TO: Agency Secretaries
Department Directors
Department Budget and Accounting Officers
Departmental Human Resources and Labor Relations Officers
Departmental Business Services Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

Pursuant to Section 74 of Chapter 9, Stats. of 2024 (AB 106), which amends Section 21 of the Budget Act of 2023, the Department of Finance may suspend the authority to expend any one-time funding provided in Section 2.00 of the Budget Acts of 2021, 2022, or 2023. Considering the state’s ongoing budgetary challenges, this Budget Letter (BL) provides direction to state entities regarding the suspension of current year spending authority, beyond those reductions identified in BL 23-27, which was issued December 12, 2023.

Specifically, the Budget Acts of 2021, 2022, and 2023 contained numerous one-time appropriations with multi-year expenditure authority. Departments that received such appropriations shall immediately cease spending or encumbering these resources, if the appropriation(s) meets all the following criteria:

- The appropriation is from the General Fund;
- The appropriation is not part of the Proposition 98 Guarantee;
- The appropriation is not for a specified state capital outlay project, or an emergency-related expenditure.
- There are remaining funds that are unallocated or may be unencumbered from the appropriation; and
- The total value of unallocated or unencumbered funds is greater than $1 million (not including state administrative overhead costs).

As noted above, departments with appropriations meeting the above criteria shall immediately cease spending or encumbering these resources. Additionally, affected departments shall contact Finance to assess remaining funds and impacts of this BL, including impacts to other departments and programs.

Statewide Constitutional Officers are strongly encouraged to comply with the provisions of this BL, as applicable.
If you have any questions regarding this BL, please contact your assigned Program Budget Manager.

/s/ Joe Stephenshaw

JOE STEPHENSHAW
Director