



May 14, 2024

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, Department of Consumer Affairs

Osteopathic Medical Board Chaptered Legislation Workload (SB 815)—It is requested that Item 1111-001-0264 be increased by \$331,000 and 2 positions in 2024-25, and \$315,000 in 2025-26 and ongoing to support the implementation of a Complaint Liaison Unit, as required by Chapter 294, Statutes of 2023 (SB 815). The Unit will respond to complaints from the public concerning review and enforcement processes, conduct outreach, develop and prepare complaint review processes, handouts, and brochures, and maintain the enforcement section of the Board's website.

California Medical Board Chaptered Legislation Workload (SB 815)—It is requested that Item 1111-001-0758 be increased by \$1,509,000 and 9 positions in 2024-25, and \$1,437,000 in 2025-26 and ongoing for the implementation of a Complaint Liaison Unit, as required by Chapter 294, Statutes of 2023 (SB 815). The Unit will respond to communications from the public regarding the complaint review and enforcement process and interview the complainant, patient, or patient's representative before the closure of any complaint. The Unit will also conduct and support public outreach activities to improve the public's understanding of related laws and policies.

Controlled Substance Utilization Review and Evaluation System (CURES) Fund Technical Adjustment—It is requested that Item 1111-001-3252 be increased by \$917,000 in 2024-25, and \$1,144,000 in 2025-26 and ongoing to reimburse the Department of Justice for increased maintenance and operation costs to support CURES and for increased personal services costs.

Loan to the Contingent Fund of the Medical Board of California—It is requested that Item 1111-011-0582 be added to provide a \$27 million loan from the High Polluter Repair or Removal Account to the Contingent Fund of the Medical Board of California to

achieve fund solvency. It is also requested that provisional language be added to allow the repayment of all or a portion of this loan if certain criteria are met (see Attachment 1).

Pro Rata Adjustment for May Revision Changes—It is requested that the following items be increased or decreased as indicated below to redistribute the Department of Consumer Affairs' existing baseline Pro Rata costs to boards and bureaus based on the changes to the Department's proposals at May Revision. This is a net-zero adjustment overall.

- Item 1111-001-0069 be decreased by \$8,000
- Item 1111-001-0108 be decreased by \$1,000
- Item 1110-001-0152 be decreased by \$2,000
- Item 1111-001-0264 be increased by \$40,000
- Item 1111-001-0280 be decreased by \$1,000
- Item 1111-001-0295 be decreased by \$1,000
- Item 1111-001-0310 be decreased by \$2,000
- Item 1111-001-0319 be decreased by \$1,000
- Item 1111-001-0326 be decreased by \$1,000
- Item 1111-001-0376 be decreased by \$1,000
- Item 1111-001-0704 be decreased by \$8,000
- Item 1111-001-0706 be decreased by \$2,000
- Item 1111-001-0735 be decreased by \$37,000
- Item 1111-001-0741 be decreased by \$7,000
- Item 1111-001-0758 be increased by \$169,000
- Item 1111-001-0759 be decreased by \$2,000
- Item 1111-001-0761 be decreased by \$18,000
- Item 1111-001-0763 be decreased by \$1,000
- Item 1111-001-0767 be decreased by \$16,000
- Item 1111-001-0770 be decreased by \$3,000
- Item 1111-001-0773 be decreased by \$6,000
- Item 1110-001-0775 be decreased by \$3,000
- Item 1111-001-0777 be decreased by \$3,000
- Item 1111-001-0779 be decreased by \$7,000
- Item 1111-001-3017 be decreased by \$2,000
- Item 1111-001-3140 be decreased by \$1,000
- Item 1111-002-0239 be decreased by \$8,000
- Item 1111-002-0305 be decreased by \$9,000
- Item 1111-002-0400 be decreased by \$2,000
- Item 1111-002-0421 be decreased by \$41,000
- Item 1111-002-0582 be decreased by \$4,000
- Item 1111-002-0717 be decreased by \$3,000
- Item 1111-002-3122 be decreased by \$1,000
- Item 1111-002-3438 be decreased by \$7,000

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) 445-8913.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Tomiquia Moss, Secretary, Business, Consumer Services, and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Brian Skewis, Budget Manager, Business, Consumer Services, and Housing Agency
Kimberly Kirchmeyer, Director, Department of Consumer Affairs
Nicole Le, Deputy Director of Administration, Department of Consumer Affairs
Taylor Schick, Chief Fiscal Officer, Department of Consumer Affairs
Robert de los Reyes, Asst. Chief Fiscal Officer, Department of Consumer Affairs

1111-011-0582– For transfer by the Controller, upon order of the Director of Finance, from the High Polluter Repair or Removal Account to the Contingent Fund of the Medical Board of California as a loan.....(27,000,000)

Provisions:

1. The Director of Finance may transfer up to \$27,000,000 as a loan to the Contingent Fund of the Medical Board of California, which shall be repaid by June 30, 2032. The Department of Finance shall order the repayment of all or a portion of this loan if it determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is no longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.



May 14, 2024

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 Item 1115-001-3288, Support, and Addition of Item 1115-495, Local Assistance, Department of Cannabis Control

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Cannabis Local Jurisdiction Retail Access Grant - It is requested that Item 1115-495 be added to revert \$16,470,000 in fiscal year 2023-24 for the Cannabis Local Jurisdiction Retail Access Grant program, which was included in the 2022 Budget Act and is available for expenditure until June 30, 2026 (see Attachment 1).

Enforcement Support—It is requested that Item 1115-001-3288 be increased by \$588,000 in 2024-25, and \$42,000 in 2025-26 and ongoing to purchase and maintain 14 undercover vehicles to perform critical surveillance and investigatory work performed by the department's sworn officers to strengthen enforcement efforts.

The May Revision proposes the following adjustments to enable the department to implement recently chaptered legislation:

Cannabis Provisional Licenses: Local Equity Applicants (SB 51)—It is requested that Item 1115-001-3288 be increased by \$297,000 and 2.0 positions in 2024-25, and \$281,000 in 2025-26 and ongoing to fulfil the requirements of Chapter 593, Statutes 2023 (SB 51). These positions will process local equity retail provisional applications, provide case-management and technical assistance to support the transition of provisional licensees to annual licensure, and process renewals until licensees achieve annual licensure.

Cannabis and Cannabis Products: Health Warnings (SB 540)—It is requested that Item 1111-001-3288 be increased by \$173,000 and 1.0 position in 2024-25, and \$165,000 in 2025-26 and ongoing to implement Chapter 491, Statutes of 2023 (SB 540). This position will monitor emerging scientific literature and develop recommendations that inform the content development of the brochure and regulatory reforms regarding the risks that cannabis use may cause consumers.

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) 445-8913.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Tomiquia Moss, Secretary, Business, Consumer Services and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services and Housing Agency
Brian Skewis, Budget Manager, Business, Consumer Services and Housing Agency
Nicole Elliott, Director, Department of Cannabis Control
Rasha Salama, Chief Deputy Director, Department of Cannabis Control
Melissa Eidson, Deputy Director of Administration, Department of Cannabis Control
Tanya Silva, Branch Chief, Financial Management, Department of Cannabis
Control

1115-495—Reversion, Department of Cannabis Control. As of June 30, 2024, 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) Item 1115-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). Up to \$16,470,000 of the amount appropriated in Schedule (1) for the Cannabis Local Jurisdiction Retail Access Grant Program.



May 14, 2024

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 1700-001-0001 and 1700-001-3246, Support, Civil Rights Department

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to assist in closing the projected shortfall. These adjustments include the following:

One-time Shift of General Fund Expenditures to Special Fund—It is requested that Item 1700-001-0001 be reduced by \$10 million in fiscal year 2024-25 and Item 1700-001-3246 be increased by \$10 million in 2024-25 to shift General Fund expenditures to the Civil Rights Enforcement and Litigation Fund on a one-time basis. Existing statute authorizes the Civil Rights Enforcement and Litigation Fund to be used for the administration of the Civil Rights Department.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Reproductive Loss Leave: Chapter 724, Statutes of 2023 (SB 848)—It is requested that Item 1700-001-0001, be increased by \$1,592,000 and 10 positions in 2024-25 and \$1,561,000 in 2025-26 and ongoing.

Housing Voucher Discrimination: Credit History: Chapter 776, Statutes of 2023 (SB 267)—It is requested that Item 1700-001-0001 be increased by \$135,000 and 1 position in 2024-25 and \$132,000 in 2025-26 and ongoing.

Included below are the remaining adjustments included in the May Revision:

Relocation to May Lee Office Complex—It is requested that Item 1700-001-0001 be increased by \$1,188,000 in 2024-25 to provide one-time resources for the Civil Rights Department's headquarters to be relocated from Elk Grove to the May Lee Office Complex in Sacramento.

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, Assistant Program Budget Manager, at (916) 445-3274.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Tomiquia Moss, Secretary, Business, Consumer Services, and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Kevin Kish, Director, Civil Rights Department
Mary Wheat, Chief Deputy Directors, Civil Rights Department
Arlyn Kihara, Deputy Director of Administration, Civil Rights Department



May 14, 2024

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 Statutory Changes, Department of Financial Protection and Innovation

May Lee State Office Complex—It is requested that Item 1701-001-0240 be increased by \$4,000, Item 1701-001-0299 be increased by \$96,000, and Item 1701-001-3363 be increased by \$1,006,000 one-time to support the Department of Financial Protection and Innovation's (DFPI) increased rent costs while ongoing rental rates are being developed by the Department of General Services. The Department of General Services is currently in the process of determining ongoing rental rates for the May Lee State Office Complex and DFPI will reevaluate its future resource needs when more information is available.

The May Revision proposes the following adjustments to enable the department to implement recently chaptered legislation:

Venture Capital Companies Reporting Workload: Chapter 594, Statutes of 2023 (SB 54)—

It is requested that Item 1701-001-0001 be added in the amount of \$1,629,000 one-time and 3 positions in fiscal year 2024-25 and Item 1701-001-3363 be increased by \$846,000 in 2025-26 and ongoing for the development of an online search portal as required by SB 54. Reports containing demographic information about founding team members of companies that venture capital companies invest in will be made available to the public through an online search portal on DFPI's website. Statutory changes are also requested to change the department venture capital companies are required to submit reports to from the Civil Rights Department to DFPI, among other changes, and will be posted on the Department of Finance website.

Digital Financial Asset Law Workload: Chapter 792, Statutes of 2023 (AB 39)—It is requested that Item 1701-001-3363 be increased by \$7,871,000 and 26 positions in 2024-25, \$11,554,000 and 41 positions in 2025-26, and \$11,379,000 in 2026-27 and ongoing for the implementation of the Digital Financial Assets Law Program as required by AB 39. DFPI will license and regulate digital financial asset business activities, process applications, investigate applicants, process annual reports, impose fees, conduct exams, and take enforcement actions as necessary.

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) 445-8913.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Tomiquia Moss, Secretary, Business, Consumer Services, and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Brian Skewis, Budget Manager, Business, Consumer Services, and Housing Agency
Clothilde Hewlett, Commissioner, Department of Financial Protection and
Innovation
Khalil Mohensi, Chief Deputy Commissioner, Department of Financial Protection
and Innovation
Sophia Smith, Deputy Commissioner, Administration, Department of Financial
Protection and Innovation
April Kennedy, Chief, Fiscal Management Office, Department of Financial
Protection and Innovation



May 14, 2024

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

Addition of Budget Bill Item 1703-001-3372, Support, California Privacy Protection Agency

The May Revision proposes the following adjustments to enable the department to implement recently chaptered legislation:

The California Delete Act: Chapter 709, Statutes of 2023 (SB 362)—It is requested that Item 1703-001-3372 be added in the amount of \$901,000 and 3 positions in fiscal year 2024-25, \$608,000 in 2025-26, and ongoing to implement SB 362. These resources will enable the California Privacy Protection Agency to continue hosting and maintaining the data broker registry and to develop the accessible deletion mechanism to allow consumers to request all data brokers registered with the Agency delete their personal information. It is also requested that provisional language be added to augment the Agency's budget to cover SB 362 implementation costs as they make progress through the Project Approval Lifecycle and gain more detailed information about the costs to build the accessible deletion mechanism (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 Charlene Manning, Principal Program Budget Analyst, at (916) 445-8913.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Brian Skewis, Budget Manager, Business, Consumer Services, and Housing Agency
Ashkan Soltani, Executive Director, California Privacy Protection Agency
Tiffany Garcia, Chief Deputy Director, California Privacy Protection Agency
Vongayi Chitambira, Deputy Director of Administration, California Privacy
Protection Agency

1703-001-3372—For support of the California Privacy Protection Agency, payable from the Data Brokers' Registry Fund.....901,000

Schedule:

(1) 1600-Administration of the California Privacy Protection Act.....901,000

Provisions:

1. Upon order of the Department of Finance, this item may be augmented by an amount necessary to cover information technology project costs associated with the implementation of Chapter 709, Statutes of 2023 (SB 362). Expenditure of these funds is contingent upon the California Department of Technology approval of the appropriate Project Approval Lifecycle documentation.



May 14, 2024

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, Department of Housing and Community Development

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Reversion of 2022 and 2023 Amounts for the Adaptive Reuse Program—It is requested that Item 2240-495 be amended to revert \$40 million appropriated in the 2022 Budget Act and \$87.5 million appropriated in in the 2023 Budget Act for the Adaptive Reuse Program (see Attachment 1).

Reversion of 2022 and 2023 Amounts for the Infill Infrastructure Grant Program—It is requested that Item 2240-495 be amended to revert \$25 million appropriated in the 2023 Budget Act and \$10 million appropriated in the 2022 Budget Act for the Infill Infrastructure Grant Program (see Attachment 1).

Reversion of 2022 Amounts for the Veterans Housing and Homeless Program—It is requested that Item 2240-495 be amended to revert \$26.3 million appropriated in the 2022 Budget Act for the Veterans Housing and Homeless Prevention Program (see Attachment 1).

Reversion of 2022 and 2023 Amounts for the Foreclosure Intervention Housing Preservation Program—It is requested that Item 2240-495 be amended to revert \$154 million appropriated in the 2021 Budget Act and \$82.5 million appropriated in the 2023 Budget Act for the Foreclosure Intervention Housing Preservation Program (see Attachment 1).

Reversion of 2023 Amounts for the Multifamily Housing Program—It is requested that Item 2240-495 be amended to revert \$75 million appropriated in the 2023 Budget Act for the Multifamily Housing Program (see Attachment 1).

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Affordable Housing Finance Workgroup: Chapter 743, Statutes of 2023 (AB 519)—It is requested that Item 2240-001-0001 be increased by \$1,548,000 in fiscal year 2024-25 and 2025-26, and \$774,000 in 2026-27.

Veterans Housing: Tenant Referrals: Chapter 760, Statutes of 2023 (AB 1386)—It is requested that Item 2240-001-0001 be increased by 1 position in 2024-25 and ongoing.

Statewide Housing Plan: Chapter 765, Statutes of 2023 (AB 1508)—It is requested that Item 2240-001-0001 be increased by \$212,000 and 1 position in 2024-25 and ongoing.

State Affordable Housing Act: Chapter 402, Statutes of 2023 (SB 555)—It is requested that Item 2240-001-0001 be increased by \$712,000 ongoing in 2024-25 and 2025-26, and \$227,000 in 2026-27 and ongoing.

Housing Accountability Act Expansion: Chapter 768, Statutes of 2023 (AB 1633)—It is requested that Item 2240-001-0001 be increased by \$474,000 and 2 positions in 2024-25 and ongoing.

Affordable Housing Development Projects: Chapter 764, Statutes of 2023 (AB 1490)—It is requested that Item 2240-001-0001 be increased by \$195,000 and 1 position in 2024-25 and ongoing.

Drought Resistant Building Act: Chapter 884, Statutes of 2023 (SB 745)—It is requested that Item 2240-001-0001 be increased by \$579,000 and 1 position ongoing in 2024-25 and \$179,000 in 2025-26 and ongoing.

Housing Element: Notice of Violation: Chapter 740, Statutes of 2023 (AB 434)—It is requested that Item 2240-001-0001 be increased by \$1,089,000 and 5 positions in 2024-25 and ongoing.

Workload Resources—Administrative Support for Chaptered Legislation—It is requested that Item 2240-001-0001 be increased by \$1,146,000 and 8 positions in 2024-25 and ongoing.

Adaptive Reuse Projects: Chapter 743, Statutes of 2023 (AB 529)—It is requested that Item 2240-001-3144 be increased by \$422,000 and 2 positions in 2024-25 and ongoing.

Included below are the remaining adjustments included in the May Revision:

Transition of California Interagency Council on Homelessness Grant Programs—It is requested that Item 2240-001-0001 be increased by 13 positions ongoing to provide resources to the Department of Housing and Community Development to administer

California Interagency Council on Homelessness grants that will transition to the Department of Housing and Community Development pursuant to Chapter 40, Statutes of 2023 (AB 129). The Governor's Budget includes 4 new permanent positions and the transfer of 22 permanent positions. This request modifies the request in the Governor's Budget.

Community Development Block Grant–Disaster Recovery Resources—It is requested that Item 2240-001-0890 is increased by 2 positions ongoing and Item 2240-102-0890 be added in the amount of \$24,408,000 in 2024-25 to provide resources to the Department of Housing and Community Development to implement and award Community Development Block Grant–Disaster Recovery funds in Plumas County. It is also requested that provisional language be included to provide an extended encumbrance period through January 16, 2030 for these funds and to allow transfers to state operations (see Attachment 2).

Federal HOME Investment Partnerships Program–American Rescue Plan Resources—It is requested that Item 2240-001-0890 is increased by 2 positions ongoing and Item 2240-103-0890 be added in the amount of \$4 million in 2024-25 to allow the Department of Housing and Community Development to administer federal HOME Investment Partnerships Program–American Rescue Plan funding. It is also requested that provisional language be included to provide an extended encumbrance period through September 30, 2030 and to allow transfers to state operations (see Attachment 3).

Homekey 2.0 Reappropriation—It is requested that Item 2240-490 be added to extend the encumbrance period from June 30, 2024 to June 30, 2026 for Item 2240-101-0001, Budget Act of 2021, to allow grantees sufficient time to meet the expenditure requirements in the Homekey Notice of Funding Availabilities (see Attachment 4).

Regional Early Action Planning Grants 2.0 Reappropriation—It is requested that Item 2240-490 be added to extend the encumbrance period from June 30, 2024 to June 30, 2026 for Item 2240-106-0001, Budget Act of 2021, to align encumbrance dates with statute (see Attachment 4).

Behavioral Health Infrastructure Bond Act Resources—It is requested that 17 positions be added in 2024-25 and ongoing, 11 positions in 2025-26 and ongoing, and 1 permanent position in 2027-28 and ongoing, funded by the 2024 Behavioral Health Infrastructure Bond Fund, to provide resources to the Department of Housing and Community Development to implement and administer Chapter 789, Statutes of 2023 (AB 531), the Behavioral Health Bond Infrastructure Act.

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, Assistant Program Budget Manager, at (916) 445-3274.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steve Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Tomiquia Moss, Secretary, Business, Consumer Services and Housing Agency
Melinda Grant, Undersecretary, Business, Consumer Services and Housing Agency
Amy Manasero, Deputy Secretary of Fiscal Policy and Administration, Business,
Consumer Services and Housing Agency
Gustavo Velasquez, Director, Department of Housing and Community
Development
Zachary Olmstead, Chief Deputy Director, Department of Housing and Community
Development
Matt Schueller, Deputy Director, Administration and Management, Department of
Housing and Community Development

"2240-495—Reversion, Department of Housing and Community Development. Notwithstanding any other law, as of June 30, 2024, 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) ~~\$200,000,000~~ \$225,000,000 of the amount appropriated for the Infill Infrastructure Grant Program in Item 2240-105-0001 of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (2) \$50,000,000 of the amount appropriated for the CalHome Program in Item 2240-110-0001 of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (3) \$160,000,000 of the amount appropriated for the Homeless Housing, Assistance, and Prevention Program in Item 2240-121-0001 of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (4) \$100,000,000 of the amount appropriated for the Homeless Housing, Assistance, and Prevention Program in Item 2240-122-0001 of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (5) \$50,000,000 of the amount appropriated for the Veterans Housing and Homeless Prevention Program in Item 2240-124-0001 of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (6) ~~\$250,000,000~~ \$325,000,000 of the amount appropriated for the Multifamily Housing Program in Item 2240-126-0001) of the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
- (7) \$102,500,000 of the amount appropriated for the CalHome Program in Item 2240-110-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
- (8) \$40,000,000 of the amount appropriated for adaptive reuse in Item 2240-104-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
- (9) \$87,500,000 of the amount appropriated for adaptive reuse in Item 2240-104-0001 of the Budget Act of 2023 (Chs. 12 and 38, Stats. 2023).
- (10) \$10,000,000 of the amount appropriated for the Infill Infrastructure Grant Program in Item 2240-105-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
- (11) \$26,300,000 of the amount appropriated for the Veterans Housing and Homeless Prevention Program in Item 2240-124-0001 of the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

(12) \$154,000,000 of the amount appropriated for the Foreclosure Intervention Housing Preservation Program in Provision 4 of Item 2240-106-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(13) \$82,500,000 of the amount appropriated for the Foreclosure Intervention Housing Preservation Program in Provision 1 of Item 2240-125-0001, Budget Act of 2023 (Chs. 12 and 38, Stats. 2023)."

2240-102-0890—For local assistance, Department of Housing and Community Development, payable from the Federal Trust Fund24,400,000

Schedule:

(1) 1665-Financial Assistance Program24,400,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until January 16, 2030.
2. Upon order of the Department of Finance, up to \$3,661,000 of the funds appropriated in this item may be transferred to Schedule (2) of Item 2240-001-0890 for state operations and shall be available for encumbrance or expenditure until January 16, 2030. Within 10 days of approval of a transfer the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committees in each house of the Legislature that consider the State Budgets, and the transmittal of the approval and the spending plan to the Chairperson of the Joint Legislative Budget Committee.

2240-103-0890—For local assistance, Department of Housing and Community Development, payable from the Federal Trust Fund4,000,000

Schedule:

(1) 1665-Financial Assistance Program4,000,000

Provisions:

1. The funds appropriated in this item shall be available for encumbrance or expenditure until September 30, 2030.
2. Upon order of the Department of Finance, funds appropriated in this item may be transferred to Schedule (2) of Item 2240-001-0890 for state operations and shall be available for encumbrance or expenditure until September 30, 2030. Within 10 days of approval of a transfer the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committees in each house of the Legislature that consider the State Budgets, and the transmittal of the approval and the spending plan to the Chairperson of the Joint Legislative Budget Committee.

2240-490—Reappropriation, Department of Housing and Community Development. 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, 2026:

0001—General Fund

(1) Up to \$250,000,000 appropriated in Provision 1, Item 2240-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

(2) Up to \$100,000,000 appropriated in Schedule (2) of Item 2240-106-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).



May 14, 2024

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 Item 2320-001-0317, Support, Department of Real Estate

May Lee State Office Complex—It is requested that Item 2320-001-0317 be increased by \$849,000 one-time to address an increase in rent costs associated with the Department of Real Estate's move to the May Lee State Office Complex. This is a one-time request as the Department of General Services is currently in the process of determining ongoing rental rates for the May Lee State Office Complex.

The May Revision proposes the following adjustments to enable the department to implement recently chaptered legislation:

Various Chaptered Legislation—It is requested that Item 2320-001-0317 be increased by \$700,000 and 3.0 positions in fiscal year 2024-25, \$590,000 and 3.0 positions in 2025-26, and \$251,000 and 1.0 position in 2026-27 and ongoing to implement provisions of 18 bills signed into law in 2023. This request will support workload associated with updating numerous publications and databases, promulgating regulations, and licensee and consumer education initiatives related to these statutory changes.

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) 445-8913.

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: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Steven Padilla, 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, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
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
Melinda Grant, Undersecretary, Business, Consumer Services, and Housing Agency
Amy Manasero, Deputy Secretary, Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Brian Skewis, Budget Manager, Business, Consumer Services, and Housing Agency
Chika Sunquist, Commissioner, Department of Real Estate
Marcus McCarther, Chief Deputy Commissioner, Department of Real Estate
Shelly Wilson, Assistant Commissioner, Department of Real Estate
Sonja Palladino, Assistant Commissioner, Department of Real Estate