



May 14, 2025

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,
Employment Development Department**

Continuation of Operating System License Agreement—It is requested that Item 7100-001-0185 be increased by \$4,141,000 ongoing and Item 7100-001-0588 be increased by \$1,455,000 ongoing to support the continuation of EDD's Microsoft 365 enterprise license agreement.

Workforce Innovation and Opportunity Act Allocations—It is requested that Items 7100-001-0869 and 7100-021-0890 be increased by \$22,848,000 one-time and Items 7120-101-0869 and 7100-101-0890 be increased by \$96,720,000 one-time to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.

Unemployment Insurance Loan Interest Payment—It is requested that Item 7100-002-0001 be increased by \$8,529,000 one-time to reflect an updated Unemployment Insurance loan interest payment estimate. In conjunction with the amount proposed at Governor's Budget, this will be used to fund the estimated interest payment of \$642,822,000.

EDDNext Reappropriation—It is requested that Item 7100-490 be added to reappropriate \$163,415,000 Unemployment Compensation Disability Fund included in the 2024 Budget Act for the EDDNext modernization projects to make funds available for an additional year, through June 30, 2026 (see Attachment 1). This is needed to correct a technical error reflected in the 2024 Budget Act and align the encumbrance availability with the corresponding General Fund appropriation for EDDNext.

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) 322-2263.

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: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review
Subcommittee No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
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
Nancy Farias, Director, Employment Development Department
Tad Allred, Deputy Director, Administration Branch, Employment Development
Department
Caleb Horel, Chief, Fiscal Services, Employment Development Department

Item 7100-490—Reappropriation, Employment Development Department. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and subject to the requirements specified in the provisions of the appropriations. The balances of the appropriations provided shall be available for encumbrance or expenditure until June 30, 2026:

0001—General Fund

- (1) Up to \$163,415,000 from Provision 2 of Item 7100-001-0588, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for support of the EDDNext modernization projects.



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Amendment to Budget Bill Item 7120-001-0001 and Addition of Items 7120-490 and 7120-495, Support and Local Assistance, California Workforce Development Board

Continuing Grant Workload—It is requested that Item 7120-001-0001 be increased by \$1.5 million one-time to support the continuation of California Workforce Development Board grant administration and evaluation activities in fiscal year 2025-26. It is further requested that Item 7120-495 be added to revert \$1.5 million included in the 2021 Budget Act (see Attachment 1).

Extensions of Liquidation for Grant Funding—It is requested that Item 7120-490 be added to extend the liquidation periods for the following items to allow grantees impacted by wildfires and other unanticipated delays to have additional time for program implementation and service delivery (see Attachment 2).

- \$6,062,000 in Item 7120-101-0001, Budget Act of 2021, for the Prison to Employment program. The requested reappropriation will extend the liquidation period through June 30, 2028.
- \$64,230,000 in Item 7120-101-0001, Budget Act of 2022, for workforce development programs focused on health and human services, well capping, and reentry. The requested reappropriation will extend the liquidation period through June 30, 2028.
- \$2,723,000 in Item 7120-102-0001, Budget Act of 2023, for the Breaking Barriers to Employment Initiative. The requested reappropriation will extend the liquidation period through June 30, 2029.

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) 322-2263.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
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Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
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
Kaina Pereira, Executive Director, California Workforce Development Board
Emily Sunahara, Deputy Director, Operations and Policy Implementation, California Workforce Development Board

7120-495—Reversion, California Workforce Development Board. As of June 30, 2025, 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 \$1,500,000 in Provision 8 of Item 7120-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Bureau for Private Postsecondary Education to gather data on workforce outcomes in for-profit entities.

7120-490—Reappropriation, California Workforce Development Board. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended as specified below:

0001—General Fund

- (1) Up to \$6,062,000 in Provision 10 of Item 7120-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Prison to Employment program, extended to June 30, 2028.
- (2) Up to \$12,000,000 in Provision 2 of Item 7120-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Oil and Gas Well Capping Pilot initiative in Kern and Los Angeles Counties, extended to June 30, 2028.
- (3) Up to \$14,088,000 in Provision 3 of Item 7120-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the development and expansion of High Road Training Partnerships for health and human services, extended to June 30, 2028.
- (4) Up to \$38,142,000 in Provision 16 of Item 7120-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Statewide Reentry Employment Grant Program, extended to June 30, 2028.
- (5) Up to \$2,723,000 in Provision 2 of Item 7120-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Breaking Barriers to Employment Initiative, extended to June 30, 2029.



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Honorable Scott D. Wiener, Chair
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Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 7320-001-0001, Support, Public Employment Relations Board

It is requested that Item 7320-001-0001 be decreased by \$115,000 in fiscal year 2025-26 and ongoing. This request proposes adjustments to the 2025-26 Governor's Budget proposal which would have provided funding to improve the organizational structure and supervision of the Office of the General Counsel in line with the 2023 Attorney Class consolidation.

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 Hanzhao Meng, 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: Kirk Feely, Fiscal Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Laura Richardson, Chair, Senate Budget and Fiscal Review
Subcommittee No. 5
Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
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
Jay Sturges, Deputy Secretary, Fiscal Policy and Administration, Labor and Workforce
Development Agency
Susan Davey, Executive Director, Public Employment Relations Board

May 14, 2025

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 Items 7350-001-0223, 7350-001-3022, and 7350-001-3078, Support, Department of Industrial Relations

California Department of Technology Rate Increases—It is requested that Item 7350-001-0223 be increased by \$1,030,000 ongoing to fund additional costs associated with California Department of Technology rates based on the Department of Industrial Relations' (DIR's) current utilization of systems and services.

Apprenticeship Training Grant Augmentation—It is requested that Item 7350-001-3022 be increased by \$18,242,000 one-time to support the expansion of building and construction trade apprenticeship grants in fiscal year 2025-26. The 2025-26 Governor's Budget included \$3 million Apprenticeship Training Contribution Fund for this purpose. The increase in apprenticeship grant funding proposed will facilitate an increase in building and construction workforce development statewide.

Public Works Information Technology System Enhancements—It is requested that Item 7350-001-3078 be increased by \$19,097,000 one-time and provisional language be added to support the continuation of enhancements to DIR's Public Works Information Technology System (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 Allison Hewitt, Principal Program Budget Analyst, at (916) 322-2263.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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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
Katrina Hagen, Director, Department of Industrial Relations
Joshua Iverson, Chief Financial Officer, Department of Industrial Relations

Add the following provision to Item 7350-001-3078:

5. Of the amount appropriated in Schedule (3) of this item, following approval of a Special Project Report or equivalent document by the California Department of Technology and upon order of the Department of Finance, up to \$9,500,000 shall be available to the Department of Industrial Relations for the System Integrator component of the Public Works Strategic Enforcement Project.