



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, Employment Development Department**

**EDDNext Modernization – Document Management System Spring Update**—It is requested that Items 7100-001-0001 and 7100-001-0588 each be increased by \$10 million one-time and provisional language be added to each item to support continued implementation of the EDDNext Document Management System (see Attachments 1 and 2).

**Unemployment Insurance Loan Interest Payment**—It is requested that Item 7100-002-0001 be increased by \$6,086,000 one-time to reflect an updated unemployment insurance loan interest payment estimate. In conjunction with the amount proposed at the 2026-27 Governor's Budget, this will be used to fund the estimated interest payment of \$668,291,000.

**Disability Insurance Program Benefits and Administration Adjustments**—It is requested that Item 7100-101-0588 be increased by \$2,294,865,000 ongoing to align with updated projections for disability insurance program benefit payments. Additionally, Item 7100-101-0588, Budget Act of 2025, pursuant to Provision 1, is increased by \$1,271,571,000 one-time in fiscal year 2025-26 to align with estimated current year increases in disability program benefit payments.

It is further requested that Item 7100-001-0588 be increased by \$4,340,000 ongoing to align with updated estimates for disability program administration needs.

**Workforce Innovation and Opportunity Act Allocations**—It is requested that Items 7100-001-0869 and 7100-021-0890 be increased by \$74,325,000 ongoing and Items 7100-101-0869 and 7100-101-0890 be increased by \$95,621,000 ongoing to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.

**Unemployment Insurance Program Benefits and Administration Adjustments**—It is requested that Item 7100-101-0871 and Item 7100-111-0890 be increased by \$65,746,000 ongoing to align with updated projections for unemployment insurance program benefit payments. Additionally, Item 7100-101-0871, Budget Act of 2025, pursuant to Provision 2, is decreased by \$307,974,000 in 2025-26 to align with an estimated current year increase in unemployment insurance program benefit payments.

It is further requested that Item 7100-001-0870 and Item 7100-011-0890 be decreased by \$31,991,000 ongoing for Employee Development Department to align with updated estimates for unemployment insurance program administration needs.

**School Employees Fund Benefits Adjustment**—It is requested that Item 7100-101-0908 be increased by \$12,260,000 ongoing, and technical Items 7100-601-0890 and 7100-602-0871 be decreased by \$12,260,000 ongoing, to align with updated projections for School Employees Fund benefit payments. Additionally, Item 7100-101-0908, Budget Act of 2025, is increased by \$8,506,000 one-time in 2025-26, pursuant to Provision 1 of the item, to align with estimated current year increases in School Employee Fund benefit payments.

**Emergency Medical Technician Training Reappropriation**—It is requested that Item 7100-490 be added to reappropriate \$883,000 General Fund included in the 2022 Budget Act for targeted emergency medical technician training to make funds available for encumbrance or expenditure for one additional year, until June 30, 2027 (see Attachment 3).

**EDDNext Modernization – Technical Correction to Add Budget Bill Language**—It is requested that Item 7100-495 be added to effectuate a reversion of \$70,570,000 previously appropriated for the EDDNext project (see Attachment 4). This item was proposed in the Governor's Budget but was inadvertently omitted from the budget bills (AB 1563 and SB 879).

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) 445-3274.

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 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  
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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  
Stewart Knox, Secretary, Labor and Workforce Development Agency  
Jacque Roberts, Undersecretary, Labor and Workforce Development Agency  
Jay Sturges, Associate Secretary, Fiscal Policy & Administration, Labor and  
Workforce Development Agency  
Nancy Farias, Director, Employment Development Department  
Caleb Horel, Deputy Director, Administration Branch, Employment Development  
Department  
Cristal Watts, Chief, Fiscal Programs Division, Employment Development  
Department

Amend Subdivision (a) of Provision 1 of Item 7100-001-0001 as follows:

"1. (a) Of the amount appropriated in Schedule (3), up to ~~\$60,937,000~~ \$70,937,000 shall be available for the support of the EDDNext modernization projects and vendor services contracts. Up to \$9,190,000 of this amount shall be available, upon order of the Department of Finance, for the Document Management System project following approval of a Special Project Report or equivalent document by the California Department of Technology."

Amend Subdivision (a) of Provision 2 of Item 7100-001-0588 as follows:

"2. (a) Of the amount appropriated in Schedule (2), up to ~~\$84,583,000~~ \$94,583,000 shall be available for the support of the EDDNext modernization projects and vendor services contracts. Up to \$9,190,000 of this amount shall be available, upon order of the Department of Finance, for the Document Management System project following approval of a Special Project Report or equivalent document by the California Department of Technology."

7100-491—Reappropriation, Employment Development Department. 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, 2027, and liquidation until June 30, 2029:

0001—General Fund

(1) Up to \$883,000 in Provision 8 of Item 7100-001-0001, Budget Act of 2022 (Chs. 43, 45, 249, Stats. 2022).

7100-495—Reversion, Employment Development Department. As of June 30, 2026, 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 \$70,570,000 appropriated in Schedule 2 of Item 7100-001-0001, Budget Act of 2025 (Chs. 4 and 5, Stats. 2025), for support of the EDDNext modernization projects.



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

**Unfair Labor Practices (AB 288) – Spring Adjustment**—It is requested that Item 7320-001-0001 be decreased by \$4,999,000 one-time and 22 positions in fiscal year 2026-27, \$6,541,000 one-time and 31 positions in 2027-28, and 31 positions ongoing. This adjustment will reduce the amount included in the 2026-27 Governor's Budget for implementation of Chapter 139, Statutes of 2025 (AB 288) to a total of \$500,000 one-time in 2026-27 and 2027-28 for the Public Employment Relations Board to support current legal workload associated with the implementation of AB 288.

**Implementation of the Legislature Employer-Employee Relations Act (AB 1, 2023)**—It is requested that Item 7320-001-0001 be increased by \$165,000 and 1 position ongoing for implementation of Chapter 313, Statutes of 2023 (AB 1), the Legislative Employer-Employee Relations Act, which will become operative on July 1, 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 Allison Hewitt, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

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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  
Stewart Knox, Secretary, Labor and Workforce Development Agency  
Jacque Roberts, Undersecretary Labor and Workforce Development Agency  
Jay Sturges, Deputy Secretary of Fiscal Policy and Administration, Labor and  
Workforce Development Agency  
Susan Davey, Director, Public Employment Relations Board  
Jorrell Sorenson, Deputy Executive Director, Public Employment Relations Board



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Assembly Budget Committee

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**Amendment to and Addition of Various Budget Bill Items, Support, Department of Industrial Relations**

**Office of the Director Legal Unit Restructuring**—It is requested that the following items be amended to support a restructuring that will increase supervisory capacity and establish a new office in Southern California to meet district-level division needs within the Department of Industrial Relations' (DIR) Office of the Director Legal Unit. The changes proposed are as follows:

- Item 7350-001-0223 increased by \$156,000 ongoing.
- Item 7350-001-0396 increased by \$2,000 ongoing.
- Item 7350-001-0452 increased by \$18,000 ongoing.
- Item 7350-001-3022 increased by \$24,000 ongoing.
- Item 7350-001-3121 increased by \$97,000 ongoing.
- Item 7350-001-3150 increased by \$11,000 ongoing.
- Item 7350-001-3152 increased by \$80,000 ongoing.

**Electronic Adjudication Management System Modernization**—It is requested that Item 7350-001-3078 be increased by \$44,096,000 one-time and provisional language be added to continue the replacement of the Division of Workers' Compensation's information technology infrastructure (see Attachment 1). Additionally, it is requested that Item 7350-490 be added to extend the encumbrance period of the unencumbered funding included in Schedule (1) of Item 7350-001-3078 of the 2025 Budget Act for this project by one year, until June 30, 2027 (see Attachment 2).

**Cal/OSHA Data Modernization Project**—It is requested that Item 7350-001-3078 be increased by \$28,442,000 one-time and provisional language be added to support the for the Division of Occupational Safety and Health (Cal/OSHA) with continued development of its information technology systems (see Attachment 3).

**Emerging Technologies Unit**—It is requested that Item 7350-001-3121 be increased by \$1,810,000 and 5 positions in fiscal year 2026-27, and \$1,246,000 and 5 positions ongoing, to support Cal/OSHA with researching, evaluating, and developing industry guidance and regulations related to emerging workplace technologies and equipment.

**California Opportunity Youth Apprenticeship (COYA) Reappropriation**—It is requested that Item 7350-491 be added to extend the encumbrance period for \$2.3 million General Fund included in the 2024 Budget Act by two years, until June 30, 2028, to enable DIR to perform grant administration functions through the remainder of the current COYA grant cycle(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 Allison Hewitt, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW  
Director  
By:

/s/ Erika Li

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Chief Deputy Director

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Dylan Gray, Chief of Staff, Assembly Republican Leader's Office  
Stewart Knox, Secretary, Labor and Workforce Development Agency  
Jacque Roberts, Undersecretary, Labor and Workforce Development Agency  
Jay Sturges, Deputy Secretary Fiscal Policy and Administration, Labor and  
Workforce Development Agency  
Jennifer Osborn, Director, Department of Industrial Relations  
Adam Romero, Chief Deputy Director, Department of Industrial Relations  
Joshua Iverson, Chief Financial Officer, Department of Industrial Relations

Add Provision 5 to Item 7350-001-3078:

5. Of the amount appropriated in Schedule (1) of this item, \$44,096,000 is allocated for project activities associated with the Electronic Adjudication Management System Modernization project. Of this amount, up to \$16,000,000 shall be available upon order of the Department of Finance and contingent upon updated project approval or other project documents by the California Department of Technology.

Add Item 7350-490 as follows:

Item 7350-490—Reappropriation, Department of Industrial Relations. The balance of the appropriation provided in Schedule (1) of Item 7350-001-3078, Budget Act of 2025 (Chs. 4 and 5, Stats. 2025), is reappropriated for project activities associated with the Electronic Adjudication Management System Modernization project and shall be available for encumbrance or expenditure until June 30, 2027.

Add Provision 6 to Item 7350-001-3078:

6. Of the amount appropriated in Schedule (2) of this item, \$28,442,000 is available for the Cal/OSHA Data Modernization Project. Of this amount, upon order of the Department of Finance, \$3,000,000 shall be available upon approval of a Special Project Report or equivalent document by the California Department of Technology.

Add Item 7350-491 as follows:

Item 7350-491—Reappropriation, Department of Industrial Relations. 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, 2028:

0001—General Fund

(1) \$2,300,000 appropriated in Item 7350-001-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).