

April 1, 2023

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

### **Amendment to and Addition of Various Budget Bill Items, Support, Employment Development Department**

**Extended Encumbrance for 2023 EDDNext Appropriation**—It is requested that Provision 4(a) of Item 7100-001-0001 and Provision 2(a) of Item 7100-001-0588 be amended to extend the encumbrance period from June 30, 2024 to June 30, 2025, for funding proposed at the Governor's Budget for EDDNext. EDDNext is the Employment Development Department's (EDD) department-wide modernization and customer service improvement effort, and this extension will allow EDD additional time for contract procurements that were delayed by additional planning activities and reprioritization of projects. This encumbrance extension will provide EDD flexibility for EDDNext contracts and implementation (see Attachments 1 and 2).

**Cybersecurity Licensing**—It is requested that Item 7100-001-0185 and Item 7100-001-0588 each be increased by \$1,673,000 ongoing to support the continued licensing of cybersecurity tools to identify vulnerabilities and respond to cybersecurity incidents. These tools were previously supported by one-time funding in the 2022 Budget Act.

**Extended Encumbrance for 2022 EDDNext Appropriation**—It is requested that Item 7100-490 be added to extend the encumbrance period to June 30, 2024, for funding appropriated for EDDNext in Items 7100-001-0001 and 7100-001-0588 of the 2022 Budget Act (see Attachment 3).

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

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, 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 Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4  
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review 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  
Jay Sturges, Associate Secretary, Fiscal Policy & 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

Amend Provision 4(a) of Item 7100-001-0001 as follows:

“4. (a) Of the amount appropriated in Schedule (3), \$98,991,000 shall be made available for the support of the EDDNext modernization projects. These funds shall be available for encumbrance or expenditure until June 30, 2025.”

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

“2. (a) Of the amount appropriated in Schedule (3), \$98,992,000 shall be made available for the support of the EDDNext modernization projects. These funds shall be available for encumbrance or expenditure until June 30, 2025.”

7100-490—Reappropriation, Employment Development Department. 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, 2024:

0001—General Fund

(1) The unencumbered balance of the \$68,015,000 specified in Provision 10 of Item 7100-001-0001, Budget Act of 2022 (Chs. 43 and 45, Stats. 2022)

0588—Unemployment Compensation Disability Fund

(1) The unencumbered balance of the \$68,015,000 specified in Provision 2 of Item 7100-001-0588, Budget Act of 2022 (Chs. 43 and 45, Stats. 2022)



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**Amendment to Budget Bill Item 7350-001-3121, Support, Department of Industrial Relations**

**Occupational Safety and Health Standards Heat Illness & Wildfire Smoke (AB 2243)**

**Technical Change**—It is requested that Item 7350-001-3121 be decreased by 4 positions in 2023-24 through 2026-27 to correct a technical error in the Heat Illness and Wildfire Smoke standards proposal included in the 2023-24 Governor's Budget. The Governor's Budget proposes \$1,197,000 special fund in 2022-23 and \$361,000 ongoing to implement Chapter 778, Statutes of 2022 (AB 2243).

**Withdrawal of FAST Recovery Act: Food Facilities and Employment (AB 257)**—It is requested that Item 7350-001-3121 be decreased by \$1,520,000 and 6 positions in 2023-24 and \$1,440,000 and 6 positions in 2024-25 and ongoing. It is also requested that Item 7350-001-3152 be decreased by \$3,087,000 and 13 positions in 2023-24 and \$2,899,000 and 13 positions in 2024-25 and ongoing. This request withdraws resources proposed at Governor's Budget to implement Chapter 246, Statutes of 2022 (AB 257) given that, on January 24, 2023, the Secretary of State certified that a referendum qualified for the 2024 General Election challenging AB 257. AB 257 cannot be enforced or implemented unless it is approved by voters in the 2024 General Election.

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

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Director

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Stewart Knox, Secretary, Labor and Workforce Development Agency  
Jay Sturges, Associate Secretary, Fiscal Policy & Administration, Labor and Workforce  
Development Agency  
Katrina Hagen, Director, Department of Industrial Relations  
Deanna Ping, Chief Deputy Director, Department of Industrial Relations  
Josh Iverson, Chief Financial Officer, Department of Industrial Relations