



June 6, 2023

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review
Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Chris R. Holden, Chair
Assembly Appropriations Committee

Secretary of State—Augmentation for Department of Justice Legal Services

Pursuant to Provision 6 of Item 0890-001-0001, 2022 Budget Act, the following report is respectfully submitted.

The Department of Finance has received a request from the Secretary of State (SOS) to augment expenditure authority to cover costs for legal services provided by the Department of Justice (DOJ). Provision 6 of Item 0890-001-0001 authorizes Finance to augment this item by the amount necessary to cover costs for DOJ legal services. On May 18, 2023, DOJ notified SOS of a correction to the billing for legal services for costs incurred from July 2022 through April 2023, resulting in total costs of \$1.9 million for that period. The SOS is projected to accrue additional costs of \$389,000 by June 30, 2023, bringing total costs for legal services for 2022-23 to \$2.3 million. The current SOS appropriation for DOJ legal services is \$852,000, therefore an additional \$1,481,000 is needed to cover these costs. In addition, due to the constrained timeline for payment, SOS requests a waiver of the 30-day review period.

If you have any questions or need additional information regarding this matter, please call Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Shirley Weber, California Secretary of State
Tamara Johnson, Chief Financial Officer, Secretary of State
Jana Lean, Chief, Elections Divisions, Secretary of State
Joanna Southard, Assistant Chief, Elections Division, Secretary of State
Kristin Dagsher, Budget Section Manager, Fiscal Affairs Office, Secretary of State
Russell Vaneekhoven, Budget Manager, Fiscal Affairs Office, Secretary of State



SHIRLEY N. WEBER, Ph.D. | CALIFORNIA SECRETARY OF STATE
1500 11th Street | Sacramento, CA 95814 | Tel 916.653.7244 | www.sos.ca.gov

June 2, 2023

Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento CA 95814

Request for Augmentation for Department of Justice Legal Services

Pursuant to Provision 6, Item 0890-001-0001, Chapter 249, Statutes of 2022 (AB 179), the Secretary of State (SOS) requests an augmentation of \$1,480,452 General Fund in 2022-23 for Department of Justice Legal Services (DOJ). In addition, due to the constrained timeline for payment, the SOS requests a waiver of the 30-day review period.

The SOS received notification from the DOJ, on May 18, 2023, of a correction to the billing for legal services costs already incurred from July 2022 through April 2023. The SOS current appropriation is insufficient to cover the additional cost, and absent a budget augmentation, it may be necessary for the DOJ to cease litigation work on behalf of the SOS until July 1, 2023.

If you have any questions or need additional information regarding this request, please contact Tamara D. Johnson, Chief Financial Officer, at 916-695-1497.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shirley N. Weber".

Shirley N. Weber, Ph.D.
Secretary of State

Attachment

cc: On following page

Joe Stephenshaw

June 2, 2023

Page 2

cc: Amy Jarvis, Program Budget Manager, Department of Finance
Emma Jungwirth, Assistant Program Budget Manager, Department of Finance
Charles LaSalle, Budget Analyst, Department of Finance
Lisa Martin, Chief Deputy Secretary of State
Reggie Fair, Deputy Secretary of State, Operations
Tamara D. Johnson, Chief Financial Officer, Secretary of State
Kristin Dagsher, Budget Officer, Secretary of State
Russell Vaneekhoven, Budget Manager, Secretary of State
Anthony Montano, Budget Unit Manager, Secretary of State
Meena Ganesan, Accounting Administrator, Secretary of State



May 18, 2023

Russel Vaneekhoven
 Secretary of State
 1500 11th Street
 Sacramento, CA 95814

**Re: Projected AG Line Item Shortfall: Secretary of State
 Fiscal Year: 2022-23**

Dear Mr. Vaneekhoven:

This letter is a formal notification that the Secretary of State is anticipated to exceed its fiscal year (FY) 2022-23 budget for the legal services provided by the Office of the Attorney General (OAG)-Department of Justice (DOJ), as outlined in Item 0890-001-0001 (4) of the Budget Act of 2022.

Legal services costs already incurred from July 2022 through April 2023 total approximately **\$1,943,709.82**. Should current hourly workload trends continue, the Secretary of State is projected to accrue additional costs totaling **\$388,741.96** by June 30, 2023. As the Secretary of State's budget only allows for \$852,000 in costs for legal services provided by the Department of Justice, a shortfall of approximately **-\$1,480,451.78** is anticipated by year end.

	Attorney		Paralegal		Professional Type		Cost of Suit	Total Invoiced		
	Hours	Amount	Hours	Amount	Hours	Amount				
2022-2023 Jul	1,067.25	\$234,795.00	57.75	\$11,838.75	1,125.00	\$246,633.75			\$246,633.75	
2022-2023 Aug	976.50	\$214,830.00	76.00	\$15,580.00	1,052.50	\$230,410.00	\$324.47		\$230,734.47	
2022-2023 Sep	758.50	\$166,870.00	14.25	\$2,921.25	772.75	\$169,791.25	\$6,137.50		\$175,928.75	
2022-2023 Oct	866.25	\$190,575.00	9.00	\$1,845.00	875.25	\$192,420.00	\$820.35		\$193,240.35	
2022-2023 Nov	748.75	\$164,725.00	20.50	\$4,202.50	769.25	\$168,927.50			\$168,927.50	
2022-2023 Dec	649.25	\$142,835.00	2.50	\$512.50	651.75	\$143,347.50	\$4,800.00		\$148,147.50	
2022-2023 Jan	1,142.25	\$251,295.00	41.25	\$8,456.25	1,183.50	\$259,751.25	\$5,200.00		\$264,951.25	
2022-2023 Feb	531.25	\$116,875.00	64.75	\$13,273.75	596.00	\$130,148.75	\$211.50		\$130,360.25	
2022-2023 Mar	600.25	\$132,055.00	83.00	\$17,015.00	683.25	\$149,070.00	\$88.00		\$149,158.00	
2022-2023 Apr	663.50	\$145,970.00	12.50	\$2,562.50	676.00	\$148,532.50	\$87,095.50		\$235,628.00	
2022-2023	8,003.75	\$1,760,825.00	381.50	\$78,207.50	8,385.25	\$1,839,032.50	\$104,677.32		\$1,943,709.82	SL Projection
										\$2,332,451.78
							SOS Budget		\$852,000.00	\$852,000.00
							Deficit	(\$1,091,709.82)	(\$1,480,451.78)	

DOJ acknowledges that the Secretary of State may require a budget augmentation pursuant to Provision 6 of Item 0890-001-0001 of the Budget Act of 2022 in order to secure the necessary funding for continued legal services. Absent a budget augmentation as described above, it may

March 29, 2023

Page 2

be necessary for the OAG to cease work on the Secretary of State's cases until July 1, 2023, thereby slowing the pace of prosecution of the program's disciplinary actions.

I am available to provide more details as necessary in order to help the Secretary of State secure additional legal services funding to meet its mission. I can be reached at (916) 210-7022.

Sincerely,

Ashley Harp
Budget Officer