



May 14, 2026

Honorable John Laird, 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, Department of Food and Agriculture**

**Plant Health and Pest Prevention Programs**—It is requested that Item 8570-001-0001 be increased by \$10.5 million ongoing to provide resources to maintain mission-critical plant pest and disease detection activities for the Invasive Fruit Fly program to allow this critical program to continue to operate despite federal funding reductions. It is also requested that provisional language be added to make this funding contingent upon reductions to California's receipt of federal funds for this purpose (see Attachment 1).

**Ongoing Animal Care Program Resources**—It is requested that Item 8570-001-0001 be increased by \$2,818,000 ongoing to provide resources for the Animal Care program. It is also requested that Item 8570-012-0001 be increased by \$5,165,000 one-time and Item 8570-001-0111 be increased by \$5,165,000 one-time to transfer funding from the General Fund to the Department of Food and Agriculture Fund to provide resources to cover the deficit incurred by the Department of Food and Agriculture in the implementation of the Animal Care Program.

**Agricultural Statistics and Reporting**—It is requested that Item 8570-001-0001 be increased by \$204,000 and 1 position in fiscal years 2026-27, 2027-28, and 2028-29 and Item 8570-001-0111 be increased by \$204,000 and 1 position in 2029-30 and ongoing to provide resources to continue statutorily mandated collection and publication of agricultural statistical reports.

**Biological Control Facility Repairs**—It is requested that Item 8570-001-0001 be increased by \$900,000 one-time to provide resources to perform critical repairs at the Department of Food and Agriculture's Biological Control Facility in Sacramento.

**State Race Track Leasing Commission Clerical Support**—It is requested that Item 8570-001-0001 be increased by \$189,000 and 1 position in 2026-27 and ongoing to provide resources for clerical support for the State Race Track Leasing Commission. It is also requested that statutory changes be included to shift clerical support responsibility from the Department of Finance to the Department of Food and Agriculture.

**Industrial Hemp Program Transition**—It is requested that Item 8570-012-0001 be added in the amount of \$8,336,000 one-time as a transfer to the Department of Food and Agriculture Fund to provide resources to cover the deficit incurred by the Department of Food and Agriculture in the implementation of the Industrial Hemp Program. It is also requested that Item 8570-001-0111 be increased by \$8,336,000 one-time with an extended encumbrance period, to facilitate the transition of the Industrial Hemp Program to federal oversight. It is also requested that statutory changes be included to transition the oversight of the Industrial Hemp Program to the federal government (see Attachment 2).

**Department of Food and Agriculture Fund Administrative Expenditure Cap**—It is requested that statutory changes be added to exempt costs for information technology, legal services, human resources, and the Office of Civil Rights from the 5 percent administrative cap for the Department of Food and Agriculture Fund in an amount identified in the annual Budget Act. It is also requested that provisional language be added to Item 8570-001-0111 to identify the amount of expenses associated with information technology, legal services, human resources, and the Office of Civil Rights to be excluded from the 5 percent administrative cap on expenditures from the Department of Food and Agriculture Fund (see Attachment 3).

### **Various Technical Adjustments**

**Encumbrance Extensions for Various Programs**—It is requested that Item 8570-490 be added to extend the encumbrance period as specified to provide additional time for the following programs to support ongoing projects and administer awards for grants (see Attachment 4):

- **Alternative Manure Management Program/Dairy Digester Research & Development Program Grants and Administration**—It is requested that the encumbrance date for \$4,759,000 General Fund from the 2021 Budget Act and 2022 Budget Act be extended from June 30, 2024, and June 30, 2025, to June 30, 2028, and \$3,491,000 Greenhouse Gas Reduction Fund from the 2024 Budget Act be extended from June 30, 2026, to June 30, 2028, to re-award grant funds and to provide additional time for projects that have realized significant delays to liquidate funding.
- **State Water Efficiency Enhancement Program Grants and Administration**—It is requested that the encumbrance date for \$3,816,000 General Fund from the 2021 Budget Act and 2022 Budget Act be extended from June 30, 2024, and June 30, 2025, to June 30, 2027, to re-award administrative funds to allow full on-farm project completion for awarded grants.

- **California Underserved and Small Producer Program/Technical Assistance for Underserved Farmers Program Grants and Administration**—It is requested that the encumbrance date for \$3,417,000 General Fund from the 2021 Budget Act and 2024 Budget Act be extended from June 30, 2024, June 30, 2025, and June 30, 2026, to June 30, 2027, and \$622,000 California Emergency Relief Fund from the 2022 Budget Act be extended from June 30, 2024, to June 30, 2028, to re-award administration funds to ongoing grant management and to allow additional time for project completion for awarded grants.
- **Water Efficiency Technical Assistance Program Grants**—It is requested that the encumbrance date for \$162,000 California Emergency Relief Fund from the 2021 Budget Act and 2022 Budget Act be extended from June 30, 2024, and June 30, 2026, to June 30, 2027, to re-award grant funds to allow additional time for project completion for awarded grants.
- **Animal Blood Blanks**—It is requested that the encumbrance date for \$302,000 General Fund from the 2021 Budget Act be extended from June 30, 2025, to June 30, 2027, to re-award administration funds to the program to continue to operate at minimum capacity without exhausting the Department of Food and Agriculture Fund balance to allow time for sufficient revenues to be collected.
- **Fairs and Expositions Resiliency Support**—It is requested that the encumbrance date for \$2,457,000 General Fund from the 2021 Budget Act be extended from June 30, 2025, to June 30, 2028, to support baseline project implementation and staff costs. This is to support infrastructure for emergency evacuation, shelter, base camps during emergency events, and critical deferred maintenance.
- **Emerging Threats 2 IT Project**—It is requested that the encumbrance date for \$13,874,000 General Fund from the 2023 Budget Act, 2024 Budget Act, and 2025 Budget Act be extended from June 30, 2025, and June 30, 2026, to June 30, 2028, to support baseline project implementation and staff costs.
- **California Nutrition Incentive Program Grants and Administration**—It is requested that the encumbrance date for \$4,376,000 General Fund from the 2023 Budget Act be extended from June 30, 2026, to June 30, 2028, to re-award grant funds to support ongoing grant management and to allow additional time for project completion for awarded grants.
- **Healthy Soils Program Grants and Administration**—It is requested that the encumbrance date for \$2,745,000 Greenhouse Gas Reduction Fund from the 2023 Budget Act be extended from June 30, 2026, to June 30, 2028, to extend the availability of support funds to continue the administration of active grants.

**Liquidations Extensions for Various Programs**—It is requested that Item 8570-491 be added to extend the liquidation period as specified to provide additional time for the following programs to support ongoing projects and administered awards for grants (see Attachment 5):

- **California Underserved and Small Producer Program/Technical Assistance for Underserved Farmers Program Grants**—It is requested the liquidation date for Item 8570-101-3398 from the 2021 Budget Act and Item 8570-101-0001 from the 2024 Budget Act be extended from June 30, 2028, and June 30, 2029, to June 30, 2030, to re-award administration funds to ongoing grant management and to allow additional time for project completion for awarded grants.
- **State Water Efficiency Enhancement Program Grants**—It is requested the liquidation date for technical Item 8570-601-0001 be extended from June 30, 2026, to June 30, 2029, to allow full on-farm project completion for awarded grants.
- **Water Efficiency Technical Assistance Program Grants**—It is requested the liquidation date for Item 8570-101-3398 be extended from June 30, 2026, to June 30, 2029, to re-award grant funds to allow additional time for project completion for awarded grants.

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 Nathanael Williams, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 4  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
Gabriel Petek, Legislative Analyst  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Karen Ross, Secretary, Department of Food and Agriculture  
Christine Birdsong, Undersecretary, Department of Food and Agriculture  
Arima Kozina, Deputy Secretary of Administration and Finance, Department of  
Food and Agriculture

Attachment 1

Add provision 2 to Item 8570-001-0001 as follows:

2. \$10,500,000 of this item is available contingent upon federal funds not being received from the federal government for the Invasive Fruit Fly program in 2026-27. The Department of Finance may decrease this item up to this amount if federal funds for these purposes are made available in 2026-27.

Attachment 2

Add provision 2 to Item 8570-001-0111 as follows:

2. Of the amount appropriated in Schedule (1), \$8,336,000 shall be available for encumbrance or expenditure until June 30, 2028.

Add provision 3 to Item 8570-001-0111 as follows:

3. Of the funds appropriated in this item, \$19,774,000 are associated with information technology, legal services, human resources, and the Office of Civil Rights, and shall be excluded from the limits identified in Section 242 of the Food and Agriculture Code. The Department of Finance may adjust the amount identified in this provision annually, as necessary, for employee compensation and benefit adjustments.

Add Item 8570-490 as follows:

8570-490—Reappropriation, Department of Food and Agriculture. 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 as specified below:

0001—General Fund

(1) Up to \$675,000 of the amount appropriated in Provision 5 of Item 8570-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Alternative Manure Management Program and Dairy Digester Research and Development Program shall be extended until June 30, 2028.

(2) Up to \$272,000 of the amount appropriated in Provision 5 of Item 8570-589-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Alternative Manure Management Program and Dairy Digester Research and Development Program shall be extended until June 30, 2028.

(3) Up to \$1,239,000 of the amount appropriated in Provision 2 of Item 8570-588-0001 Budget Act of 2021 (Chs. 21, 69, and 240, Stats of 2021) for the State Water Efficiency and Enhancement Program shall be extended until June 30, 2027.

(4) Up to \$1,546,000 of the amount appropriated in Provision 2 of Item 8570-101-0001 Budget Act of 2021 (Chs. 21, 69, and 240, Stats of 2021) for the State Water Efficiency and Enhancement Program shall be extended until June 30, 2027.

(5) Up to \$29,000 of the amount appropriated in Provision 2 of Item 8570-601-0001 Budget Act of 2021 (Chs. 21, 69, and 240, Stats of 2021) for the State Water Efficiency and Enhancement Program shall be extended until June 30, 2027.

(6) Up to \$335,000 of the amount appropriated in Provision 4 of Item 8570-002-0001 Budget Act of 2021 (Chs. 21, 69, and 240, Stats of 2021) for the California Underserved and Small Producers Program shall be extended until June 30, 2027.

(7) Up to \$2,457,000 of the amount appropriated in Provision 4 of Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for Fairs and Expositions Resiliency Support shall be extended until June 30, 2028.

(8) Up to \$2,457,000 of the amount appropriated in Item 8570-0021-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for Animal Blood Banks shall be extended until June 30, 2027.

(9) Up to \$2,197,000 of the amount appropriated in Provision 9 of Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the California Underserved and Small Producers Program shall be extended to June 30, 2027.

(10) Up to \$3,632,000 of the amount appropriated in Item 8570-589-0001, Budget Act of 2022 (Chs. 43, 45, and 245, Stats of 2022) for the Alternative Manure Management Program and Dairy Digester Research and Development Program shall be extended until June 30, 2028.

(11) (Up to \$1,002,000 of the amount appropriated in Item 8570-588-0001 Budget Act of 2022 (Chs. 43, 45, and 245, Stats of 2022) for the State Water Efficiency and Enhancement Program shall be extended until June 30, 2027.

(12) Up to \$4,212,000 of the amount appropriated in Item 8570-0017-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Emerging Threats 2 IT Project shall be extended until June 30, 2028.

(13) Up to \$2,949,000 of the amount appropriated in Provision 3 Item 8570-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the California Nutrition Incentive Program shall be extended until June 30, 2028.

(14) Up to \$1,427,000 of the amount appropriated in Provision 3 of Item 8570-589-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the California Nutrition Incentive Program shall be extended until June 30, 2028.

(16) Up to \$7,009,000 of the amount appropriated in Item 8570-001-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for the Emerging Threats 2 IT Project shall be extended until June 30, 2028.

(17) Up to \$885,000 of the amount appropriated in Item 8570-588-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for the California Underserved and Small Producers Program shall be extended until June 30, 2028.

(18) Up to \$2,653,000 of the amount appropriated in Item 8570-001-0001, Budget Act of 2025 (Chs. 4 and 5, Stats. 2025) for the Emerging Threats 2 IT Project shall be extended until June 30, 2028.

#### 3228—Greenhouse Gas Reduction Fund

(1) Up to \$775,000 of the amount appropriated in Item 8570-101-3228, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Healthy Soils Program shall be extended until June 30, 2028.

(2) Up to \$1,970,000 of the amount appropriated in Item 8570-594-3228, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Healthy Soils Program shall be extended until June 30, 2028.

(3) Up to \$2,651,000 of the amount appropriated in Item 8570-101-3228, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for the Alternative Manure Management Program and Dairy Digester Research and Development Program shall be extended until June 30, 2028.

(4) Up to \$840,000 of the amount appropriated in Item 8570-594-3228, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for the Alternative Manure Management Program and Dairy Digester Research and Development Program, shall be extended until June 30, 2028.

3398—California Emergency Relief Fund

(1) Up to \$10,000 of the amount appropriated in Item 8570-101-3398, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Water Efficiency Technical Assistance Program shall be extended until June 30, 2027.

(2) Up to \$622,000 of the amount appropriated in Item 8570-509-3398, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the California Underserved and Small Producers Program shall be extended until June 30, 2028.

(3) Up to \$152,000 of the amount appropriated in Item 8570-590-3398, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Water Efficiency Technical Assistance Program shall be extended until June 30, 2028.

Add Item 8570-491 as follows:

8570-491—Reappropriation, Department of Food and Agriculture. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended as specified below:

0001—General Fund

(1) Up to \$56,400,000 of the amount appropriated in Item 8570-601-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the State Water Efficiency and Enhancement Program shall be extended until June 30, 2029.

(2) Up to \$17,005,000 of the amount appropriated in Item 8570-101-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), for the California Underserved and Small Producers Program shall be extended until June 30, 2030.

3398—California Emergency Relief Fund

(1) Up to \$8,250,000 of the amount appropriated in Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the Water Efficiency Technical Assistance Program shall be extended until June 30, 2029.

(2) Up to \$23,750,000 of the amount appropriated in Item 8570-101-3398, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for the California Underserved and Small Producers Program shall be extended until June 30, 2030.



May 14, 2026

Honorable John Laird, 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 8615-001-3372, Support, California Privacy Protection Agency**

**Data Broker Deletion Request Opt-Out Platform (DROPE)**—It is requested that Item 8615-001-3372 be increased by \$2,216,000 one-time and 2 positions in fiscal year 2026-27 and ongoing to address increased costs associated with the release of DROPE, which has received higher than anticipated consumer interest since its launch in January 2026. The DROPE was developed by the California Privacy Protection Agency (CalPrivacy) to comply with Chapter 709, Statutes of 2023 (SB 362), which requires CalPrivacy to collect consumer requests from California residents to delete their online data via an accessible deletion mechanism beginning January 1, 2026, and requires data brokers to begin processing these requests starting August 1, 2026. The requested one-time resources will: (1) allow more consumers to verify their identity when requesting deletion of their data, (2) support increased third-party development costs that are greater than initially anticipated for both the consumer and data broker portions of the platform, and (3) add 2 positions to verify the platform is accessible to all residents and respond to increased consumer and data broker inquiries related to DROPE.

Additionally, it is requested that provisional language be added to Item 8615-001-3372 to authorize an augmentation to address potential increased information technology costs associated with DROPE's system utilization, including supporting additional identify verifications of consumers that request their data be deleted, which is difficult to predict (see Attachment 1). It is also requested that provisional language be added to Item 8615-001-3372 authorizing short-term cash flow loans, totaling no more than \$1 million from the Consumer Privacy Fund to the Data Brokers' Registry Fund, that is to be repaid no later than 12 months after the loans are taken (see Attachment 1). CalPrivacy collects data broker registration revenues annually in January and estimates there will be a shortfall in cash available in the Data Brokers' Registry Fund for the first six months of 2026-27 to cover the increased DROPE expenditures. The requested authority for short-term cash loans will support CalPrivacy's operational cash flow needs without interrupting its operations.

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 Charlene Manning, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Tom Kemp, Executive Director, California Privacy Protection Agency  
Tiffany Garcia, Chief Deputy Director, California Privacy Protection Agency  
Von Chitambira, Deputy Director of Administration, California Privacy Protection  
Agency  
Maureen Mahoney, Deputy Director of Policy and Legislation, California Privacy  
Protection Agency  
Brian Skewis, Fiscal Services Chief, California Privacy Protection Agency

Add Provisions 1 and 2 to Item 8615-001-3372 as follows:

1. Upon order of the Department of Finance, the amount available in this item may be augmented by an amount necessary to cover information technology-related costs associated with system utilization of the Delete Request Opt-Out Platform, pursuant to Chapter 709, Statutes of 2023 (SB 362).

2. The Department of Finance may authorize one or more short-term cash loans, not to exceed a cumulative total of \$1,000,000 from the Consumer Privacy Fund to the Data Brokers' Registry Fund to support operational cashflow needs resulting from registration revenues collected mid fiscal year. The cash loans shall be repaid no later than 12 months after the loans are taken. Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code. For purposes of the budgetary and legal bases of accounting and budgeting, the principal amount of any loans made pursuant to this provision shall not be considered part of the balance of the fund that receives the loan, nor shall it be deducted from the balance of the fund from which the loan is made. These loans are considered cashflow loans for temporary cash shortages and shall not constitute budgetary loans, revenues, or expenditures. The Department of Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure proper implementation of this provision pursuant to Section 13344 of the Government Code.



May 14, 2026

Honorable John Laird, 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, Public Utilities Commission**

**Renewable Portfolio Standards Database**—It is requested that Item 8660-001-0462 be increased by \$469,000 in fiscal year 2026-27 and ongoing to support maintenance and operations of the Renewable Portfolio Standards Database and website.

**Ongoing Broadband for All Support**—It is requested that Item 8660-001-0462 be increased by \$870,000 and 2 positions in 2026-27 and ongoing to support California Environmental Quality Act-related workload for broadband infrastructure projects.

**Expedited Undergrounding Program**—It is requested that Item 8660-001-0462 be increased by \$1,914,000 and 8 positions in 2026-27 and ongoing to provide support for increased workload related to the review of electric utilities' electrical infrastructure undergrounding plans.

**Public Advocates Office: Ratepayer and Technological Innovation Protection Act (SB 57)**—It is requested that Item 8660-001-3089 be increased by \$218,000 and 1 position in 2026-27 and ongoing to provide support for increased workload related to data centers and other large-load customers' impacts to the electrical grid and ratepayer costs, consistent with Chapter 647, Statutes of 2025 (SB 57).

**Public Advocates Office: Expedited Undergrounding Program**—It is requested that Item 8660-001-3089 be increased by \$437,000 and 2 positions in 2026-27 and ongoing to review the impact of electric utility undergrounding plans on rates.

**Public Advocates Office: Voluntary Energy Markets (AB 825)**—It is requested that Item 8660-001-3089 be increased by \$1,202,000 and 5 positions in 2026-27 and ongoing to support ratepayer benefit analysis workload once the Regional Organization is established, consistent with the requirements of Chapter 116, Statutes of 2025 (AB 825).

**Broadband Last Mile Infrastructure Reappropriations: General Fund**—It is requested that Item 8660-490 be amended to extend the encumbrance period from December 31, 2026, to June 30, 2030, for up to \$67,868,000 General Fund appropriated in the 2021 Budget Act. This reappropriation will allow the Public Utilities Commission to administer and manage all grants awarded through the Broadband Last-Mile Infrastructure Grant program (see Attachment 1).

**Broadband Last Mile Infrastructure Reappropriations: Federal Trust Fund**—It is requested that Item 8660-491 be added to extend the liquidation period from December 31, 2026, to April 30, 2027, for Federal Funds appropriated in the 2021 Budget Act for Broadband Last Mile Infrastructure grants. The extension will allow the Public Utilities Commission to continue to encumber projects awarded with federal Capital Project Fund dollars until December 31, 2026, and provide additional time to process invoices through U.S. Treasury's 120-day closeout period of April 30, 2027 (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 Erin Carson, Principal Program Budget Analyst, at (916) 324-0043 .

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Eloise Gómez Reyes, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Leuwam Tesfai, Executive Director, California Public Utilities Commission  
Tyler Morris, Deputy Director, California Public Utilities Commission  
June Landry, Director of Administrative Services, California Public Utilities  
Commission

Amend Item 8660-490 as follows:

"8660-490—Reappropriation, Public Utilities Commission. 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 to June 30, 2030:

0001—General Fund

(1) Up to \$8,000,000 in Technical Item 8660-501-0001, Section 281 of Chapter 112, Statutes of 2021, as transferred from Item 8660-062-8506, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for administration of Broadband Infrastructure Grants.

(1.1) Up to \$67,868,000 from Technical Item 8660-601-0001, as transferred from Item 8660-162-8506, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), created pursuant to Control Section 11.96, for Broadband Infrastructure Grants."

8660-491—Reappropriation, Public Utilities Commission. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended until April 30, 2027:

0890—Federal Trust Fund

(1) Item 8660-001-0890, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for Broadband Infrastructure Grants.



May 14, 2026

Honorable John Laird, 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, Commission on State Mandates**

**Commission on State Mandates (Commission) Increased Lease Costs**—It is requested that Item 8885-001-0001 be increased by \$20,000 one-time to support the Commission's increased lease costs associated with the expiration of a prior concession that provided a rent-free month. This adjustment is necessary to ensure the Commission can meet its operational needs.

**Technical Adjustment to Funded Mandates**—It is requested that Item 8885-295-0001 be decreased by \$1,108,000 one-time, Item 8885-295-0044 be increased by \$477,000 ongoing, and Item 8885-295-0106 be increased by \$1,000 ongoing, to reflect revised state mandate estimates. These adjustments are necessary to provide the proper reimbursement amounts for each state mandate.

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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Juliana Gmur, Executive Director, Commission on State Mandates



May 14, 2026

Honorable John Laird, 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 8940-301-0604, Capital Outlay, Military Department**

It is requested that Item 8940-301-0604 be added in the amount of \$7,808,000 one-time for the preliminary plans phase of the Los Alamitos: Battalion Headquarters Readiness Center project. Upon project completion, the Military department will have an approximately 59,000 square foot modern facility for the 1-160<sup>th</sup> Infantry Battalion currently located at the 70-year-old Inglewood Armory. The total project cost is estimated at \$135 million, of which approximately 75 percent will be provided as federal funds and the remainder as a mix of Armory Fund and General Fund.

It is further requested that provisional language be added to authorize the Department of General Services to deliver the project (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 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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 4  
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6  
Gabriel Petek, Legislative Analyst  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Major General Matthew P. Beevers, Director, Military Department  
Colonel Adam Rix, Comptroller, California Military Department  
Gerald Martin, Deputy Comptroller, California Military Department

8940-301-0604—For capital outlay, Military Department, payable  
from the Armory Fund .....7,808,000

Schedule:

(1) 0014843-Los Alamitos: Battalion Headquarters Readiness Center.....7,808,000  
    (a) Preliminary plans ..... 7,808,000

Provisions:

1. Notwithstanding Section 10107 of the Public Contract Code, the project identified in this item shall be under the sole charge and direct control of the Department of General Services.



May 14, 2026

Honorable John Laird, 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 Reimbursements, Support, California Military Department**

**State Active Duty Compensation Adjustment**—It is requested that the following Items be amended by the ongoing amounts noted to align the pay of the California Military Department's State Active Duty employees to the pay and benefits of service members of similar grade in the United States Army, Air Force, and Navy as set annually by the National Defense Authorization Act:

- Item 8940-001-0001 be decreased by \$96,000
- Item 8940-002-0001 be increased by \$1,000
- Item 8940-001-0890 be decreased by \$303,000
- Item 8940-001-3085 be decreased by \$9,000

**Taskforce Rattlesnake Salary Adjustment**—It is requested that Item 8940-002-0001 be increased by \$30,000 ongoing to align the pay of Emergency State Active Duty service members to that of service members of similar grade in the federal armed forces. It is also requested that the reimbursement authority in Item 8940-002-0001 be increased by \$1 million ongoing to assist the California Military Department in recovering expenditures incurred for fire suppression activities.

**Critical Roof Replacement and Exterior Repairs**—Due to significant weathering in the winter of fiscal year 2025-26, it is requested that Item 8940-001-0001 be increased by \$2,760,000 one-time for deferred maintenance projects at the Inglewood, Roseville, and Santa Ana armories.

**Channel Islands Electrical Systems Repairs**—Due to the receipt of unanticipated federal funds in spring 2026, it is requested that Item 8940-001-0890 be increased by \$4,929,000 one-time to support critical electrical system repairs at the Channel Islands Air National Guard Station.

It is also requested that provisional language be added to Item 8940-001-0890 to extend a portion of the Item's authority until September 30, 2027. The end of this period aligns with the close of the federal fiscal year and the extension would avoid fiscal year misalignment of costs, preventing multiple annual Control Section 28.00 requests (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 Sara Swan, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Laura Richardson, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Major General Matthew P. Beevers, California Military Department  
COL Adam Rix, Comptroller, California Military Department  
Gerald Martin, Deputy Comptroller, California Military Department

Add Provision 4 to Item 8940-001-0890 as follows:

4. Of the funds appropriated in Schedule (1), \$20,000,000 is available for encumbrance or expenditure until September 30, 2027, to support activities related to the maintenance and repair of military facilities.



May 14, 2026

Honorable John Laird 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 8955-001-0001 and Addition of Item 8955-491, Support, Department of Veterans Affairs**

**CalVet Electronic Health Record Project (Issue 047)**—It is requested that Item 8955-001-0001 be increased by \$2,444,000 one-time to support the final implementation and configuration of Phase 3 of the CalVet Electronic Health Record Project in the Yountville Veteran Home.

**Reappropriation for CalVet Electronic Health Record Project (Issue 050)**—It is requested that Item 8955-491 be added to reappropriate up to \$2,390,000 from Item 8955-001-0001, of the 2023 Budget Act, to extend the liquidation date to fulfill contractual obligations and pay invoices related to the completion of the CalVet Electronic Health Record Project (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 Shelina Noorali, 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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Trisha Smith, Deputy Secretary of Administrative Services, California Department of  
Veteran Affairs  
Monica Mitre, Assistant Deputy Secretary of Budget Operations, California  
Department of Veteran Affairs

8955-491—Reappropriation, Department of Veteran Affairs. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2027:

0001—General Fund

(1) Up to \$2,390,000 in Item 8955-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), for the CalVet Electronic Health Record Project.



May 14, 2026

Honorable John Laird, 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 9100-111-0001, Local Assistance, Tax Relief**

**General Fund Expenditure Transfer from the Senior Citizens and Disabled Citizens**

**Property Tax**—It is requested that Item 9100-111-0001 be increased by \$3 million one-time for transfer to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund to support the Property Tax Postponement Program (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 Andrea Scharffer, 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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Honorable Malia Cohen, State Controller  
Regina Evans, Chief of Staff, State Controller's Office  
Cathy Leal, Chief Operating 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

Add Item 9100-111-0001 as follows:

9100-111-0001—For transfer by the Controller, upon order of the Director of Finance, to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund....3,000,000

Provisions:

1. Upon approval of the Director of Finance, the amount appropriated in this item is available for transfer subject to a review of Property Tax Postponement Program expenditures and the related fund condition statement.



May 14, 2026

Honorable John Laird, 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 9650-001-0001, Support, Health and Dental Benefits for Annuitants**

**Revised Estimates for Health and Dental Benefits for Annuitants**—It is requested that Item 9650-001-0001 be increased by \$17,606,000 ongoing to reflect increases in health and dental premiums for annuitants.

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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government  
Operations Agency  
Michele Nix, Chief Financial 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



May 14, 2026

Honorable John Laird, 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 and Addition to Various Budget Bill Items, Support, Employee Compensation**

**Augmentation for Employee Compensation**—It is requested that Item 9800-001-0001 be increased by \$15,177,000, Item 9800-001-0494 be increased by \$17,395,000, and Item 9800-001-0988 be increased by \$7,852,000 in fiscal year 2026-27, and ongoing, to reflect changes in estimated health and dental premiums. Additionally, while these amounts reflect estimated health premium rates, we note the health rates will be finalized and adopted by the California Public Employees' Retirement System (CalPERS) Board of Administration in summer 2026.

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 Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government  
Operations Agency  
Monica Erickson, Director, Department of Human Resources  
Anthony Crawford, Deputy Director of Fiscal and Data Management Division,  
California Department of Human Resources  
Stephan Higginbotham, Chief, Financial Management Division, Department of  
Human Resources



May 14, 2026

Honorable John Laird, 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 Control Section 3.60, Support, Section 3.60 Rate Adjustment**

**Revised Control Section 3.60 Retirement Rate Adjustments**—It is requested that Control Section 3.60 be decreased by \$2,605,338,000 ongoing from the \$2,819,064,000 included in the Governor's Budget. This decrease reflects the following adjustments:

- A decrease of \$107,245,000 ongoing to reflect the changes in state retirement contribution rates (see Attachment 1) for members of California Public Employees' Retirement System (CalPERS), as adopted by the CalPERS' Board of Administration in April 2026. This \$107,245,000 decrease consists of a \$66,816,000 decrease in General Fund, a \$42,180,000 decrease in special funds, and a \$1,751,000 increase in other non-governmental cost funds.
- A decrease of \$2,498,093,000 in 2026-27 as a technical adjustment to reconcile the set-aside for retirement contribution estimates. This \$2,498,093,000 decrease consists of a \$1,581,416,000 decrease in General Fund, a \$599,057,000 decrease in special funds, and a \$317,620,000 decrease in other non-governmental cost funds.

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: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
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  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Stephen Gilmore, 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



May 14, 2026

Honorable John Laird, Chair  
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Statutory Change, Department of Finance**

**Statutory Change: Increase in Dollar Threshold for Confidential Funds**—It is requested that Government Code section 16404 be amended to reflect current operating conditions for state agencies utilizing confidential funds. The existing statute was enacted in 1968 and has never been updated to reflect changes in the Consumer Price Index. Increasing the current threshold of \$2,000 to \$20,000 will allow state agencies whose primary functions include law enforcement, criminal investigations, or public safety to continue operating in compliance with the law.

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 Theresa Rawlins, Supervising Administrative Analyst, at (916) 445-3434.

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, 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 David Tangipa, Vice Chair, Assembly Budget Committee  
Attention: Christian Griffith, Chief Consultant  
Honorable Melissa Hurtado, 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, Budget Director, Senate President pro Tempore's Office  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office

Amend Government Code 16404 as follows:

“Where the duties of any state agency for which an appropriation is available make necessary the use of moneys for purposes of a confidential nature, such state agency may, without at the time furnishing vouchers and itemized statements, draw from such appropriation an advance for such confidential purposes. Except for withdrawals by the Attorney General as provided in Section 12572 of this code, the total amount allowed any unit or division of any state agency for such confidential purposes shall not exceed ~~two~~ twenty thousand dollars (\$20,000) in any one fiscal year. Claim for such an advance is exempt from Section 925.6 of this code, but shall be accompanied by a certificate of the purpose and necessity for secrecy. The state agency shall remain fully accountable for any amount thus advanced, and when the reason for the secrecy no longer exists, or, in any event, within one year after such amount is withdrawn, must account therefor to the Controller who shall require vouchers in substantiation of all disbursements and make such audit as may be necessary.”