

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
Judicial Branch**

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Trial Court Trust Fund Unrestricted Fund Balance—It is requested that Item 0250-012-0932 be increased by \$25 million in fiscal year 2024-25 to transfer the unrestricted fund balance in the Trial Court Trust Fund to the General Fund. The Governor's Budget proposed to transfer \$80 million from the unrestricted fund balance to the General Fund. This adjustment brings the total transfer to \$105 million in 2024-25.

Trial Court Operations Reduction—It is requested that Item 0250-101-0932 be decreased by \$96,982,000 million ongoing and Item 0250-111-0001 be decreased by \$96,982,000 ongoing consistent with other statewide reductions.

Court Reporters in Family and Civil Law—It is requested that Item 0250-496 be amended to revert up to \$16 million from projected savings for support for court reporters in family and civil law cases (see Attachment 1). It is also requested that Item 0250-101-0932 be decreased by \$10 million and Item 0250-111-0001 be decreased by \$10 million to reduce the ongoing funding for this program from \$30 million to \$20 million.

Court Interpreter Grants—It is requested that Item 0250-496 be amended to revert up to \$20.4 million from projected savings for the Court Interpreter Employee Incentive Program that was included in the 2021 Budget Act (see Attachment 1).

Judicial Council Operational Savings—It is requested that Item 0250-496 be amended to revert up to \$5 million from projected savings in the Judicial Council's budget in 2023-24 (see Attachment 1).

CARE Court Funding—It is requested that Item 0250-496 be amended to revert up to \$17.5 million from projected savings from the trial courts for the implementation of the Community Assistance, Recovery and Empowerment (CARE) Act (see Attachment 1).

Adjustment to Firearm Relinquishment Program Reversion—It is requested that Item 0250-496 be amended to reduce the amount proposed in the Governor's Budget for reversion of the Firearm Relinquishment Program from \$20 million to \$18.6 million (see Attachment 1). This adjustment allows the Judicial Council to continue to administer the existing grants that have been allocated to the trial courts.

Included below are the remaining adjustments included in the May Revision:

Allocation for Employee Compensation and Staff Benefits—It is requested that the following Items be amended to reflect the revised employee compensation adjustment for judges and justices:

- Item 0250-001-0001 be increased by \$906,000 ongoing
- Item 0250-001-0159 be decreased by \$4,000 ongoing
- Item 0250-001-0932 be decreased by \$37,000 ongoing
- Item 0250-001-3037 be decreased by \$112,000 ongoing
- Item 0250-001-3060 be decreased by \$2,000 ongoing
- Item 0250-001-3085 be increased by \$150,000 ongoing
- Item 0250-101-0932 be increased by \$13,883,000 ongoing
- Item 0250-111-0001 be increased by \$13,883,000 in ongoing

CARE Court Funding—It is requested that the following Items be amended as follows to adjust the level of resources needed to implement the CARE Act:

- Item 0250-001-0001 be decreased by \$414,000 in 2024-25 and \$465,000 ongoing
- Item 0250-101-0001 be decreased by \$32,448,000 in 2024-25 and \$44,625,000 ongoing
- Item 0250-101-0932 be decreased by \$26,239,000 in 2024-25 and \$33,092,000 in ongoing
- Item 0250-111-0001 be decreased by \$26,239,000 in 2024-25 and \$33,092,000 ongoing

It is also requested the provisional language be amended to reflect the revised amounts (see Attachments 2, 3, and 4).

Technical Adjustment: Self-Help Centers—It is requested that Item 0250-001-0001 be decreased by \$190,000 ongoing and Item 0250-111-0001 be increased by \$190,000 ongoing to align program expenditures proposed in the Governor's Budget for the continued support for Judicial Branch Self-Help Centers.

Trial Court Employee Benefit Adjustment—It is requested that Item 0250-111-0001 be increased by \$20,820,000 ongoing and Item 0250-101-0932 be increased by \$20,820,000 ongoing to reflect the updated health benefit and retirement rate changes for trial court employees.

Trial Court Trust Fund Backfill—It is requested that Item 0250-113-0001 be decreased by \$45,834,000 ongoing to reflect updated revenue shortfalls based on the most current estimates of the Trial Court Trust Fund revenues for 2024-25.

State Court Facilities Construction Fund Backfill—It is requested that Item 0250-015-0001 be decreased by \$40 million in 2024-25 and \$30 million ongoing to reflect the updated revenue shortfalls based on the most current estimates of the State Court Facilities Construction Fund revenues for 2024-25.

Extension of Liquidation for Deferred Maintenance Projects—It is requested that Item 0250-491 be added to extend the liquidation period of \$1.6 million General Fund from Item 0250-001-0001, Budget Act of 2018, and \$6.6 million General Fund from Item 0250-001-0001, Budget Act of 2019, to June 30, 2025. There have been project delays at the Hayward Hall of Justice and Foltz Criminal Justice Center due to unforeseen challenges during construction, scope revisions, and extended delays in required inspections by the State Fire Marshal (see Attachment 5).

Reappropriation: Remote Access to Court Proceedings (AB 716)—It is requested that Item 0250-492 be added to reappropriate up to \$5.1 million from Item 0250-001-0001, 2023 Budget Act, to support the implementation Chapter 526, Statutes of 2021 (AB 716) (see Attachment 6).

Provisional Language—It is requested that provisional language in Item 0250-001-0001 be amended to update the number of counties eligible to receive grants for legal representation in CARE Act proceedings and to allow for the State Bar to contract for public defender services in a county that does not have a public defender office (see Attachment 3).

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Implementation of Piqui's Law: Keeping Children Safe from Family Violence Act: Chapter 865, Statutes of 2023 (SB 331) —It is requested that Item 0250-001-0001 be increased by \$1,114,000 and 4 positions ongoing.

The effect of my requested action is reflected on the attachment.

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:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Zlatko Theodorovic, Director of Budget Services, Judicial Council
Fran Mueller, Deputy Director of Budget Services, Judicial Council
Angela Cowan, Budget Manager, Budget Services, Judicial Council
Sarah Rattanasamay, Fiscal Supervisor, Judicial Council

Amend Item 0250-496 as follows:

"0250-496—Reversion, Judicial Council. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations, shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) Up to ~~\$18,600,000~~ ~~\$20,000,000~~ in Provision 11 of Item 0250-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
- (2) Up to \$5,000,000 in Item 0250-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) appropriated to the Judicial Branch to support court operations.

0932—Trial Court Trust Fund

- (1) Up to \$16,000,000 in Provision 30 of Item 0250-101-0932, Budget Act of 2023 (Ch. 12, 38, and 189, Stats. 2023) appropriated to the Judicial Branch to increase the number of official court reporters in family and civil law cases.
- (2) Up to \$20,400,000 in Provision 29 of Item 0250-101-0932, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Court Interpreter Employee Incentive Grant Program. The amount reverted per this schedule is transferred to the General Fund as a reversal of the expenditure transfer that brought it into this fund.
- (3) Up to \$17,500,000 in Provision 36 of Item 0250-101-0932, Budget Act of 2023 (Chs. 12, 38, and 189 Stats. 2023) for the implementation of the Community Assistance, Recovery and Empowerment Act in the trial courts. Any unexpended funds shall revert to the General Fund."

Amend Provision 7 of Item 0250-001-0001 as follows:

"7. Of the amount appropriated in Schedule (3), ~~\$1,587,000~~\$1,173,000 shall be distributed by the Judicial Council to the Legal Services Trust Fund Commission of the State Bar of California for administrative costs related to allocating resources for legal services to implement the Community Assistance, Recovery, and Empowerment Act (Part 8 (commencing with Section 5970) of Division 5 of the Welfare and Institutions Code). The commission shall coordinate with the Judicial Council to ensure that the commission collects and reports the data necessary for the Judicial Council to ensure that the commission collects and reports the data necessary for the Judicial Council to comply with all Community, Assistance, Recovery, and Empowerment Act reporting requirements."

Amend Provisions 14, 14(b) and 15 of Item 0250-101-0001 as follows:

"14. Of the funds appropriated in this item, ~~\$47,652,000~~\$16,750,000 is available for legal services to implement the Community Assistance, Recovery, and Empowerment (CARE) Act, and shall be distributed by the Judicial Council through the Legal Services Trust Fund Commission of the State Bar of California as grants to qualified legal services projects, as defined in Section 6213 to 6214.5, inclusive, of the Business and Professions Code, to provide legal counsel pursuant to subdivision (c) of Section 5976 of the Welfare and Institutions Code for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans by December 1, 2024. As a condition of receiving these funds, recipients are required to comply with Judicial Council or Legal Services Trust Fund Commission directions on the collection and reporting of data necessary for the Judicial Council to comply with all CARE Act reporting requirements specified in Item 0250-001-0001.

14(b): These grants are to serve the ~~seven~~58 counties listed in subdivisions (a) and (b) of Section 5970.5 of the Welfare and Institutions Code. The Legal Services Trust Fund Commission shall provide any funds not awarded to qualified legal services projects for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans in each county to that county's public defender office, public defender services shared with another county, or organization providing public defender services to the county to provide those services.

15. Of the funds appropriated in Schedule (5), up to ~~\$2,383,000~~\$838,000 is available to provide legal training and technical assistance related to the implementation of the CARE Act. These funds shall be distributed by the Judicial Council through the Legal Services Trust Fund Commission of the State Bar of California by December 1, 2024, as grants to qualified support centers or other entities that have expertise in providing legal training and technical assistance to legal aid providers or public defenders. The Legal Services Trust Fund Commission shall provide any funds not awarded for legal training and technical assistance related to the implementation of the CARE Act to qualified legal services projects and public defender offices to provide legal counsel pursuant to subdivision (c) of Section 5976 of the Welfare and Institutions Code for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans by December 1, 2024."

Attachment 4

Amend Provision 28 of Item 0250-101-0932 as follows:

"28. Of the funds appropriated in Schedule (1), ~~\$52,713,000~~\$26,474,000 is available for the implementation of the Community Assistance, Recovery, and Empowerment Act."

Attachment 5

0250-491—Reappropriation, Judicial Council. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2025.

0001—General Fund

- (1) Up to \$6,600,000 in Item 0250-001-0001, Budget Act of 2019 (Ch. 23, and 55, Stats. 2019), extended to June 30, 2025, appropriated to the Judicial Branch for deferred maintenance projects.
- (2) Up to \$1,600,000 in Item 0250-001-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018) as reappropriated by Item 0250-492, Budget Act of 2023 (Ch. 12, 38, and 189, Stats 2023), extended to June 30, 2025, appropriated to the Judicial Branch for deferred maintenance projects.

0250-492—Reappropriation, Judicial Council. The amount specified in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2025:

0001—General Fund

- (1) Up to \$5,100,000 in Item 0250-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189 Stats. 2023) for implementation of Chapter 526, Statutes of 2021 (AB 716).



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0250-301-0660, Capital Outlay, Judicial Branch

Sonoma County: New Santa Rosa Criminal Courthouse—It is requested that Item 0250-301-0660 be increased by \$11,498,000 one-time to provide additional lease revenue bond authority for the construction phase of a new criminal courthouse in Santa Rosa. The funding is needed to address costs due to construction delays and design issues.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Koreen van Ravenhorst, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Adam Dorsey, Chief Administrative Officer, Judicial Council of California
Zlatko Theodorovic, Director, Budget Services, Judicial Council of California
Pella McCormick, Director, Facilities Services, Judicial Council of California

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Budget Bill Items, Support and Local Assistance, Judges' Retirement System

Increase in State Contributions to the Judges Retirement System II—It is requested that state retirement contributions to the Judges' Retirement System (JRS) II, be decreased by a total of \$38,000 ongoing. These changes comply with the statutory requirement per Government Code section 75600.5, that the state retirement contribution to JRS II be appropriated based on the contribution rate submitted by the California Public Employees' Retirement System (CalPERS) Board of Administration. On April 16, 2024, the CalPERS Board approved a JRS II contribution rate of 23.79 percent for 2024-25, an increase from the 2023-24 rate of 23.58 percent. The increase in the rate is mostly attributed to actuarial loss, offset by a change in payroll. The decrease in the requested retirement contributions, despite the increased employer rates, is due to the Governor's Budget projecting an even greater rate increase of 23.80 percent.

Reappropriation of Mallano Judgement Funding—It is requested that Item 0390-490 be added to reappropriate \$65,000 General Fund from Item 0390-001-0001 in Chapter 23, Statutes of 2019 (AB 74) (see Attachment 1). The extension is necessary to allow CalPERS to continue making payments for the post judgment award in *Robert M. Mallano, Individually, and Behalf of a Class of Similarly Situated Persons v. John Chiang, Controller of the State of California (Superior Court of California, County of Los Angeles, Case No.BC-533770)*.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Aston Teneffoss, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Stephen C. Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and
Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Dan Bienvenue, Interim Chief Investment Officer, California Public Employees'
Retirement System
Willem (Will) Schaafsma, Chief, Division of Financial Planning, Policy and Budgeting,
California Public Employees' Retirement System
Stacy Guzman, Budget Manager, California Public Employees' Retirement System

0390-490—Reappropriation, Judges' Retirement System. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure through June 30, 2026.

0001—General Fund

- (1) Up to \$65,000 in Provision 2 of Item 0390-001-0001, Budget Act of 2019 (Ch. 23, Stats. 2019)

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to and Addition of Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, Governor's Office of Business and Economic Development

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Small Business Technical Assistance Expansion Program—It is requested that Item 0509-001-0001 be decreased by \$13 million in fiscal year 2024-25 and 2025-26, and provisional language be amended to reflect the reduction to this program (see Attachment 1).

Delay City of Fresno Infrastructure Plan Funding—It is requested that Item 0509-101-0001 be decreased by \$100 million in 2025-26, and increased by \$100 million in 2026-27. This delays the remaining \$200 million included in the 2023 Budget Act for the City of Fresno to 2026-27.

California Competes Grant Program—It is requested that Item 0509-102-0001 be decreased by \$50 million in 2024-25 and Item 0509-495 be added to revert \$10 million from the 2023 Budget Act to remove funding proposed in the Governor's Budget (see Attachment 2).

Infrastructure State Revolving Fund—It is requested that Item 0509-113-0001 be decreased by \$25 million in 2024-25 to reduce the amount proposed in the Governor's Budget from \$50 million to \$25 million in 2024-25.

Performing Arts Equitable Payroll Fund—It is requested that Item 0509-495 be added to revert up to \$12.5 million (see Attachment 2). The 2023 Budget Act reappropriated \$4.5 million from unspent funds for the California Venues Grant Program included in the 2021 Budget Act and \$8 million from unspent funds for the California Small Nonprofit Performing Arts Grant Program included in the 2021 Budget Act to establish the Performing Arts Equitable Payroll Fund.

Small Agricultural Business Drought Relief Grant Program—It is requested that Item 0509-495 be added to revert up to \$5 million for this grant program. A total of \$75 million was allocated in the 2022 and 2023 Budget Acts, and this proposed reversion reflects estimated savings from the program (see Attachment 2).

Salton Sea Clean Energy Transmission Financing—It is requested that Item 0509-495 be added to revert \$250 million from the unexpended balance of the appropriations made in 2022 and 2023 Budget Acts to support financing of the energy transmission line in the Salton Sea (see Attachment 2). To effectuate this reversion, it is also requested to add Item 0509-011-9334 to transfer \$250 million from the Climate Catalyst Revolving Fund to the General Fund (see Attachment 7). These items allow for the reversion of an additional \$225 million and provide the authority to effectuate a reversion of \$25 million from the Climate Catalyst Revolving Fund that was included in the 2023 Budget Act.

Local Government Budget Sustainability Fund—It is requested that Item 0509-495 be added to revert \$50 million from the 2023 Budget Act (see Attachment 2).

Included below are the remaining adjustments included in the May Revision:

Transition of Jobs First and Zero Emissions Vehicle Programs—It is requested that the Jobs First Program and the Zero Emissions Vehicle Program within the Office of Planning and Research be transferred to the Governor's Office of Business and Economic Development. It is requested that the following items be adjusted to effectuate this change:

- Item 0509-001-0001 be increased by \$406,000 and 6 positions ongoing
- Item 0509-001-0001 be increased by \$2,163,000 in 2024-25
- Item 0509-501-0001 be increased by \$3,162,000 in 2024-25

There is a commensurate decrease in expenditure authority to the Office of Planning and Research budget included in its Spring Finance Letter.

California Arts Council—It is requested that the California Arts Council be established as a program within the Governor's Office of Business and Economic Development. It is requested that the following items be adjusted to effectuate this change:

- Item 0509-001-0001 be increased by \$10,674,000 and 19.8 positions ongoing
- Item 0509-001-0078 be added in the amount of \$870,000 and 4.6 positions ongoing
- Item 0509-001-0890 be increased by \$965,000 ongoing
- Item 0509-101-0001 be added in the amounts of \$15.3 million in 2024-25 and 2025-26, and \$14.3 million in 2026-27 and ongoing
- Item 0509-101-0078 be added in the amount of \$298,000 in 2024-25, \$233,000 in 2025-26, and \$251,000 in 2026-27 and ongoing
- Item 0509-101-0890 be increased by \$100,000 ongoing
- Item 0509-101-8085 be added in the amount of \$250,000 ongoing

- Item 0509-501-0995 be added in the amount of \$197,000 ongoing

There is a commensurate decrease in expenditure authority to the California Arts Council's budget and associated Items have been eliminated (see California Arts Council Spring Finance Letter). It is also requested that provisional language be added and statutory changes be made to reflect this transition (see Attachments 1, 3, 4, 5, and 6).

Federal Grant Awards—It is requested that Item 0509-001-0890 be increased by \$3,250,000 ongoing to allow the Governor's Office of Business and Economic Development to receive additional federal grant funding for the State Expansion Program, the Grant Administration Plan, and Building Resilience Program.

Technical Adjustment—It is requested that Item 0509-495 be added to revert \$2 million that was included in the 2021 Budget Act and is available for encumbrance or expenditure until June 30, 2026 (see Attachment 2).

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Clean Energy and Infrastructure Assessment Project: Chapter 336, Statutes of 2023 (AB 585)—It is requested that Item 0509-001-0001 be increased by \$2,297,000 in 2024-25 and \$252,000 in 2025-26.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessie Romine, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and
Economic Development
Scott Dosick, Deputy Director, California Competes, Governor's Office of Business
and Economic Development
Tara Lynn Gray, Director, Office of the Small Business Advocate, Governor's Office
of Business and Economic Development
Scott Wu, Executive Director, California Infrastructure and Economic Development
Bank
Clint Kellum, Chief Deputy Executive Officer, California Infrastructure and
Economic Development Bank
Dan Adler, Senior Advisor, California Infrastructure and Economic Development
Bank
Philip Chen, Budget Officer, Governor's Office of Business and Economic
Development

Amend Provisions to Item 0509-001-0001 as follows:

“Provisions:

1. Of the amount appropriated in Schedule (3), \$3,000,000 shall be used to draw down federal funds in the California Small Business Development Center Program.
2. Of the amount appropriated in Schedule (3), ~~\$23,000,000~~ 10,00,000 shall be used for the California Small Business Development Technical Assistance Expansion Program. Notwithstanding any other law, this funding shall be available for encumbrance or expenditure until June 30, 2027.
3. Two positions funded in Schedule 7.5 shall provide outreach and contract or grant management activities to further expand programs into communities and populations that continue to be underrepresented in the arts.”

0509-495—Reversion, Governor's Office of Business and Economic Development. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Up to \$2 million in Item 0509-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021)

(2) Up to \$8,000,000 of the amount appropriated for the Performing Arts Equitable Payroll Fund in Schedule (1) of Item 0509-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) as reappropriated by Item 0509-491, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as reappropriate again in Item 0509-493, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(3) Up to \$50,000,000 of the amount appropriated for the Local Government Sustainability Fund in Schedule (1) of Item 0509-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(4) Up to \$10,000,000 of the amount appropriated for the California Competes Grant Program in Schedule (1) of Item 0509-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. of 2023).

(5) Up to \$4,500,000 of the amount appropriated for the Performing Arts Equitable Payroll Fund in Schedule (1) of Item 0509-104-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), as reappropriated by Item 0509-491, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as reappropriate again in Item 0509-493, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(6) Up to \$200,000,000 of the amount appropriated for support of the Climate Catalyst Fund in Item 0509-112-0001, Budget Act of 2022 (Chs. 43, 45, and 249 Stats. 2022) appropriated pursuant to Government Code section 63048.95 to support the Climate Catalyst Fund.

(7) Up to \$50,000,000 of the amount appropriated for support of the Climate Catalyst Fund in Item 0509-112-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) appropriated pursuant to Government Code section 63048.95 to support the Climate Catalyst Fund.

3398-Emergency Relief Fund

(1) Up to \$5,000,000 of the amount appropriated for Drought Relief grants in Item 0509-102-3398, Budget Act 2022 (Chs. 43, 45, and 249 Stats. 2022).

9334—Climate Catalyst Fund

(1) Up to \$200,000,000 appropriated in Government Code section 63048.95 to support the Climate Catalyst Fund for fiscal year 2022-23.

(2) Up to \$50,000,000 appropriated in Government Code section 63048.95 to support the Climate Catalyst Fund for fiscal year 2023-24.

0509-101-8085—For local assistance, Governor's Office of Business and Economic Development, payable from the Keep Arts in Schools Fund
.....\$250,000

Schedule:

(1) 0236 – California Arts Council

Provisions:

1. The funds appropriated in this item are to be expended for the purposes identified in Chapter 430 of the Statutes of 2013.

0509-101-0078—For local assistance, Governor's Office of Business and Economic Development, payable from the Graphic Design License Plate Account..... \$250,000

Schedule:

(1) 0236 – California Arts Council

Provisions:

1. The funds appropriated in this item are to be expended for the purposes identified in Chapter 393 of the Statutes of 2004, as amended by Chapter 221 of the Statutes of 2013.

0509-101-0001—For local assistance, Governor's Office of Business and Economic Development\$15,300,000

Schedule:

(1) 0236-Arts Council\$15,300,000

Provisions:

1. Upon order of the Department of Finance, the Controller shall transfer up to \$500,000 of the amount appropriated in Schedule (1) of this item to Schedule (1) of Item 0509-001-0001 for the administration of arts programming grants.
2. Of the amount appropriated in this item, at least \$10,000,000 of the granted funds shall require a match from grantees.
3. Of the amount appropriated in this item, \$1,000,000 shall be available for the Actors' Gang Prison Project to provide theater arts programming in prisons and reentry facilities. While receiving this appropriation, the Actors' Gang Prison Project shall be ineligible to receive funding from the Arts in Corrections program.

0509-001-0078—For support of Governor's Office of Business and Economic Development, payable from the Graphic Design License Plate Account..... \$870,000

Schedule:

(1) 0236 – California Arts Council

0509-011-9334—For Transfer by the Controller from the Climate Catalyst Fund to the
General Fund.....\$250,000,000



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0511-495, Support, Department of General Services

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Adjustment to Language Access Pilot Program Reversion from Chapter 249, Statutes of 2022 (AB 179)—It is requested that Schedule (2) of Item 0511-495 be increased by \$276,000 General Fund, to \$4,842,000 total General Fund. The Governor's Budget proposed reverting \$4,566,000 General Fund appropriated for the Language Access Pilot Program in the 2022 Budget Act. This additional amount is available for reversion as the position to support Language Access workload is now vacant.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Danielle Brandon, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Amy Tong, Secretary, Government Operations Agency
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government
Operations Agency



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0515-001-0001, and Addition of Items 0515-495 and 0515-496, Support and Local Assistance, Business, Consumer Services, and Housing Agency

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Reversion of Administrative Setasides for the Homeless Housing, Assistance and Prevention Program and the Encampment Resolution Fund Program—It is requested that Item 0515-495 be added to revert \$14,835,000 from the 2021 Budget Act appropriation for the Homeless Housing, Assistance and Prevention Program (HHAP) administrative setasides, and to revert \$13,540,000 from the 2022 Budget Act, and \$20 million from the 2023 Budget Act appropriations made for the Encampment Resolution Fund administrative setasides (see Attachment 1).

Reversion of Administrative Set-asides for the Family Homelessness Challenge Grants Program and the Homeless Housing, Assistance and Prevention Program—It is requested that Item 0515-496 be added to revert \$19,975,000 from the 2020 Budget Act appropriation made for the HHAP administrative setasides, \$2 million from the 2021 Budget Act appropriation made for the Family Homelessness Challenge Grant administrative setasides, \$28,701,000 from the 2021 Budget Act appropriation made for the HHAP administrative setasides, and \$50 million from the 2022 Budget Act appropriation made for the HHAP administrative setasides (see Attachment 2).

Included below are the remaining adjustments included in the May Revision:

California Interagency Council on Homelessness Permanent Program Resources—It is requested that Item 0515-001-0001 be increased by \$14,835,000 in fiscal year 2024-25, \$9,545,000 in 2025-26, and \$7,795,000 in 2026-27 and ongoing to fund 19 existing permanent staff and contracts necessary to support the California Interagency Council on Homelessness' existing statutory obligations. It is also requested that 19 positions be eliminated from Item 0515-002-0001 resulting in a net zero position shift to Item 0515-001-0001.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Christopher Hill, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Tomiquia Moss, Secretary, Business, Consumer Services and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services and Housing Agency
Dhakshike Wickrema, Deputy Secretary of Homelessness, Business, Consumer
Services and Housing Agency
Amy Manasero, Deputy Secretary of Fiscal Policy and Administration, Business,
Consumer Services and Housing Agency
Meghan Marshall, Executive Officer, California Interagency Council on
Homelessness

0515-495—Reversion, Secretary of Business, Consumer Services, and Housing. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

- (1) Item 0515-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). Up to \$14,835,000 of the amount appropriated in Program 0265-Homeless Coordinating and Financing Council.
- (2) Item 0515-105-0001, Budget Act of 2022, (Chs. 43, 45, and 249, Stats. 2022). Up to \$13,540,000 of the amount appropriated in Program 0265- California Interagency Council on Homelessness.
- (3) Item 0515-105-0001, Budget Act of 2023, (Chs. 12, 38, and 139, Stats. 2023). Up to \$20,000,000 of the amount appropriated in Program 0265-California Interagency Council on Homelessness.

0515-496—Reversion, Secretary of Business, Consumer Services, and Housing. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

- (1) Item 0515-001-0001, Budget Act of 2020, (Chs. 6 and 7, Stats. 2020). Up to \$19,975,000 of the amount appropriated in Program 0265-Homeless Coordinating and Financing Council per Provision 1.
- (2) Item 0515-102-0001, Budget Act of 2021, (Chs. 21, 69, and 240, Stats. 2021). Up to \$2,000,000 of the amount appropriated in Program 0265-Homeless Coordinating and Financing Council.
- (3) Item 0515-103-0001, Budget Act of 2021, (Chs. 21, 69, and 240, Stats. 2021). Up to \$28,701,000 of the amount appropriated in Program 0265-Homeless Coordinating and Financing Council.
- (4) Item 0515-103-0001, Budget Act of 2022 (Chs 43, 45, and 249, Stats. 2022). Up to \$50,000,000 of the amount appropriated in Program 0265- California Interagency Council on Homelessness.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support, Local Assistance, Secretary for Transportation Agency

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Zero Emission Transit Capital Program—It is requested that Item 0521-101-3228 be decreased by \$10 million. It is also requested that Item 0521-496 be amended to revert an additional \$220 million from Schedule (1) of Item 0521-101-3228, 2023 Budget Act (see Attachment 1).

Formula Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be decreased by \$73.4 million and Item 0521-131-0001 be increased by \$73.4 million.

Competitive Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be decreased by \$355.7 million and Item 0521-131-0001 be increased by \$338 million. It is also requested that Item 0521-496 be amended to revert an additional \$281.2 million from Schedule (1) of Item 0521-131-0001, 2021 Budget Act (see Attachment 1).

Grade Separations—It is further requested that Item 0521-496 be amended to revert \$100 million from Schedule (2) of Item 0521-131-0001, 2021 Budget Act (see Attachment 1).

In addition to the above changes, the following changes to the 2023 Budget Act are requested:

Formula Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be increased by \$463 million and Item 0521-131-0001 be decreased by \$463 million.

Competitive Transit and Intercity Rail Capital Program—It is requested that Item 0521-101-3228 be increased by \$133.2 million.

Included below is the remaining adjustment included in the May Revision:

California Office of Traffic Safety Federal Fund Workload—It is requested that Item 0521-001-0042 be increased by \$5,000 ongoing, Item 0521-001-0044 be increased by \$2,000 ongoing, Item 0521-001-0046 be increased by \$2,000 ongoing, and Item 0521-001-0890 be increased by \$443,000 and 3 positions ongoing. These increases will support additional federal grants issued to the California Office of Traffic Safety by the National Highway Traffic Safety Administration.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call James Moore, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Toks Omishakin, Secretary, California State Transportation Agency
Mark Tollefson, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, California State Transportation Agency

Amend Item 0521-496 as follows:

"0521-496—Reversion, Secretary of Transportation. As of June 30, 2024, the unencumbered balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Up to \$96,000,000 of the amount appropriated in Schedule (1) of Item 0521-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(2) Up to ~~\$2,405,862,000~~~~\$2,124,662,000~~ of the amount appropriated in Schedule (1) of Item 0521-131-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(3) Up to \$100,000,000 of the amount appropriated in Schedule (2) of Item 0521-131-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

3228—Greenhouse Gas Reduction Fund

(1) Up to \$220,000,000 of the amount appropriated in Schedule (1) of Item 0521-101-3228, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023)."



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support, Health and Human Services

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Reduce Health and Human Services Innovation Accelerator (Issue 055)—It is requested that Item 0530-001-0001 be reduced by \$1 million in 2023-24 (planned savings), \$42 million in fiscal year 2025-26, and \$32 million in 2026-27, related to the Health and Human Services Innovation Accelerator. The early action agreement delayed funding for this program, and this proposal now eliminates all funding for this program from the budget.

Included below are the remaining adjustments included in the May Revision:

Office of Employment First (Issue 051)—It is requested that Item 0530-001-0001 be reduced by \$1 million in 2024-25 and ongoing to reflect the shift of the Office of Employment First from the California Health and Human Services Agency to the Department of Rehabilitation (DOR). This is related to the CalHHS Master Plan for Developmental Services to strengthen supports and opportunities for people with intellectual and developmental disabilities who access services across various systems. Establishing the Office of Employment First within DOR advances both the Master Plan for Career Education and for Developmental Services. See related Issue 023 in the Department of Rehabilitation Finance Letter.

Preschool Development Grant Award Authority Adjustment (Issue 037)—It is requested that Item 0530-001-0890 be increased by \$1,273,000 in 2024-25 one-time to reflect increased expenditure authority related to the Preschool Development Grant program. Provisional language is also requested to allow for future augmentations, contingent upon Joint Legislative Budget Committee notification (see Attachment 1). See related Issue 211 in the Department of Social Services Finance Letter.

ePOLST Registry Project Reappropriation (Issue 040)—It is requested that Item 0530-001-9745 be increased by \$6,310,000 from the California Health and Human Services Automation Fund in 2024-25 one-time to support the continued planning and implementation of the Electronic Physician Orders for Life Sustaining Treatment (ePOLST) Registry solution. See related Issue 031 in the Emergency Medical Services Agency Finance Letter.

Central Registry Replacement and California Emergency Medical Services Information System (CEMSIS) Re-procurement Reappropriation (Issue 043)—It is requested that Item 0530-001-9745 be increased by \$2,122,000 from the California Health and Human Services Automation Fund in 2024-25 and 6 positions be added one-time to support planning and implementation of the California Emergency Medical Services Central Registry Replacement Project and re-procurement activities. See related Issue 032 in the Emergency Medical Services Agency Finance Letter.

OPR Reorganization: California Initiative to Advance Precision Medicine (Issue 053)—It is requested that Item 0530-501-0001 be increased by \$31,518,000 in 2024-25 one-time to reflect the shift of the California Initiative to Advance Precision Medicine from the Office of Planning and Research to the California Health and Human Services. See related Issue 105 in the Office of Planning and Research Finance Letter.

Transfer of Juvenile Justice Programs to Office of Youth and Community Restoration (Technical Adjustment) (Issue 052)—It is requested that Item 0530-601-0001 be decreased by \$9,377,000 in 2024-25 one-time to reflect updates to juvenile justice grant funds to counties.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Akilah Weber, Chair, Assembly Budget Subcommittee No. 1
Honorable Corey Jackson, Chair, Assembly Budget Subcommittee No. 2
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Dr. Mark Ghaly, Secretary, Health and Human Services Agency
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services
Sonia Herrera, Deputy Secretary, Health and Human Services Agency

Amend Item 0530-001-0890 as follows:

"0530-001-0890—For support of Secretary of California Health and Human Services,
payable from the Federal Trust Fund935,0002,208,000

Schedule:

(1) 0280-Secretary of California Health and Human Services145,0001,418,000
(2) 0286-Office of Youth and Community Restoration790,000

Provisions:

1. Notwithstanding any other law, upon selection of the State of California, the Department of Finance may augment this item for future annual expenditure authority adjustments to expend awarded Preschool Development Grant funding for California Health and Human Services and Department of Social Services, no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee."



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to, Addition of, and Eliminate Various Budget Bill Items, Support and Local Assistance, Secretary of the Natural Resources Agency

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

General Fund Solution: Salton Sea Management Program Project Delivery and Operational Needs—It is requested that Item 0540-001-0001 be decreased by \$185,000 and 1 position in fiscal year 2024-25 and 2025-26. It is also requested that Item 0540-001-3228 be added in the amount of \$185,000 and 1 position in 2024-25 and 2025-26 to effectuate a full fund shift for this Governor's Budget proposal from the General Fund to the Greenhouse Gas Reduction Fund. Additionally, it is requested that provisional language be added to Item 0540-001-3228 to specify the purpose of this funding (see Attachment 1).

General Fund Solution: Ocean Protection—It is requested that Item 0540-495 be amended to revert \$27.5 million in 2023-24 for the Ocean Protection program, which was included in the 2022 and 2023 Budget Acts and is available for expenditure until June 30, 2025, and June 30, 2026, respectively (see Attachment 2). It is also requested that Item 0540-001-3228 be added in the amount of \$27.5 million in 2024-25 to effectuate a full shift of this funding from the General Fund to the Greenhouse Gas Reduction Fund. Additionally, it is requested that provisional language be added to Item 0540-001-3228 to specify the purpose of this funding and extend the encumbrance period until June 30, 2027 (see Attachment 1).

General Fund Solution: Marine Mammal Center—It is requested that Item 0540-101-0001 be decreased by \$2 million in 2024-25 and ongoing.

General Fund Solution: Urban Greening—It is requested that Item 0540-101-3228 be eliminated to reflect the combined effects of this proposed General Fund solution and the Ocean Protection – SB 1 Implementation solution below. It is also requested Item 0540-495 be amended to reflect \$3,850,000 in erosions to the proposed Governor's Budget General Fund Solution of \$23,750,000, thereby making the revised, total solution \$19.9 million (see Attachment 2).

General Fund Solution: Ocean Protection – SB 1 Implementation—It is requested that Item 0540-101-3228 be eliminated to reflect the combined effects of this proposed General Fund solution and the Urban Greening solution above. It is also requested that Item 0540-101-3228 be increased by \$36.8 million in 2026-27 to effectuate a full shift of this funding from the General Fund to the Greenhouse Gas Reduction Fund.

General Fund Solution: California Climate Information System—It is requested that Item 0540-495 be amended to revert \$18,331,000 in 2023-24 from Item 0540-002-0001, Budget Act of 2022, which was appropriated for the California Climate Information System and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Natural and Working Lands Implementation (AB 1757)—It is requested that Item 0540-495 be amended to revert \$3,160,000 in 2023-24 from Item 0540-001-0001, Budget Act of 2023, which was appropriated for Natural and Working Lands Implementation (AB 1757) and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Water Resilience Data, Research, and Communication—It is requested that Item 0540-495 be amended to revert \$600,000 in 2023-24 from Item 0540-001-0001, Budget Act of 2021, which was appropriated for Water Resilience Data, Research, and Communication and is available for expenditure until June 30, 2024 (see Attachment 2).

The May Revision proposes the following adjustments to implement recently chaptered legislation:

Extreme Heat Action Plan: Chapter 387, Statutes of 2023 (SB 306)—It is requested that Item 0540-001-0001 be increased by \$250,000 and 1 position ongoing.

Ocean Protection Council Offshore Wind Implementation: Chapter 367, Statutes of 2023 (AB 1373)—It is requested that Item 0540-001-0001 be increased by \$3.6 million one-time and 3 positions ongoing. Additionally, it is also requested that provisional language be added to specify the purpose of the funding and make this amount available for encumbrance until June 30, 2027 (see Attachment 3).

Included below are the remaining adjustments included in the May Revision:

Natural Resources Agency Bond and Technical Proposals: Various Reappropriations and Extensions of Liquidation—It is requested that Item 0540-493 be added to extend the liquidation period of Item 0540-101-6083, Budget Act of 2017, one additional year to June 30, 2025 (see Attachment 4). It is also requested that Item 0540-494 be added to reappropriate the amount provided in Provision 5 of Item 0540-001-0001, Budget Act of 2022, until June 30, 2026 (see Attachment 5).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Lizzie Urie, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steven Bennett, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Wade Crowfoot, Secretary, Natural Resources Agency
Bryan Cash, Assistant Secretary for Administration and Finance, Natural Resources Agency

0540-001-3228—For support of Secretary of the Natural Resources Agency, payable from the Greenhouse Gas Reduction Fund.....27,685,000

Schedule:

(1) 0320-Administration of Natural Resources Agency.....27,685,000

Provisions:

1. Of the amount appropriated in this item, \$185,000 shall be available to the Natural Resources Agency for support of the Salton Sea Management Program.
2. Of the amount appropriated in this item, \$27,500,000 shall be available to the Ocean Protection Council for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems, and shall be available for encumbrance or expenditure until June 30, 2027.

Amend Item 0540-495 as follows:

"0540-495—Reversion, Secretary of the Natural Resources Agency. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which appropriations were made.

0001—General Fund

(0.1) Up to \$600,000 of the amount appropriated for water resilience data, research, and communications in Provision 1 of Item 0540-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(0.2) \$15,000,000 of the amount appropriated for Ocean Protection in Provision 1 of Item 0540-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(0.3) Up to \$18,331,000 appropriated for the California Climate Information System in Item 0540-002-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(1) ~~\$23,750,000~~ \$19,900,000 of the amount appropriated for Urban Greening in Provision 4 of Item 0540-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(2) \$10,000,000 of the amount appropriated for Redondo Beach Wetlands in Section 19.58(b)(1)(A), Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as allocated to Item 0540-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(2.5) Up to \$3,160,000 of the amount appropriated for implementation of Chapter 341, Statutes of 2022 (AB 1757) in Item 0540-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(3) ~~\$35,000,000~~ \$47,500,000 of the amount appropriated for Ocean Protection in Provision 1 of Item 0540-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(4) \$51,800,000 of the amount appropriated for Ocean Protection—SB 1 Implementation in Provision 9 of Item 0540-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023)."

Add the following Provisions to Item 0540-001-0001:

1. Of funds appropriated in this item, \$3,600,0000 shall be used by the Ocean Protection Council to support offshore wind energy environmental research, monitoring, and adaptive management activities, which may include the following:
 - a) Evaluation of research and data gaps, tools, methods and technologies to support offshore wind energy-related environmental research and monitoring.
 - b) Development of data management practices and standards to support data sharing and interagency coordination on state offshore wind energy programs and actions.
2. The Ocean Protection Council may receive and expend any potential non-state funding, including private, nonprofit, and philanthropic funds, for similar purposes as specified in Provision 1 of this item. The Department of Finance may augment the appropriate budget items to effectuate the receipt and expenditure of any potential non-state funding for this purpose.
3. The funds specified in Provision 1 of this Item shall be available for encumbrance or expenditure by the Ocean Protection Council until June 30, 2027, and shall be available for liquidation until June 30, 2030.

0540-493—Reappropriation, Secretary of the Natural Resources Agency.
Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2025:

6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014

- (1) 0540-101-6083, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), as reappropriated in Item 0540-490, Budget Act of 2020 (Chs. 6 and 7, Stats. 2020) and in Item 0540-491, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

0540-494—Reappropriation, Secretary of the Natural Resources Agency. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2026:

0001—General Fund

(1) Up to \$2,370,000 of the amount appropriated in Provision 5 of Item 0540-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the administration of 2022 Legislative investments.



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0552-001-0001, Support, Office of the Inspector General

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

General Fund Solution: Medical Inspection Unit—It is requested that Item 0552-001-0001 be decreased by \$1,926,000 and 9 positions in fiscal year 2024-25, and \$3,851,000 and 18 positions in 2025-26 and ongoing, to return staffing levels for the Office of the Inspector General Medical Inspection Unit to the levels that existed prior to the recent augmentation included in the 2022 Budget Act. The intent of this reduction is to decrease the frequency of medical inspections for delegated institutions while maintaining a shortened period for non-delegation institutions. As of April 2024, 10 of the remaining 32 institutions have not been delegated back to the state by the Receiver.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Allison Hewitt, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Amarik K. Singh, Inspector General, Office of the Inspector General
Neil Robertson, Chief Deputy Inspector General, Office of the Inspector General
Shaun Spillane, Chief Counsel, Office of the Inspector General



Gavin Newsom ■ Governor

1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

May 14, 2024

Honorable Scott Weiner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Addition of Various Budget Bill Items, Support, California Environmental Protection Agency,
Office of the Secretary**

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

General Fund Solutions: Environmental Justice Action Grants Program—It is requested that Item 0555-495 be added to revert \$5 million in 2023-24 and Item 0555-101-3228 be added in the amount of \$5 million in 2026-27 to effectuate a fund shift for the Environmental Justice Action Grants program (see Attachment 1).

Included below are the remaining adjustments included in the May Revision:

Technical Adjustment: Reappropriation of California Environmental Reporting System Project—It is requested that Item 0555-490 be added to extend the encumbrance period until June 30, 2027 for appropriations from the Unified Program Account in the 2021 and 2022 Budget Acts for the California Environmental Reporting System Project (see Attachment 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Christian Beltran, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee
No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Yana Garcia, Secretary, California Environmental Protection Agency
Catalina Hayes-Bautista, Undersecretary, California Environmental Protection
Agency
Eric Jarvis, Deputy Secretary, California Environmental Protection Agency
Krystal Acierto, Deputy Secretary, California Environmental Protection Agency
Lu Saepanh, Branch Chief, State Air Resources Board

0555-495—Reversion, Secretary for Environmental Protection. As of June 30, 2024, the balances specified below of the appropriations provided in the following citation shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

- (1) Item 0555-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
\$5,000,000 of the amount appropriated in Program 0340-Support for
Environmental Justice Action Grants.

0555-490—Reappropriation, Secretary of Environmental Protection. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure through June 30, 2027.

0028—Unified Program Account

- (1) Up to \$675,000 of the amount appropriated in Item 0555-001-0028, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) related to the California Environmental Reporting System Project
- (2) Up to \$75,000 of the amount appropriated in Item 0555-001-0028, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) related to the California Environmental Reporting System Project



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 0559-001-3078, Support, Labor and Workforce
Development Agency**

It is requested that Item 0559-001-3078 be increased by \$111,000 in 2024-25 and \$18,000 in 2025-26 to support the Labor and Workforce Development's portion of the initial set-up and configuration costs of the New Labor Agency Building's information technology infrastructure. This request is part of a larger request including \$5,657,000 and \$491,000 reimbursement authority in 2024-25 and \$1,061,000 and \$148,000 reimbursement authority in 2025-26 split amongst multiple entities within the Labor and Workforce Development Agency (see the Labor and Workforce Development Agency finance letters for additional detail).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrew March, Assistant Program Budget Manager, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Stewart Knox, Secretary, Labor and Workforce Development Agency
Jacque Roberts, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency
Jay Sturges, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to, Addition of, and Eliminate Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, Governor's Office of Planning and Research

Department Reorganization—It is requested that the following programs be moved from the Governor's Office of Planning and Research to other state entities to allow the department to focus on its core responsibilities:

- California Volunteers to the new Governor's Office of Service and Community Engagement
 - It is requested that the following items be adjusted to reflect this change:
 - Item 0650-001-0001 be decreased by \$104,480,000 in fiscal year 2024-25 and 2025-26, and \$95,220,000 in 2026-27 and ongoing, 104 positions and for provisions 1, 2 and 3 to be removed to reflect these changes.
 - Item 0650-001-0890 be decreased by \$2,052,000 in 2024-25 and ongoing.
 - Item 0650-101-0890 be decreased by \$26 million in 2024-25 and ongoing.
 - Item 0650-102-0001 be eliminated to reflect the reduction of \$91,865,000 in 2024-25 and ongoing.
- Office of Community Partnerships and Strategic Communications to the new Governor's Office of Service and Community Engagement
 - It is requested that the following items be adjusted to reflect this change:
 - Item 0650-001-0001 be decreased by \$15.4 million in 2024-25 and 2025-26, and 29 positions.
 - Item 0650-101-0001 be eliminated to reflect the reduction of \$42 million in 2024-25 and 2025-26.
- Youth Empowerment Commission to the new Governor's Office of Service and Community Engagement
 - It is requested that Item 0650-001-0001 be decreased by \$1.5 million ongoing and 4.0 positions.
- Jobs First Unit to the Governor's Office of Business and Economic Development

- It is requested that Item 0650-001-0001 be reduced by \$406,000 ongoing and 8.0 positions.
- Zero Emissions Vehicle Program to the Governor's Office of Business and Economic Development
 - Up to \$2,163,000 will be transferred through a statutory change.
- California Initiative to Advance Precision Medicine to the Health and Human Services Agency
 - Up to \$31,518,000 and 5.0 positions will be transferred through a statutory change.

Entities impacted by these changes have commensurate adjustments reflected in individual Spring Finance Letters and result in net-zero impacts on state resources.

It is also requested that statutory changes be made to rename the Governor's Office of Planning and Research to the Governor's Office of Climate and Land Use Innovation, and to effectuate the movement of these programs to other state entities. The statutory changes will be posted on the Department of Finance website.

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

California Education Learning Lab—It is requested that Item 0650-001-0001 be decreased by \$5.5 million in 2024-25 and 2025-26, and \$4 million in 2026-27 and ongoing.

Extreme Heat and Community Resilience Program—It is requested that Item 0650-101-3228 be eliminated to remove funding included in the Governor's Budget for the Extreme Heat and Community Resilience Program in 2024-25.

Golden State Awards—It is requested that Item 0650-495 be added to revert \$9.9 million for the Golden State Awards program included in the 2022 Budget Act (see Attachment 1).

Included below are the remaining adjustments included in the May Revision:

Administrative Workload—It is requested that Item 0650-001-0001 be increased by \$977,000 and 6.0 positions ongoing to address increased administrative workload associated with the transition to civil service as approved in the 2023 Budget Act.

Information Technology Unit—It is requested that Item 0650-001-0001 be increased by \$3.7 million ongoing to establish a baseline budget for Information Technology infrastructure needs. The 2023 Budget Act included resources for the Governor's Office of Planning and Research to establish an Information Technology Unit to assume responsibility of information technology services that were previously provided by the Governor's Office.

Technical Adjustment to General Fund Solution: Regional Climate Resilience—It is requested that Item 0650-001-0001 be increased by \$50 million in 2024-25 and Item 0650-101-0001 be decreased by \$50 million in 2024-25 to correctly align program expenditures.

Adaptation Planning Grants Reappropriation—It is requested that Item 0650-490 be added to reappropriate up to \$1.2 million of Item 0650-001-0001 in the 2021 Budget Act to provide funding for communities to plan for and respond to multiple climate risks across sectors. This is necessary to allow staff to continue to manage grant contracts and close out activities (see Attachment 2).

Wood Products Innovation Reappropriation—It is requested that Item 0650-490 be added to reappropriate up to \$130,000 of Item 0650-001-0001 in the 2023 Budget Act to develop wood feedstock pilots. This is necessary to allow staff to manage existing contracts in 2024-25 (see Attachment 2).

Racial Equity Commission's Framework Deadline Extension—It is requested that statutory changes be made to extend the deadlines for reporting requirements for the Racial Equity Commission. The statutory changes will be posted on the Department of Finance website.

The May Revision proposes the following adjustments to enable implementation of recently chaptered legislation:

Extreme Heat Action Plan: Chapter 387, Statutes of 2023 (SB 306)—It is requested that item 0650-001-0001 be increased by \$385,000 and 2.0 positions ongoing.

CEQA Notices: Chapter 860, Statutes of 2023 (SB 69)—It is requested that item 0650-001-0001 be increased by \$392,000 and 2.0 positions ongoing.

The effect of my requested action is reflected on the attachment.

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:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Samuel Assefa, Director, Office of Planning and Research
Russell Fong, Undersecretary, Office of Planning and Research
Vivian Su, Budget Officer, Office of Planning and Research

0650-495—Reversion, Governor's Office of Climate and Land Use Innovation. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

- (1) Up to \$9,900,000 in Item 0650-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) appropriated for the Golden State Awards program.

Item 0650-490— Reappropriation, Governor's Office of Climate and Land Use Innovation. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available as specified below:

0001—General Fund

- (1) Up to \$1,200,000 of Provision (8) of Item 0650-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Climate Adaptation & Resilience Planning Grants Program, available for encumbrance or expenditure until June 30, 2028.
- (2) Up to \$130,000 of the amount appropriated in Schedule (1), Item 0650-001-0001, Budget Act of 2023 (Ch. 12, 38, and 189, Stats. of 2023) for forestry sector market development, available for encumbrance or expenditure until June 30, 2025.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, and Statutory Changes, Support and Local Assistance, Governor's Office of Service and Community Engagement

Establish the Governor's Office of Service and Community Engagement—It is requested that statutory changes be made to establish the Governor's Office of Service and Community Engagement and to transfer the California Volunteers, Office of Community Partnership and Strategic Communications, and Youth Empowerment Commission to this new Office. It is also requested that the following Items be added to reflect the transfer of these programs:

California Volunteers

- Item 0680-001-0001 be added in the amount of \$104,480,000 and 104 positions in fiscal year 2024-25 and 2025-26, and \$95,220,000 in 2026-27 and ongoing, and provisional language be added to reflect this change (see Attachment 1).
- Item 0680-001-0890 be added in the amount of \$2,052,000 ongoing.
- Item 0680-101-0890 be added in the amount of \$26 million ongoing.
- Item 0680-102-0001 be added in the amount of by \$91,865,000 ongoing.

Office of Community Partnerships and Strategic Communications

- Item 0680-001-0001 be added in the amount of \$15.4 million and 29 positions in 2024-25 and 2025-26.
- Item 0680-101-0001 be added in the amount of \$42 million in 2024-25 and 2025-26.

Youth Empowerment Commission

- Item 0680-001-0001 be added in the amount of \$1.5 million and 4 positions ongoing.

There is a commensurate decrease in expenditure and position authority for the Governor's Office of Planning and Research budget as reflected in a separate Spring Finance Letter.

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

California Climate Action Corps—It is requested that Item 0680-001-0001 be decreased by \$9.4 million ongoing, and Item 0680-001-3228 be added in the amount of \$9.4 million in ongoing to reflect the shift from the General Fund to the Greenhouse Gas Reduction Fund. It is also requested that provisional language be added (see Attachment 2).

Youth Corps Program—It is requested that Item 0680-001-0001 be decreased by \$10 million ongoing.

Neighbor-to-Neighbor Program—It is requested that Item 0680-001-0001 be decreased by \$5 million in 2024-25 and \$10 million in 2025-26.

Californians for all College Service Program—It is requested that Item 0680-102-0001 be decreased by \$10 million in 2024-25 and 2025-26.

Office of Community Partnership and Strategic Communications—It is requested that Item 0680-101-0001 be decreased by \$42 million in 2024-25 and 2025-26.

Youth Empowerment Commission—It is requested that Item 0680-001-0001 be decreased by \$1.5 million in 2027-28 and ongoing.

The effect of my requested action is reflected on the attachment.

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:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Josh Fryday, Director of Governor's Office of Community Engagement and
Volunteerism
Samuel Assefa, Director, Office of Planning and Research
Vivian Su, Budget Officer, Office of Planning and Research

Item 0680-001-0001—For support of Governor's Office of Service and Community Engagement.....\$96,980,000

Schedule:

(1) 0372-California Volunteers.....\$81,580,000
(2) 0373-Office of Community Partnerships and Strategic Communications.....\$15,400,000

Provisions:

1. The California Volunteers' database shall be subject to all state privacy and use policies, as required by the Department of Technology.

2. Of the amount appropriated in Schedule (1), \$68,100,000 shall be available for the California Volunteers Youth Corps.

(a) It is the intent of the Administration that the Youth Corps program, including its fellowship program, prioritize the recruitment of, and outreach to, students described in Chapter 513 of the Statutes of 2019 (AB 540), and immigrant youth with federal work authorization, including DACA beneficiaries, and this section is therefore enacted pursuant to Section 1621(d) of Title 8 of the United States Code. For purposes of implementing this initiative, no entity or person shall seek information that is unnecessary to determine eligibility, including immigration or citizenship status.

(b) Of the amount allocated in this provision, \$2,000,000 shall be available for California's tribal communities to apply through a competitive process.

(c) Of the amount remaining after the allocation described in subprovision (b), a share proportional to funding provided in Provision 1 of Item 0650-163-8506, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) shall be provided to the 13 largest cities in California. Funding shall be proportional to each cities' population as a percent of the total population of the 13 largest cities, as estimated by the Department of Finance.

(d) Of the amount remaining after the allocation described in subprovision (b), a share proportional to funding provided in Provision 2 of Item 0650-163-8506, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) shall be distributed, via a competitive grant process, to all cities and counties that are not funded pursuant to subprovision (c), without regard to total population size.

Item 0680-001-3228—For support of Governor's Office of Service and Community Engagement, payable from the Greenhouse Gas Reduction Fund.....\$9,383,000

Schedule:

(1)0372-California Volunteers.....\$9,383,000

Provisions:

1. Of the amount appropriated in this item, \$9,383,000 shall be made available for support or local assistance and shall be used for the purpose of implementing the California Climate Action Service Corps program to create service opportunities to take on climate action such as urban greening, food waste recovery, and wildfire prevention.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Budget Bill Items, Support and Local Assistance, Office of
Emergency Services**

**Due to lower revenue projections and a resulting increase in the budget problem, the
May Revision proposes adjustments to prior investments to assist in closing the
projected shortfall. These adjustments include the following:**

**General Fund Solution: Warehousing Operations for Emergency Response Equipment
and Supplies**—It is requested that Item 0690-001-0001 be decreased by \$9,488,000 in
fiscal years 2024-25, 2025-26, 2026-27, and 2027-28. This is one-time funding that was
authorized annually over a five-year period as part of the 2023-24 Statewide Disaster
Warehousing Operations proposal for warehousing and personal protective
equipment (PPE) procurement and storage costs. This solution will eliminate the amount
provided for PPE replenishment.

General Fund Solution: Listos California Emergency Preparedness Campaign—It is
requested that Item 0690-101-0001 be decreased by \$12.5 million ongoing and
provisional language be amended. This proposal will reduce by half the \$25 million
annual funding authorized as part of the 2021-22 Strengthening California's Emergency
Capacity and Capabilities proposal for the creation of a grant program focused on
developing culturally competent messaging related to disaster preparedness (see
Attachment 1).

General Fund Solution: State Disaster Warehousing Operations Trailers—It is requested
that Item 0690-495 be amended to revert up to \$640,000 from Item 0690-001-0001,
2022 Budget Act, which was appropriated for the purchase of eight 53' trailers to
support the deployment of emergency response commodities between warehouses
and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Fire Fleet Vehicles—It is requested that Item 0690-495 be amended to revert up to \$6,622,000 from Item 0690-001-0001, 2022 Budget Act, which was appropriated for the purchase of five Type I fire engines, four Type III fire engines, and two water tenders, and is available for expenditure until June 30, 2024 (see Attachment 2).

General Fund Solution: Flexible Cash Assistance for Survivors of Crime—The Governor's Budget proposed reverting the remaining \$47.5 million for this program in 2023-24 and delaying this funding to a new appropriation in 2025-26. Given the magnitude of the budget problem has increased, the May Revision removes the proposed delay, resulting in a straight reversion of this remaining funding.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

California Firefighter Cancer Prevention and Research Program: Chapter 268, Statutes of 2023 (AB 700)—It is requested that Item 0690-001-0001 be increased by \$666,000 and 2 positions in 2024-25, and \$619,000 and 2 positions ongoing.

California State Nonprofit Security Grant Program: Chapter 566, Statutes of 2023 (AB 1185)—It is requested that Item 0690-001-0001 be increased by \$234,000 and 1 position ongoing.

Included below are the remaining adjustments included in the May Revision:

Public Safety Radio Equipment Upgrades—It is requested that Item 0690-001-0022 be increased by \$23,705,000 annually for four years to provide State Emergency Telephone Number Account fund authority to purchase equipment supporting state and local 9-1-1 public safety agencies. This increase reflects the spring update referenced in the Public Safety Radio Modernization to Support Equal Access to 911 Services Governor's Budget proposal, and these costs combined with that proposal will be funded by an estimated increase of 5 cents to the 9-1-1 surcharge.

State and Local Cybersecurity Grant Program Funding Authority—It is requested that Item 0690-001-0890 be increased by \$800,000 one-time and Item 0690-101-0890 be increased by \$15 million one-time to reflect federal funding awarded for the State and Local Cybersecurity Grant Program.

Biannual Strategy Implementation Report Technical Adjustment—It is requested that Provision 2 of Item 0690-101-0890 be amended to change the due date for the Biannual Strategy Implementation Report from February 1 to May 1 of each year. This change is necessary because the relevant data reported from the Department of Homeland Security is not available until the end of March every year, and the Office of Emergency Services (Cal OES) needs additional time to organize, compile, and verify the data (see Attachment 3).

Prepare California Hazard Mitigation Assistance Program: Extension of Liquidation—It is requested that Item 0690-492 be amended to extend the liquidation period of Item 0690-106-0001, 2021 Budget Act, until June 30, 2033, for the Prepare California Hazard Mitigation Assistance Program. This will allow Cal OES to maximize the use of federal grant program funding and ensure that when Federal Emergency Management Agency project approvals are received, the General Fund match is available for the state's cost-share (see Attachment 4).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Vy Nguyen, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Nancy Ward, Director, Office of Emergency Services
Christina Curry, Chief Deputy Director, Office of Emergency Services
Lisa Mangat, Chief Deputy Director, Office of Emergency Services

Amend the following provision in Item 0690-101-0001:

- "5. (a) Of the funds appropriated in Schedule (1), ~~\$25,000,000~~\$12,500,000 shall be used for the Listos California Grant program. The Listos California Grant program shall be managed by the Office of Equity, within the Executive Office of the Office of Emergency Services. The grants shall be used to provide accessible and culturally competent outreach and resources with assessment and criteria for allocation of funds prioritized for, but not limited to, geographic areas of greatest all hazard risk and vulnerability as highlighted in and demonstrated by the California State Hazard Mitigation Plan; underresourced communities as defined in Section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005 of the Public Resources Code. The grants shall be administered consistent with the emergency management system described in Section 8607 of the Government Code, including, but not limited to, being informed by community-based and nongovernmental organizations and local emergency service networks, including county emergency officials. The Office of Equity shall provide eligible organizations within the identified geographic areas an opportunity to apply to the Listos California Grant program. The Department shall report on the expenditure of these funds on or before February 1, 2026, including the following:
- (1) How funds were allocated.
 - (2) What methods of outreach the Office of Equity used to inform eligible entities of the funding.
 - (3) The entity or community that received the funding.
 - (4) A description of projects funded.
- (b) This provision does not diminish or otherwise impact any of the Office of Emergency Services' responsibilities under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) including, but not limited to, Sections 8550, 8569, 8570, 8570.3 of, and subdivision (e) of Section 8585 of, the Government Code."

Amend Item 0690-495 as follows:

"0690-495—Reversion, Office of Emergency Services. As of June 30, 2024, the balances specified below of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(0.1) Up to \$640,000 of the amount appropriated in Program 0385-Special Programs and Grant Management of Item 0690-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for warehousing operations for emergency response equipment and supplies.

(0.2) Up to \$6,622,000 of the amount appropriated in Program 0380-Emergency Management Services of Item 0690-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for the replacement of mutual aid fire fleet vehicles and the purchase of equipment related to public safety.

- (1) \$45,000,000 of the amount specified in Provision 1 of Item 0690-106-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for community hardening to build disaster resistant communities.
- (2) \$47,500,000 of the amount appropriated in Program 0385-Special Programs and Grant Management, as specified in Provision 7, of Item 0690-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for grants to qualifying community-based organizations to provide direct assistance to eligible survivors of violence.
- (3) \$21,000,000 of the amount appropriated in Program 0385-Special Programs and Grant Management, as specified in Provision 8, of Item 0690-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for implementation of a gun buyback program.
- (4) \$15,000,000 of the amount appropriated in Program 0385-Special Programs and Grant Management of Item 0690-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for implementation of a multifamily seismic retrofit matching funds program.
- (5) \$12,000,000 of the amount appropriated in Program 0385-Special Programs and Grant Management, as specified in Provision 11, of Item 0690-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for a financial assistance program to help low-income and disadvantaged homeowners implement structure hardening as part of a communitywide home hardening program or effort."

Amend the following provision in Item 0690-101-0890:

"2. No later than ~~February~~ May 1 of each year, the Office of Emergency Services shall submit the federally required Biannual Strategy Implementation Report (BSIR) to the fiscal and relevant policy committees of the Legislature and the Legislative Analyst's Office on the funded projects and their status related to the Homeland Security Grant Program. The report shall identify, for the most recently completed grant cycle, the methodology used to allocate grant funds and how grant funds have been allocated, including a description of each project and activity funded, the entity that received the funding, the amount of funding provided to the project or activity, and the core capabilities supported by each project."

Amend Item 0690-492 as follows:

"0690-492—Reappropriation, Office of Emergency Services. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2029 as specified below:

0001—General Fund

- (1) Up to \$15,986,000 in Item 0690-101-0001, Budget Act of 2020 (Chs. 6 and 7, Stats. 2020), as reappropriated by Item 0690-490, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for the California Wildfire Mitigation Program, extended to June 30, 2029.
- (2) Item 0690-106-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), as partially reverted by Item 0690-497, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), for community hardening to build disaster resistant communities, extended to June 30, 2033."



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Items 0690-301-0001 and 0690-496, Capital Outlay, Office of Emergency Services

Relocation of Red Mountain Communications Site—It is requested that Item 0690-301-0001 be added in the amount of \$21,053,000 one-time General Fund for the construction phase of this project and Item 0690-496 be added to revert \$17,849,000 General Fund of existing authority for the construction phase, resulting in a net increase of \$3,204,000 (see Attachment 1 and 2). This request will fund costs associated with changes to ensure the 199-foot radio towers are strong enough to withstand wind and precipitation maximums in Del Norte and Humboldt Counties.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Randall Katz, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Christina Curry, Chief Deputy Director, Governor's Office of Emergency Services
Lisa Mangat, Chief Deputy Director of Policy and Administration, Governor's Office
of Emergency Services
Eric Swanson, Deputy Director of Finance and Administration, Governor's Office of
Emergency Services

Attachment 1

0690-301-0001—For capital outlay, Office of Emergency Services.....21,053,000

Schedule:

(1) 0000121-Relocation of Red Mountain Communications Site, Del Norte
County.....21,053,000

(a) Construction 21,053,000

0690-496—Reversion, Office of Emergency Services. As of June 30, 2024, the balances of the appropriations provided in the following citations shall revert to the fund balances in the funds from which the appropriations were made.

0001—General Fund

(1) Item 0690-301-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)

(4) 0000121-Relocation of Red Mountain Communications Site, Del Norte County

(a) Construction



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support, and Statutory Changes, Department of Justice

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Unfair Competition Law Fund Loans—It is requested that Item 0820-011-0920 be decreased by \$100 million, and Item 0820-011-3087 be added in the amount of \$100 million one-time to switch the fund source for a budgetary loan to the General Fund that was proposed in the Governor's Budget from the Litigation Deposits Fund to the Unfair Competition Law Fund. In addition, it is requested that Item 0820-011-3087 be increased by \$30 million one-time and provisional language be added to provide an additional budgetary loan to the General Fund (see Attachment 1). In total, the Unfair Competition Law Fund will provide a \$130 million budgetary loan to the General Fund.

Division of Law Enforcement and Division of Legal Services—It is requested that Item 0820-001-0001 be decreased by \$15 million ongoing to reflect a \$10 million reduction for the Division of Law Enforcement and a \$5 million reduction for Division of Legal Services.

Division of Legal Services and the Division of Medi-Cal Fraud and Elder Abuse—It is requested that Item 0820-001-0001 be decreased by \$3 million and Item 0820-001-0378 be increased by \$2 million ongoing. This reflects a \$1 million decrease to the Division of Legal Services for activities related to federal lawsuits, and a \$2 million fund swap from the General Fund to the False Claims Act Fund for federal matching funds for the Division of Medi-Cal Fraud and Elder Abuse.

Included below are the remaining adjustments included in the May Revision:

Legal Services Rate Increase—It is requested that Item 0820-001-0001 be increased by \$8,530,000 ongoing, and Item 0820-001-0017 be increased by \$2.3 million ongoing for the Department of Justice to update its departmental services allocation model. The Department also proposes to increase the rates it charges to departments for the use of its legal services. The current hourly legal rates are \$220 for attorney services, \$205 for paralegal services, and \$195 for auditor and research analyst services. The new rates will be \$228, \$213, and \$202, respectively, which equates to an increase of approximately 3.75 percent. Although the Department requires additional ongoing resources for the updated departmental services allocation model, the new model ultimately leads to a lower rate increase needed for legal services.

Firearms Information Technology Systems Modernization Project—It is requested that Item 0820-001-0001 be increased by \$3,922,000 and 8 positions in fiscal year 2024-25, and \$1,240,000 in 2025-26 and ongoing to allow the Department to complete Stages 3 and 4 of the Project Approval Lifecycle Process for this project.

Remote Caller Bingo Interest Loan Repayment—It is requested that Item 0820-016-0001 be added in the amount of \$41,000 in 2024-25, Item 0820-017-0001 be added in the amount of \$258,000 in 2024-25, Item 0820-001-3132 be added in the amount of \$258,000 in 2024-25, and Item 0820-002-3131 be added in the amount of \$41,000 in 2024-25 to make the final loan repayments from the California Bingo Fund to the Gambling Control Fund and from the Charity Bingo Mitigation Fund to the Indian Gaming Special Distribution Fund. It is requested that provisional language be added to provide the Department of Finance with the necessary flexibility to augment these Items, if necessary, to make the final loan repayments and revert any resources that are not needed back to the General Fund (see Attachments 2, 3, 4, and 5).

License 2000 System Replacement Project—It is requested that Item 0820-001-0367 be increased by \$3,073,000 one-time to allow the Department to complete Stages 3 and 4 of the Project Approval Lifecycle Process for this project.

Tribal Key Employee Licensing Workload Adjustment—It is requested that Item 0820-001-0367 be increased by \$68,000 in 2024-25 and decreased by \$3,000 in 2025-26 and ongoing to reflect a technical correction to the costing of this request included in the Governor's Budget.

Provisional Language for Settlement Payment—It is requested that provisional language be added to Item 0820-001-0567 and Item 0820-001-0569 to allow the Department of Finance to augment the Department's budget to pay legal settlement costs (see Attachments 6 and 7).

Division of Medi-Cal Fraud and Elder Abuse—It is requested that Item 0820-001-0378 be increased by \$1,946,000 and 21 positions, and Item 0820-001-0890 be increased by \$5,865,000 and 64 positions ongoing to expand investigations, enforcement activities, and prosecutions related to Medi-Cal fraud and elder abuse. This request allows the Department to receive additional federal grant funding from the federal Office of Inspector General.

Climate Nuisance Litigation—It is requested that Item 0820-001-3087 be increased by \$4,727,000 in 2024-25, and \$4,752,000 in 2025-26 and 2026-27 to allow the Department to continue the existing litigation efforts against several major oil companies.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Firearms: Chapter 249, Statutes of 2023 (SB 2)—It is requested that Item 0820-001-0001 be increased by \$8,041,000 and 11 positions in 2024-25, \$10,242,000 in 2025-26, \$6,806,000 in 2026-27, and \$5,024,000 in 2027-28 and ongoing. It is also requested that Item 0820-001-0017 be increased by \$2,722,000 in 2026-27, \$3,224,000 in 2027-28, and \$3,156,000 in 2028-29 and ongoing.

Law Enforcement Hate Crimes Policies: Chapter 524, Statutes of 2023 (AB 449)—It is requested that Item 0820-001-0001 be increased by \$1,911,000 and 9.0 positions in 2024-25, and \$1,765,000 in 2025-26 and ongoing.

Reporting of Lost and Stolen Firearms: Chapter 239, Statutes of 2023 (AB 725)—It is requested that Item 0820-001-0001 be increased by \$1,905,000 and 4 positions in 2024-25, \$3,382,000 in 2025-26, and \$891,000 in 2026-27 and ongoing.

Tribal Police: Chapter 638, Statutes of 2023 (AB 44)—It is requested that Item 0820-001-0001 be increased by \$1,304,000 and 7 positions in 2024-25, and \$1,242,000 in 2025-26 and ongoing.

Dealers Record of Sale: Chapter 237, Statutes of 2023 (AB 574)—It is requested that Item 0820-001-0001 be increased by \$973,000 one-time.

Noncompetitive Agreements: Chapter 828, Statutes of 2023 (AB 1076)—It is requested that Item 0820-001-0001 be increased by \$840,000 and 4 positions in 2024-25, 2025-26, and 2026-27, and Item 0820-001-3087 be increased by \$814,000 in 2027-28 and ongoing.

Dealer Requirements: Chapter 250, Statutes of 2023 (SB 241)—It is requested that Item 0820-001-0001 be increased by \$351,000 and 2 positions in 2024-25, \$1,032,000 in 2025-26, and \$968,000 in 2026-27 and ongoing.

Restorative Justice Program: Chapter 513, Statutes of 2023 (AB 60)—It is requested that Item 0820-001-0001 be increased by \$346,000 and 2 positions in 2024-25, and \$271,000 in 2025-26 and ongoing.

Firearms Purchases: Chapter 246, Statutes of 2023 (AB 1483)—It is requested that Item 0820-001-0001 be increased by \$305,000 one-time.

Retail Drug Store and Retail Grocery Store Merger Enforcement: Chapter 457, Statutes of 2023 (AB 853)—It is requested that Item 0820-001-0012 be increased by \$1,090,000 and 5 positions in 2024-25, and by \$1,054,000 in 2025-26 and ongoing. It is also requested that technical statutory changes be made to fix a drafting error related to the fee that the Department is allowed to collect when mergers are filed. The requested statutory changes will be posted on the Department of Finance website.

Criminal Records Relief: Chapter 444, Statutes of 2023 (AB 567)—It is requested that Item 0820-001-0017 be increased by \$333,000 and 2 positions in 2024-25, and \$313,000 in 2025-26 and ongoing.

Charitable Raffles: Chapter 406, Statutes of 2023 (SB 650)—It is requested that Item 0820-001-3297 be increased by \$241,000 and 1 position ongoing.

The California Delete Act: Chapter 709, Statutes of 2023 (SB 362)—It is requested that Item 0820-001-3372 be decreased by \$189,000 ongoing.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Anthony Franzoia, Staff Finance Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Chris Ryan, Chief of Operations, Department of Justice
Michael Fong, Director of Fiscal Services, Department of Justice
Ashley Harp, Budget Officer, Department of Justice

0820-011-3087—For transfer by the Controller, upon order of the Department of Finance, from the Unfair Competition Law Fund to the General Fund.....(130,000,000)

Provisions:

1. The Department of Finance may transfer up to \$130,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall not be subject to any interest charge at the time of repayment.

0820-016-0001—For transfer by the Controller, upon order of the Department of Finance,
to the California Bingo Fund.....41,000

Provisions:

1. The Department of Finance may augment this item by an amount necessary to make
the final loan repayment from the California Bingo Fund to the Gambling Control Fund.
Any unused funds shall revert to the General Fund.

0820-017-0001—For transfer by the Controller, upon order of the Department of Finance,
to the Charity Bingo Mitigation Fund.....241,000

Provisions:

1. The Department of Finance may augment this item by an amount necessary to make the final loan repayment from the Charity Bingo Mitigation Fund to the Indian Gaming Special Distribution Fund. Any unused funds shall revert to the General Fund.

0820-001-3131—For support of Department of Justice, payable from the California Bingo Fund.....41,000

Schedule:

(1) 0440-Law Enforcement..... 41,000

Provisions:

1. The amount appropriated in this item shall be used to repay a loan from the Gambling Control Fund. The Department of Finance may augment this item by an amount necessary to make the final loan repayment. Any unused funds shall revert to the General Fund.

0820-001-3132—For support of Department of Justice, payable from the Charity Bingo Mitigation Fund.....258,000

Schedule:

(1) 0440-Law Enforcement..... 258,000

Provisions:

1. The amount appropriated in this item shall be used to repay a loan from the Indian Gaming Special Distribution Fund. The Department of Finance may augment this item by an amount necessary to make the final loan repayment. Any unused funds shall revert to the General Fund.

Add the following provision to Item 0820-001-0567:

1. The Department of Finance may augment this item not sooner than 10 days after notification of the necessity in writing to the chairpersons of the budget committees in both houses of the Legislature and the Joint Legislative Budget Committee, in response to increased legal settlement costs.

Add the following provision to Item 0820-001-0569:

1. The Department of Finance may augment this item not sooner than 10 days after notification of the necessity in writing to the chairpersons of the budget committees in both houses of the Legislature and the Joint Legislative Budget Committee, in response to increased legal settlement costs.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Budget Bill Items and Addition of Items 0840-490, 0840-491,
and 0840-495, Support, State Controller's Office**

California State Payroll System (CSPS) Project—It is requested that Item 0840-001-0001 be increased by \$1,985,000 and Item 0840-001-9740 be increased by \$1,165,000 in fiscal year 2024-25 to support ancillary contracts required in the project implementation phase.

It is further requested that Item 0840-490 be added to partially reappropriate the unencumbered balance of the funding provided in Item 0840-001-0001 in the 2022 Budget Act as reappropriated in Item 0840-490 in the 2023 Budget Act, related to the CSPS project.

Add Item 0840-490 as follows:

0840-490—Reappropriation, Controller. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2025:

0001—General Fund

- (1) Provision 17 of Item 0840-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as reappropriated by Item 0840-490, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

Provisions:

1. Up to \$41,625,000 of the amount in this item for the System Integrator contract and related costs shall be allocated upon order of the Department of Finance following the project's successful completion of Stage 4 of the Project Approval Lifecycle Process. Allocation of these funds shall be made no earlier than 45 days after notification in writing to the chairpersons of the budget committees in both houses of the Legislature, the Joint Legislative Budget Committee, and the appropriate subcommittees in both houses of the Legislature.

It is further requested that Item 0840-495 be added to revert the unencumbered balance of the funding provided in Item 0840-001-0001 and Item 0840-001-9740 in the 2023 Budget Act.

Add Item 0840-495 as follows:

0840-495—Reversion, Controller. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) \$41,625,000 in Provision 17 of Item 0840-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), as reappropriated by Item 0840-490, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (2) \$16,800,000 in Provision 20 of Item 0840-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

9740—Central Service Cost Recovery Fund

- (1) \$11,700,000 of the amount appropriated for Department Agency Readiness Team Resources in Item 0840-001-9740, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

California Department of Technology (CDT) Rate Increase Support—It is requested that Item 0840-001-0001 be increased by \$511,000 in fiscal year 2024-25 and 2025-26, and Item 0840-001-0970 be increased by \$180,000 in fiscal year 2024-25 and 2025-26, and Item 0840-001-9740 be increased by \$311,000 in fiscal year 2024-25 and 2025-26, to support the increased operational costs associated with services provided by CDT.

Accounting Book of Record (BOR) and Annual Comprehensive Financial Report Fi\$Cal Implementation—It is requested that Item 0840-001-0001 be increased by \$6,009,000 in fiscal year 2024-25, \$83,000 in 2025-26, and \$83,000 in 2026-27, and Item 0840-001-9740 be increased by \$3,529,000 in fiscal year 2024-25, \$51,000 in 2025-26, and \$51,000 in 2026-27 to provide consulting services and one limited-term position for the State Controller's Office's BOR Functionality Migration to Fi\$Cal.

It is further requested that Item 0840-491 be added to reappropriate the unencumbered balance of the funding provided in Item 0840-001-0001 in the 2023 Budget Act.

Add Item 0840-491 as follows:

0840-491—Reappropriation, Controller. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2025:

0001—General Fund

- (1) \$3,299,000 of Item 0840-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). Appropriated to the Controller for contract costs related to the SCO Book of Record Functionality Migration to FI\$Cal and Annual Comprehensive Financial Report support.

Provisions:

1. Upon order of the Department of Finance, up to \$3,299,000 of the amount reappropriated may be reverted if related contracts are executed prior to the end of the 2023-24 fiscal year.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Dominick Guidera, Principal Program Budget Analyst, at (916) 445-5332.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Honorable Malia Cohen, State Controller
Regina Evans, Chief of Staff, State Controller's Office
Cathy Leal, Acting Chief Operating Officer, State Controller's Office
Michael Carter, Acting Chief Administrative Officer, State Controller's Office
Jennifer Chavez, Chief of Administration and Disbursements, State Controller's
Office
Jennifer Urban, Chief of Budgets and Accounting, State Controller's Office
An-Vi Ching, Budget Officer, State Controller's Office

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to Various Budget Bill Items, Support and Local Assistance, Secretary of State

Help America Vote Act: 2024 Election Security Federal Grant—It is requested that Item 0890-101-0890 be increased by \$2,373,000 in fiscal year 2024-25, and Item 0890-101-0001 be increased by \$475,000 in 2025-26 to allow the Secretary of State to accept the Federal Help America Vote Act Elections Security Grant and meet the 20 percent federal match requirement. These resources will support state and county implementation of election security safeguards and infrastructure against physical and cyber risks and vulnerabilities, and improve voting technology and polling place accessibility.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Child Abduction Victim Access to Safe at Home: Chapter 243, Statutes of 2023 (AB 243)—It is requested that Item 0890-001-0001 be increased by \$507,000 and 3 positions in 2024-25, and \$473,000 in 2025-26 and ongoing.

Elections - Double Voting: Chapter 642, Statutes of 2023 (AB 1539)—It is requested that Item 0890-001-0001 be increased by \$174,000 and 2 positions in 2024-25, and \$122,000 in 2025-26 and ongoing, and Item 0890-001-0228 be increased by \$305,000 in 2024-25, and \$337,000 in 2025-26 and ongoing.

Political Reform Education Program: Chapter 696, Statutes of 2023 (SB 29)—It is requested that Item 0890-001-0001 be increased by \$303,000 and 2 positions in 2024-25, and \$293,000 in 2025-26 and ongoing.

Remote Online Notarization: Chapter 291, Statutes of 2023 (SB 696)—It is requested that Item 0890-001-0228 be increased by \$6,291,000 and 16 positions in 2024-25, \$3,474,000 and 22 positions in 2025-26, \$5,125,000 and 39 positions in 2026-27, and \$5,040,000 and 39 positions in 2027-28 and ongoing. It is also requested that Item 0890-001-0001 be adjusted to reflect a net-zero change to display administrative costs and position authority associated with implementation of SB 696.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessie Romine, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Stephen C. Padilla, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Shirley N. Weber, Ph.D., Secretary of State
Lisa Martin, Chief Deputy Secretary, Secretary of State
Reginald Fair, Deputy Secretary of Operations, Secretary of State
Tamara Johnson, Chief Financial Officer, Secretary of State



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0911-001-0001, Support, Citizens Redistricting Commission

It is requested that provisional language be added to Item 0911-001-0001 to allow the Citizens Redistricting Commission's budget to be augmented to cover current year cost increases for services provided by the California Department of Technology and Department of General Services (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessie Romine, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Corina Leon, Manager, Citizens Redistricting Commission

Add the following provision to Item 0911-001-0001

2. Upon order of the Department of Finance, the amount available in this item may be augmented by the amount necessary to cover cost increases for services provided by the California Department of Technology and Department of General Services. Within 15 days of authorizing the augmentation, the Department of Finance shall provide notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0950-001-0001, Support, State Treasurer

Jesse Unruh Building Network Equipment Costs—It is requested that Item 0950-001-0001 be increased by \$729,000 one-time to provide funding for information technology network equipment essential at the State Treasurer's renovated headquarters, the Jesse Unruh Building.

Electronic Subscription Services Contracting Language—It is requested that provisional language be added to Item 0950-001-0001 to provide the State Treasurer a short-term exemption from certain statewide contracting requirements related to electronic subscription services. This will provide the State Treasurer with the flexibility to ensure the timeliness of these electronic subscription contracts and the Department of General Services the time to develop and implement updates to their electronic subscription purchasing process.

Add Provision 3 to Item 0950-001-0001 as follows:

3. Notwithstanding any other law, the Treasurer may enter into agreements for proprietary economic data, financial market data, credit ratings, research and risk analysis as required in connection with the Treasurer's duties pursuant to Section 16480.3 of the Government Code. The total amount of any single agreement shall not exceed \$300,000. This provision shall remain in effect through July 1, 2026, or shall become invalid upon implementation of a suitable updated electronic subscription purchasing process by the Department of General Services, whichever date is sooner.

Additionally, the statutory change proposed at the Governor's Budget to amend Section 16480.3 of the Government Code related to contracting requirements is withdrawn.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Gregory Bruss, Principal Program Budget Analyst, at (916) 445-5332.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Honorable Fiona Ma, State Treasurer
Patrick Henning, Chief of Staff, State Treasurer's Office
Rebecca Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Chief of Fiscal Services, State Treasurer's Office



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0954-101-0001, Local Assistance, ScholarShare Investment Board

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Current Year Adjustments

Item 0954-101-0001, Local Assistance, Adjust Support for California Kids Investment and Development Savings (CalKIDS) Program Financial Literacy Outreach (Issue 13)—It is requested that Item 0954-101-0001 be decreased by \$5,000,000 to reflect an ongoing reduction in support for CalKIDS Program Financial Literacy Outreach funding.

It is further requested that provision (3) of item 0954-101-0001 be deleted to conform to this action.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessica Deitchman, Assistant Program Budget Manager, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee
No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Fiona Ma, California State Treasurer, State Treasurer's Office Patrick Henning, Chief
Deputy Treasurer, State Treasurer's Office Becky Grajski, Director of Administration,
State Treasurer's Office Karma Manni, Budget Manager, State Treasurer's Office
Katrina Johantgen, Executive Director, California School Finance Authority



Gavin Newsom ■ Governor

1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 0968-401, Support, California Tax Credit Allocation Committee

It is requested that Item 0968-401 be added to restore the State Low-Income Housing Tax Credit.

Add Item 0968-401 as follows:

0968-401—Pursuant to Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code, the California Tax Credit Allocation Committee may allocate up to \$500 million for the 2025 calendar year in state low-income housing tax credits.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Susan Wekanda, Principal Program Budget Analyst, at (916) 445-5332.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Honorable Fiona Ma, State Treasurer
Patrick Henning, Chief Deputy Treasurer, State Treasurer's Office
Marina Wiant, Executive Director, California Tax Credit Allocation Committee
Rebecca Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Chief of Fiscal Services, State Treasurer's Office



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0977-101-0001, Local Assistance, California Health Facilities Financing Authority

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to a prior investment to assist in closing the projected shortfall and reflect a balanced budget plan. The adjustment includes the following:

It is requested that Item 0977-101-0001 be decreased by \$48,750,000 one-time in fiscal year 2025-26 for the Specialty Dental Clinic Program.

If you have any questions or need additional information regarding this matter, please call Megan Sabbah, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Dr. Akilah Weber, Chair, Assembly Budget Subcommittee No. 1
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Carolyn Aboubechara, Executive Director, California Health Facilities Financing
Authority
Bianca Smith, Deputy Executive Director, California Health Facilities Financing
Authority
Karma Manni, Budget Office, California State Treasurer



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Position Authority, CalSavers Retirement Savings Board

Additional Start-up Loan Support—It is requested that position authority for the CalSavers Retirement Savings Board be increased by 2 positions ongoing. This request is in conjunction with a General Fund loan and additional position authority proposed for the CalSavers Retirement Savings Trust Administration Fund provided for in Item 0984-011-0001 proposed in the Governor's Budget. This request allows the CalSavers Retirement Savings Board to support additional compliance, verification, and outreach workload as the program increases in scale and reaches financial self-sufficiency.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Danielle Brandon, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
David Teykaerts, Executive Director, CalSavers Retirement Savings Board
Karma Manni, Fiscal Services Unit Chief, California State Treasurer's Office



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0985-220-0001, Local Assistance, California School Finance Authority

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Current Year Adjustments

Items 0985-605-0001, 0985-605-3433 and 0985-695-3433, Local Assistance, Adjustment to the California Student Housing Revolving Loan Fund Program (Issue 13)—It is requested that Items 0985-605-0001, 0985-605-3433 and 0985-695-3433 of the 2023 Budget Act be decreased by \$1,332,000 to reflect revised savings for the California Student Housing Revolving Loan Fund Program.

Included below are the remaining adjustments included in the May Revision:

Item 0985-220-0001, Local Assistance, Charter School Facility Grant Program (Issue 12)—It is requested that Item 0985-220-0001 be decreased by \$2,569,000 ongoing Proposition 98 General Fund to reflect revised estimates and a 1.07-percent cost-of-living adjustment for the Charter School Facility Grant Program. The Charter School Facility Grant Program provides funding to assist charter schools in paying for rent and lease expenditures that are either serving or located in attendance areas where a notable percentage of their students qualify for free or reduced-price meals.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessica Deitchman, Assistant Program Budget Manager, at (916) 445-0328.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Fiona Ma, California State Treasurer, State Treasurer's Office
Patrick Henning, Chief Deputy Treasurer, State Treasurer's Office
Becky Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Budget Manager, State Treasurer's Office
Katrina Johantgen, Executive Director, California School Finance Authority



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0989-101-0001, Local Assistance, California Educational Facilities Authority

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Current Year Adjustments

Items 0989-502-0001, 0989-502-3433, and 0989-595-3433; Local Assistance; Adjustment to the California Student Housing Revolving Loan Fund Program (Issue 14)—It is requested that Items 0989-502-0001, 0989-502-3433, and 0989-595-3433 be decreased by \$4,324,000 to reflect revised savings for the California Student Housing Revolving Loan Fund Program.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jessica Deitchman, Assistant Program Budget Manager, at (916) 445-0328.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Fiona Ma, California State Treasurer, State Treasurer's Office
Patrick Henning, Chief Deputy Treasurer, State Treasurer's Office
Becky Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Budget Manager, State Treasurer's Office
Katrina Johantgen, Executive Director, California School Finance Authority