

Budget Hearings Board Inquiry Form

Board Member	
Carbajal	
Wolf	
Farr	
Adam	X
Lavagnino	

Inquiry Number:04

Department: CEO/AC

Date: 6/7/14

Page(s) of Budget Book/PowerPoint: 6 of 12 of Tab 12 of the Hearings binder.

Request/Question: The CEO discusses “charging” departments for maintenance. Could you help our office understand what the legal constraints might be? Citation to relevant law is all we need for the moment.

Response Prepared by: Mona Miyasato/T. Alvarez

Response:

From page 6 of 12 of Tab 7 of the Budget Material: Increase Other Fund revenue for maintenance by “charging” non-General Fund departments for maintenance to the degree allowed by law (Note: most non-GF departments already pay for their department’s maintenance and deferred maintenance capital projects)

The applicable reference in regards to this question in the OMB Circular A-87 which dictates the Cost Allocation Plan and is implemented by the Auditor Controller's Office.

The wording on page 6 was intended to say we would seek to maximize annual allowable maintenance that could be charged versus capital items (which are recovered over a longer period of time through depreciation) to our restricted funds, as allowed by A-87 or other state/fed regulations.