

# SUBCOMMITTEE NO. 4

# Agenda

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Senator Gloria Negrete McLeod, Chair  
Senator Noreen Evans  
Senator Doug La Malfa



Thursday, March 15, 2012  
9:30 a.m. or Upon Adjournment of Session  
Room 112

Consultant: Brady Van Engelen

## Item Number and Title

8940	California Military Department
8955	California Department of Veterans Affairs
0690	California Emergency Management Agency

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**Issues Proposed for Vote Only:**

	Issue	2012-13 Amount	Fund Source	Staff Recommendation
<b>California Military Department (8940)</b>				
1	144 <sup>th</sup> California Air National Guard Firefighters	\$0 (position authority only)	Federal Funds	APPROVE
2	Departmental Reduction in Reimbursement Authority	\$25,000	Special Funds	APPROVE
<b>Department of Veterans Affairs (8955)</b>				
3	Yountville Veterans Home cemetery renovation	\$2.41 million	Federal Funds	APPROVE
4	Sharing Agreements to Civil Service Positions	\$0 (position authority only)	General Fund	APPROVE
<b>California Emergency Management Agency (0690)</b>				
5	Federal Justice Grant Stimulus	\$300,000	Federal Funds	APPROVE
6	Re-appropriation of Bonds	\$5.7 million	Prop 1B	APPROVE

**Vote:**

**Issues Proposed for Vote Only – Issue Descriptions****California Military Department**

*For overview and budget information regarding this department, please see page 6 of this agenda.*

**Issue 1 – 144<sup>th</sup> California Air National Guard Firefighters**

**Governor’s Budget Request:** The Governor’s 2012-13 budget requests the authority for three new positions in order to hire firefighters at the 144<sup>th</sup> fighter wing in Fresno. The National Guard Bureau will absorb the cost of all three positions.

**Background:** The 144<sup>th</sup> California Air National Guard Fire Protection responds to a variety of emergencies to include: response to in flight emergencies to Department of Defense assets, civilian aircraft, structural fire response and medical response. The California Air National Guard Fire Department is 100 percent federally funded.

**Issue 2 – Decrease Departmental Reimbursement Authority**

**Governor’s Budget Request:** The Governor’s 2012-13 budget requests that the California Military Department reduce its reimbursement authority by \$11.217 million. The reduction in reimbursement authority stems from grants that are no longer being funded and a reduction in reimbursements to the Military Support to Civil Authority and Youth Programs.

**Background:** The reduction in reimbursement authority stems from grants that are no longer being funded and a reduction in reimbursements to the Military Support to Civil Authority and Youth Programs. This proposal would allow the California Military Department to realign their budget to more accurately reflect spending authority with actual expenditures.

**California Department of Veterans Affairs**

*For overview and budget information regarding this department, please see page 11 of this agenda.*

**Issue 3 – Yountville Veterans Home: Veterans Cemetery Renovation Reappropriation**

**Governor’s Budget Request:** The Governor’s 2012-13 budget requests a re-appropriation of \$2.411 million of Federal Trust Fund Authority approved in the 2011 budget act for the construction phase of the Veterans Home of California – Yountville cemetery renovation project.

**Background:** The Veterans Memorial Grove Cemetery located on the grounds of the Veterans Home California – Yountville covers approximately 10.2 acres. The cemetery is reserved for veterans that reside at any of the veterans homes throughout the state. Over the past couple of decades the condition of the cemetery has deteriorated and is in need of repair in order to meet National Cemetery Administration standards.

\$436,000 of General Obligation bonds were approved for both the preliminary plans and working drawing phases of the renovation project. \$223,000 of the initial amount was transferred to the Architectural Revolving Fund on December 27, 2010 to initiate preliminary plans. The remainder was transferred during the 2011-12 Budget Year in order to support the working drawing phase of the project. The development of preliminary plans took longer than anticipated which necessitates the request for the Federal Trust Fund Authority to be approved in the 2012-13 budget act.

#### **Issue 4 – Sharing Agreements to Civil Service Positions**

**Governor’s Budget Request.** The Governor’s 2012-13 budget requests greater position authority for the California Department of Veterans Affairs. The California Department of Veterans Affairs (CDVA), Veteran Homes of California, Greater Los Angeles and Ventura County (GLAVC) is requesting position authority to convert the funding and positions of shared agreements for positions supporting the Greater Los Angeles and Ventura County homes from the U.S. Department of Veterans Affairs. CDVA is requesting position authority for a total of 22.0 PY by fiscal year 2015 with zero impact to the General Fund.

**Background.** The Veteran Homes of California (VHC), Greater Los Angeles and Ventura County (GLAVC), is comprised of veteran homes in West Los Angeles, Lancaster, and Ventura. The VHC GLAVC and the U.S. Department of Veterans Affairs entered into a sharing agreement that included pharmaceutical, medical services, and medical supply support. In November 2010 the U.S. Department of Veterans Affairs began cancelling the sharing agreements, citing the lack of a cohesive budget timeline as the reason for the cancellation. The funds that had been encumbered for the sharing agreements will be utilized for the civil service positions and will not impact the General Fund.

## **California Emergency Management Agency**

*For overview and budget information regarding this department, please see page 14 of this agenda.*

#### **Issue 1 – Federal Justice Grant Stimulus**

**Governor’s Budget Request:** The California Emergency Management Agency is requesting that \$300,000 in Federal Trust Fund Authority for state operations in order to administer \$135 million in Federal Justice Assistance Grant (JAG) Stimulus funding awarded to California.

**Background:** California received \$135.7 million in JAG Stimulus funding, which was directed to Cal EMA, as part of the Federal Stimulus package for law enforcement assistance. These funds have a four year performance period which extends into 2013. For the final year of the Federal JAG Stimulus funding, FY 2012-13, Cal EMA is requesting \$300,000 in Federal Trust Fund Authority to continue to cover the state operations related to the management of the Federal

JAG stimulus funds in order to support the 3.0 temporary positions to administer the \$135 million in Federal JAG Stimulus funding and to properly close out the Federal JAG stimulus grant award in 2013. The 3.0 temporary positions will be funded by interest earned on original stimulus funding from the federal government.

## **Issue 2 – Reappropriation of Bonds**

**Governor’s Budget Request:** The California Emergency Management Agency has requested an extension for the liquidation period for the Transit, System Safety, Security and Disaster Response Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. The Budget Bill Language associated with this request would extend the period to liquidate encumbrances to June 30, 2013.

**Background:** The California Emergency Management Agency is requesting a reappropriation of \$5.7 million dollars. Without this extension of the period of liquidation, the projects could not be reimbursed after June 30, 2012, and there will be no bond proceeds available until after that date. Currently, agencies awaiting funding for projects that will be affected are located throughout the state. The remaining projects are related but not limited to: Operations & Security Center, Incident Planning, Enhancing Passenger Safety and Security Systems, Bus Stop Improvements, Video Surveillance, Corporation Yard Access Enhancements, Multi-Frequency Emergency Radios, Mobile Emergency Electrical Generators, Security Lighting and Fencing, On-Board Bus Surveillance Systems, CalTrain Right-of-way Fencing, Cameras on Trains & Closed-Circuit Security Cameras.

<b>8950</b>	<b>CALIFORNIA MILITARY DEPARTMENT</b>
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**Department Overview:** The California Military Department is responsible for the command, leadership, and management of the California Army and Air National Guard and five other related programs. The purpose of the California National Guard is to provide military service supporting this state and the nation. The three missions of the California National Guard are to provide: 1) mission ready forces to the federal government as directed by the President; 2) emergency public safety to civilian authorities as directed by the Governor; and, 3) support to the community as approved by proper authority. The California Military Department is organized in accordance with federal Departments of the Army and the Air Force staffing procedures.

**Budget Overview:** The Governor's Budget proposes \$130.8 million (\$43.6 million General Fund) and 797.7 personnel years. This reflects a decrease of \$9.6 million and 12.5 positions as compared to the 2011-12 budget.

<b>Fund Source</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13 (proposed)</b>
General Fund	\$43,938	\$42,991	\$43,618
Federal Trust Fund	\$69,133	\$76,758	\$77,788
Reimbursements	\$8,550	\$19,613	\$8,396
Mental Health Services Fund	\$366	\$540	\$549
Other Funds	\$103	\$421	\$422
Total Expenditures	\$122,090	\$140,323	\$130,773
Personnel Years	743.4	785.2	797.7

The Military Department also receives Other Federal Funds. These funds are not allocated by the state or deposited in the State Treasury and are not included in program or statewide totals. All of the Other Federal Funds are received from the Federal Government for the support of the federal component of the California National Guard.

Federal Funds – California Military Department

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Expenditures	\$911,643	\$770,484	\$786,665
Personnel Years	4,109.9	4,109.9	4,109.9

**Issues Proposed for Discussion / Vote****Issue 1 – STARBASE Program Expansion**

**Governor’s Budget Request:** The Governor requests 10.0 new positions to support the establishment of three new Science and Technology Academies Reinforcing Basic Aviation and Science Exploration (STARBASE) program facilities. Funding is being provided by the Department of Defense to begin program operations in 2012-13 and the program will continue to be funded with federal dollars.

**Background:** The Governor’s 2012-13 Budget request includes 10.0 new positions for the establishment of three new STARBASE academies located at Joint Forces Training Base in Los Alamitos, the Fresno Air National Guard Base and the Defense Language Institute in Monterey. There is no federal requirement for state matching funds and the program will continue to be fully federally funded.

California’s existing STARBASE program is located in Sacramento, California and serves more than 3,000 students annually from the nine surrounding school districts. The program targets minority and/or low socio-economic students and utilizes instruction platforms that conform with federal Department of Defense standards. STARBASE participants are provided with hands-on learning opportunities and mathematics plays an integral role in the program.

If the state were to choose to deny the BCP, the California Military Department will forfeit the \$1.0 million in federal funding that has been set aside to add three new STARBASE programs in California.

**Hearing Questions:** The Subcommittee may want to hear from the California Military Department on the following questions:

1. *Has the Military Department determined if these positions could be filled by State Civil Service employees? Are there any benefits to these positions being filled by members of the State Active Duty?*
2. *Are there any benefits to either the student or the military department to these positions being filled by members of the State Active Duty? .*

**Staff Comment.** According to the Military Department, instructors in the STARBASE program will be members of the State Activity Duty. Due to cost considerations, it may be more economical for the California Military Department to fill these 10.0 positions with a member of the State Civil Service. Staff would like to see analysis that determines if there are any additional cost burdens assumed by the state if these positions are filled by State Active Duty personnel rather than State Civil Service.

**Staff Recommendation:** Staff recommends this issue be left open until the California Military Department provide the Budget Committee with a cost benefit analysis of utilizing State Civil Service personnel vs. State Active Duty.

**Vote:**

**Issue 2 – State Active Duty Compensation**

**Governor’s Budget Request.** The Governor’s 2012-13 budget requests a \$1.147 million (\$495,000 GF) augmentation to support state active duty personnel cost increases that stem from increases approved by Congress.

**Background.** Currently there are 568.5 State Active Duty positions within the California Military Department. Members of the State Active Duty support a variety of Military Department activities including: support for youth and community outreach programs, administrative support for The Adjutant General, and facility support operations throughout the state. In accordance with Sections 320 and 321 of the Military and Veterans Code, pay for State Active Duty employees is based upon federal military pay scales that are determined by Congress. Compensation is based on each military member’s pay grade, duty location, and years of military service.

**Hearing Questions:** The Subcommittee may want to hear from the California Military Department on the following questions:

- 1. What is the Department’s current vacancy rate?*
- 2. Could you please describe in more detail the process of converting each position? On average, how long does the conversion process take?*
- 3. Has the Military Department been prohibited from converting any positions due to its lacking a State Civil Service classification? If so, could you provide us with more detail on those positions?*

**Staff Comment.** MG Baldwin, the current Adjutant General, has directed his staff to review each State Active Duty position and determine if it is possible to convert the position to a less costly State Civil Service position as it becomes vacant. This review process has led to the conversion of 11 positions to State Civil Service. State Civil Service positions are not subject to housing allowances like State Active Duty positions and have proven to be more cost effective to the state.

## Positions Slotted to Convert to SCS

<u>SAD Position</u>	<u>Base Pay+BAH=Salary</u>	<u>SCS Classification</u>	<u>Salary Range</u>
Position Control NCO (E7)	\$6687	AGPA	\$4400 - \$5348
Chief HRO (W4), SP,	\$9268	SSM II	\$6173 - \$6727
Fiscal NCO (E7), Sunburst	\$7203	Associate Budget Analyst	\$4400 - \$5350
Security Forces Admin NCO	\$5317	Executive Secretary	\$3020 - \$3672
Youth Programs Admin NCO	\$5317	Executive Secretary	\$3020 - \$3672
Real Property Tech	\$5317	Associate Budget Analyst	\$4400 - \$5348
Federal Government Liaison	\$8493	CEA I	\$6173 - \$7838

The table provides data that shows progress towards converting positions to State Civil Service is being made. Undoubtedly, this will be a lengthy process where cost savings each year may seem minimal, but over time the savings achieved through conversion will have provide tangible savings to the state's overall budget.

**Staff Recommendation:** Approve as budgeted

**Vote:**

<b>8955</b>	<b>CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS</b>
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**Department Overview:** The California Department of Veterans Affairs (CDVA) promotes and delivers benefits to California veterans and their families. More specifically, the CDVA provides: (1) California veterans and their families with aid and assistance in presenting their claims for veterans' benefits under the laws of the United States; (2) California veterans with beneficial opportunities through direct low-cost loans to acquire farms and homes; and (3) the state aged and disabled veterans with rehabilitative, residential, and medical care and services in a home-like environment at the California Veterans Homes. The CDVA operates veterans' homes in Yountville, Barstow, Chula Vista, Ventura, Lancaster and West Los Angeles.

**Budget Overview:** The Governor's budget proposes \$362.3 million (\$250.3 million GF) and 2,250.4 positions for the department. If implemented as proposed, General Fund support for the CDVA would increase from \$217.1 million in 2011-12 to an anticipated \$250.3 million in the budget year.

**Summary of Expenditures (in thousands)**

Program	2011-12	2012-13
Farm and Home Loans to Veterans	\$124,402	\$103,938
Veterans Claims and Rights	\$9,826	\$11,978
Care of Sick and Disabled Veterans	\$212,599	\$245,959
Other funds	\$473	\$428
<b>Total</b>	<b>\$347,300</b>	<b>\$362,303</b>

***Issues Proposed for Discussion / Vote:***

**Issue 1 – Veterans Homes of California (VHCs)**

**Governor's Budget Request:** The Governor's budget proposes an increase of \$33.6 million in 2012-13 for all of the VHCs, including an augmentation of \$32.2 million for full-year and one-time adjustments to phase-in staffing and residents in the existing and new VHCs in Greater Los Angeles Ventura County (GLAVC) and provide VHC Redding and VHC Fresno with staff to properly maintain the facility until each facility can be adequately staffed to admit residents.

The January Governor's Budget proposes to continue to ramp-up admissions at the VHCs in West Los Angeles, Lancaster, and Ventura. The Governor also proposes to provide continued resources and staffing related to the construction and activation of two new VHCs in Redding and Fresno. Construction at the Redding facility is scheduled to be completed by March 30 and construction at the Fresno facility is scheduled to be finished by April 20.

**Background:** The CDVA provides residential and medical care services to honorably discharged California veterans who served on active duty and are over the age of 62 or disabled. The VHCs are long-term residential care facilities that provide California's qualified aged or disabled veterans with rehabilitative, residential, medical, and support services in a home-like environment. Once an eligible veteran selects a VHC as his or her long-term care option, and is approved for admission, the veteran becomes a fee paying resident of the VHC. Home residents are veterans of military service ranging from World War II, Korea, Vietnam, Gulf War I, Operation Enduring Freedom, and Operation Iraqi Freedom. Spouses of veterans may also be eligible for VHC membership. The VHCs provide a long-term continuum of care, from domiciliary care at one end of the spectrum, which is similar to independent living accommodations, to skilled nursing care at the other end of the spectrum, which provides continuous skilled nursing or rehabilitation services.

### Veterans Homes of California

	Yountville	Barstow	Chula Vista	West Los Angeles	Lancaster	Ventura
Licensed Beds*	1,203	344	400	84	60	60
Domiciliary Care	Yes	Yes	Yes	No	No	No
Residential Care Facility for the Elderly	Yes	No**	Yes	Yes	Yes	Yes
Intermediate Care Facility	Yes	Yes	No	No	No	No
Skilled Nursing Care	Yes	Yes	Yes	Yes	No	No
Memory Care	Yes	Yes	Yes	Yes	No	No

\*Includes suspended beds.

\*\*Barstow is not currently licensed or budgeted for the Residential Care Facility for the Elderly level of care.

Construction at the VHC-Redding and VHC-Fresno facilities is scheduled for completion in early spring of 2012. The Governor's 2012-13 budget reflected minimal staff at each facility for basic upkeep and maintenance and did not include staff that would support admissions at VHC Redding or VHC Fresno. When opened, both of these homes will provide the following levels of care: Residential Care Facility for the Elderly and Skilled Nursing Care, including Memory Care services within each level of care.

**Hearing Questions:** The subcommittee may wish to ask the Administration the following questions.

1. Does the continued delay of opening both the Redding and Fresno facilities put the state at risk of losing any federal funding?
2. Will each of the positions requested in the 2012-13 budget for Redding and Fresno be located on site? Does the number requested reflect staff located at CDVA HQ in Sacramento?

**Staff Comment.** Staff agrees with the need to provide adequate staffing to ensure that the facilities are compliant while ramp up at each of the facilities occurs.

**Staff Recommendation:** Approve CDVA's budget for Veterans Homes (Program 30).

**Vote:**

## Issue 2 – Veterans Claims and Rights

**Governor's Budget Request:** The Governor's 2012-13 budget requests that \$11.9 million dollars and 40.9 Personnel Years be directed towards the department's Veterans Services Division. The Veterans Services Division provides service and assistance to California's veterans, dependents, and survivors. This request reflects an approximately \$2.1 million dollar increase over the Administration's 2011-12 budget request.

**Background:** According to the statistics provided by the USDVA, 15.06 percent of the state's veterans are receiving disability or compensation benefits from the federal government, which lies slightly below the national average of 15.72 percent. Increasing the rate of participation rates for benefits has long been a goal of the Veterans Services division of CDVA. While the state does provide some funding for County Veteran Service Officers (CVSOs) to conduct outreach (\$2.6 million dollars annually for all 54 counties) CDVA has limited influence on the outreach operations designed to connect the state's veteran population with federal benefits that they might be eligible to receive. Local agencies, such as CVSOs, or veteran specific non-profits have provided these services to veterans. A hurdle that the Veterans Services division often faces is that a CVSO's presence might vary by county, and are largely controlled by their respective county's board of supervisors. Therefore, the goals established by the CVSOs might not align perfectly with the goals of the Veterans Services division.

There are additional efforts underway to improve the number of veterans in California who receive benefits: Based on direction implemented in the 2010 Budget Act, a Memorandum of Understanding between CDVA and the Department of Motor Vehicles (DMV) was signed that allows veterans to identify themselves when they apply for a driver's license. This information would then be passed on to CDVA, which will lead outreach efforts and ensure that veterans are aware of their available benefits.

**Staff Comment:** Staff encourages the continued outreach efforts of CDVA. Staff encourages CDVA to continue to collaborate with other state entities to improve statewide outreach to ensure that each veteran in the state is aware of their benefits from the U.S. Department of Veterans Affairs.

**Staff Recommendation:** Approve CDVA's budget for Veterans Claims.

**2400****CALIFORNIA EMERGENCY MANAGEMENT AGENCY**

**Department Overview:** The principal objective of the California Emergency Management Agency (Cal EMA) is to reduce vulnerability to hazards and crimes through emergency management and criminal justice to ensure a safe and resilient California. The Cal EMA coordinates emergency activities to save lives and reduce property loss during disasters and to expedite recovery from the effects of disasters. On a day-to-day basis, the Cal EMA provides leadership, assistance, and support to state and local agencies in planning and preparing for the most effective use of federal, state, local, and private sector resources in emergencies. This emergency planning is based upon a system of mutual aid whereby a jurisdiction relies first on its own resources, and then requests assistance from its neighbors. The Cal EMA's plans and programs are coordinated with those of the federal government, other states, and state and local agencies within California.

During an emergency, the Cal EMA functions as the Governor's immediate staff to coordinate the state's responsibilities under the Emergency Services Act and applicable federal statutes. It also acts as the conduit for federal assistance through natural disaster grants and federal agency support. Additionally, the Cal EMA is responsible for the development and coordination of a comprehensive state strategy related to all hazards that includes prevention, preparedness, and response and recovery.

**Budget Overview:** The January Governor's Budget provides Cal EMA with 545.2 positions and \$1.3 billion (\$113.1 million General Fund). This reflects a decrease of \$85 million (\$2.5 million General Fund) and 26.1 positions compared to the 2011-12 budget.

***Issues Proposed for Discussion / Vote:*****Issue 1 – California Specialized Training Institute**

**Governor's Budget Request:** The administration's 2012-13 budget proposal includes a plan to close the CSTI training center by January 1, 2013. CSTI would retain responsibility for development of a curriculum, certifying local agencies, and providing some emergency management training on-location, but many responsibilities for training would shift to locally governed training centers operated by Joint Powers Authorities (JPA). The CSTI staff would be reduced by 20 positions over two years, and federal funds would be diverted to the JPAs. In total, the proposal would reduce the CalEMA budget by \$2.0 million in 2012-13 and \$4.2 million in 2013-14. Of these amounts, \$187,000 in 2012-13 and \$377,000 in 2013-14 are from the General Fund.

**Background:** The CSTI coordinates CalEMA's emergency management training programs. More specifically, CSTI provides training to state, local, federal, private sector, and foreign partners. The curriculum at the facility includes the state's standardized emergency

management system, hazardous material response, and contingency planning amongst a variety of other disaster mitigation related activities.

Approximately 30 percent of its training is provided by state instructors on-site at the CSTI training center in San Luis Obispo, often utilizing the center's specialty facilities and equipment (including prop tanker railcars, big-rig trucks, a firing range, and a mock courtroom). Most of the courses (about 70 percent) are taught by instructors who travel to trainees' local areas. According to the administration, funding for CSTI comes from a combination of federal grant funds (\$2.1 million), reimbursements from local authorities (\$3.8 million), and the state General Fund (\$1 million) and supports 26 authorized positions. Local authorities are currently responsible for the costs associated with their employees traveling to the San Luis Obispo center to receive training, including overtime, subsistence, and backfilling necessary positions while trainees are away.

**Hearing Questions:** The subcommittee may wish to ask the following questions of the Administration.

- 1. Have you determined if any costs will be absorbed by other local or state entities related to this move?*
- 2. Are there any environmental concerns that would need to be addressed prior to relocating/dismantling the facility? If there are, who would be expected to pay for the environmental cleanup?*

**Staff Comment.** While reducing the cost burden to local governments does make this proposal worthy of consideration, there are concerns that the cost of dismantling the facility in San Luis Obispo will exceed any savings that are expected to come from the relocation of CSTI. There is limited information related to the cost of dismantling the facility.

**Staff Recommendation:** Staff recommends that this item be left open until additional analysis can be provided.

**Vote:**

## **Issue 2 – Reorganization of the California Emergency Management Agency**

**Governor's Budget Request:** The Governor's 2012-13 budget proposal includes a plan to eliminate Cal EMA and absorb the functions of Cal EMA into the Governor's office. The Administration has suggested that they would be utilizing the Governor's Reorganization Plan (GRP).

**Background:** Existing law authorizes the Governor to examine periodically the organization of all agencies and to determine what changes are necessary for the provision of government services, including the reduction of the number of agencies through consolidation or abolishment of agencies or functions that may not be necessary for the efficient operation of the state government.

Cal EMA's existence in 2009 stems from AB 38 (Nava) which consolidated the functions of the Governor's Office of Emergency Services and the Governor's Office of Homeland Security into a single agency that would be responsible for the response to major disasters in support of local agencies throughout the state. While details are limited, it would appear that all functions and staff at Cal EMA would be absorbed by the Governor's office. The Governor's office would then assume the role of emergency coordination with local agencies and disaster response throughout the state.

The administration is projecting minimal savings from the elimination and absorption of Cal EMA into the Governor's office, but there is potential for the state to respond more effectively to any disaster by consolidating authority for response directly into the Governor's office.

We expect more details to unfold as the GRP process moves forward, and have presented this item as an opportunity to hear from the agency, administration and the LAO on any additional details that they might have.

**Hearing Questions:** The subcommittee may wish to ask the following questions of the Administration.

1. *Could you elaborate on some of the deficiencies of the current structure?*
2. *Since the Administration indicates it will submit these reorganization proposals to the Little Hoover Commission, does the Administration anticipate the need for reorganization-related adjustments to the 2012 Budget Act, or would conforming budget action not be needed until the 2013 Budget Act?*

**Staff Comment.** We expect more details to unfold as the GRP process moves forward, and have presented this item as an opportunity to hear from the agency, Administration, and the LAO on any additional details that they might have.

**Staff Recommendation:** This is an informational item.