college savings, fiscal transparency, and economic development, as outlined below:

Housing Affordability

The State of California is in a dire housing crisis which is having profound negative effects on the state. To address this, the Governor has called for 3.5 million homes by 2025. That comes out to 500,000 homes a year. The current output is not nearly meeting that goal. The Treasurer chairs the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC); both of which finance affordable housing, which helps to address this, but more can be done to ensure an increase in supply to meet demand.

Retirement Security

The CalSavers Retirement Savings Program first launched November 2018 with a pilot program, and then to all eligible employers on July 1, 2019. CalSavers provides employees access to a retirement savings program without the administrative complexity, fees, or fiduciary liability of existing options for employers.

Currently, nearly half of California workers are on a trajectory to retire into economic hardship, defined as below twice the federal poverty rate. And with researchers now estimating that California's senior population is projected to increase by 64 percent by 2025, that means up to 12 million Californians may be at risk of retiring without the resources to live a dignified retirement.

But access to workplace retirement programs makes individuals 15 times more likely to save for retirement, and even modest savings faithfully maintained over a career can make a difference. Analyses have shown a typical 25-year-old California worker who participates in CalSavers could amass \$350,000 by the time they retired at age 65 — two-thirds of which would come from earnings on the original investments made by the saver.

College Savings

The average student loan debt is \$36,521. According to the U.S. Department of Education's College Affordability and Transparency Center, there is \$1.48 trillion total student loan debt in the United States www.collegecost.ed.gov. That's up from \$620 billion in 2008, according to the Federal Reserve Bank of New York. When Californians are saddled with student loan debt, they are not able to buy homes, cars, and other products that boost the economy.

The ScholarShare Investment Board, which the Treasurer chairs, is charged with addressing the student debt crisis by encouraging parents to save early and often for their children's education.

Specifically, the ScholarShare 529 College Savings Plan has more than 322,000 accounts and over \$9 billion in assets. In 2018 alone, more than \$513 million was withdrawn for qualified higher education expenses. With 100% tax-free growth, families can accumulate up to 25% more money for higher education – funds which can be used for a range of qualified expenses at most trade schools, colleges, and universities nationwide.

Fiscal Transparency

The California Debt and Investment Advisory Commission (CDIAC), which the Treasurer chairs, improves the practice of public finance in California by providing responsive and reliable information, education, and guidance to state and local public agencies and other public finance professionals.

Economic Development

The Treasurer chairs a number of BCAs which are focused on economic development; such as the California Pollution Control Financing Authority (CPCFA) & California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA).

CAEATFA works collaboratively with public and private partners to provide innovative and effective financing solutions for California's industries, assisting in reducing the state's greenhouse gas emissions by increasing the development and deployment of renewable energy sources, energy efficiency, and advanced transportation and manufacturing technologies to reduce air pollution, conserve energy, and promote economic development and jobs.

In addition, as the state seeks to address our recycling crisis, as a result of Chinese "National Sword", CAEATFA will play an integral part in financing recycling infrastructure in the state.

CPCFA has been providing low-cost innovative financing to California businesses with an objective of making California more economically prosperous and environmentally clean. CPCFA is committed to promoting access to capital through the delivery of financing options to California business and environmental industries by being the driving force of public and private partnerships, a leader in offering customized risk mitigation tools and at the forefront of projects that protect and restore the environment. CPCFA partners with sister state agencies to achieve the State's environmental policy objectives by administering high-impact financing programs designed to assist regulated entities and other stakeholders with accessing private capital. As a government agency that issues tax-exempt private activity bonds, CPCFA can facilitate low cost financing to qualified waste and recycling projects, and other projects to control pollution and improve water supply.

CPCFA also administers the California Capital Access Program (CalCAP), which encourages financial institutions to make loans to small businesses and provides for specialty programs targeted toward building an improved infrastructure for zero- and partial-emission vehicles and helping small businesses comply with the federal Americans with Disabilities Act.

E. Outcomes and Accountability

The approval of this request will authorize one additional AGPA for the Legislative Unit whose primary focus and role will be accommodating and coordinating legislative priorities, on behalf of the BCAs, with the Legislature and other respective bodies that work on, or are involved in, the legislative process.

F. Analysis of All Feasible Alternatives

Alternative #1: Approve the STO's request for one APGA position beginning in FY 2020/21 for the Legislative Unit. Approval of this request will provide Legislative staff with resources necessary to meet the increase in workload related to the Treasurer's legislative priorities for the State Treasurer's Office and the Boards, Commissions, and Authorities.

Alternative #2: Deny the request for one AGPA. Denial of this request would result in the Legislative Unit's inability to manage the increase in workload related to the Treasurer's legislative priorities for the State Treasurer's Office and Boards, Commissions, and Authorities under the purview of the Treasurer.

G. Implementation Plan

The Legislative Unit will recruit and hire one AGPA position in July 2020.

H. Supplemental Information

N/A Click or tap here to enter text.

I. Recommendation

Alternative #1: Approve the STO's request for one APGA position beginning in FY 2020/21 for the Legislative Unit. Approval of this request will provide Legislative staff with resources necessary to meet the increase in workload related to the Treasurer's legislative priorities for the State Treasurer's Office and the Boards, Commissions, and Authorities.