



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

Eliminate Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, California Arts Council

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 and reflect a balanced budget plan. These adjustments include the following:

General Fund Solution: Arts Grant Program Reduction—It is requested that support for the Arts Grants programs be decreased by \$10 million ongoing. This adjustment will be reflected in the Governor's Office of Business and Economic Development's budget in Item 0509-101-0001.

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

Transition to the Governor's Office of Business and Economic Development—It is requested that Items 8260-001-0001, 8260-001-0078, 8260-001-0890, 8260-101-0001, 8260-101-0078, 8260-101-0890, and 8260-101-8085 be eliminated as part of the California Arts Council's transition to be established within the Governor's Office of Business and Economic Development. It is also requested that statutory changes be made to reflect this adjustment.

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 Jessie Romine, 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
Danielle Brazell, Executive Director, California Arts Council
Ayanna L. Kiburi, Deputy Director, California Arts Council



May 14, 2024

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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

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:

General Fund Solution: Fairs and Exposition Resiliency Grant Program—It is requested that Item 8570-495 be amended to revert \$2,075,000 for the Fairs and Exposition Resiliency Grant Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

General Fund Solution: Relief for Small Farmers Program—It is requested that Item 8570-495 be amended to revert \$5 million for the Relief for Small Farmers program, which was included in the 2023 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

General Fund Solution: Farm to School Incubator Grant Program—It is requested that Item 8570-495 be amended to revert \$10 million for the Farm to School Incubator Grant Program, which was included in the 2022 Budget Act and is available for expenditure until June 30, 2025 (see Attachment 1).

General Fund Solution: Technical Assistance Program for Underserved Farmers—It is requested that Item 8570-495 be amended to revert \$200,000 for the Technical Assistance Program for Underserved Farmers, which was included in the 2022 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

General Fund Solution: State Water Efficiency and Enhancement Efficiency Program—It is requested that Item 8570-495 be amended to revert \$2.8 million for the State Water Efficiency and Enhancement Efficiency Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1). It is also requested that Item 8570-101-3228 be decreased by \$20.6 million in 2024-25 and increased by \$20.6 million in 2026-27 to effectuate a full delay of fund shift for the State Water Efficiency and Enhancement Efficiency Program (see Attachment 2).

General Fund Solution: Pollinator Habitat Program—It is requested that Item 8570-495 be amended to revert \$445,000 for the Pollinator Habitat Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2025 (see Attachment 1).

General Fund Solution: Water Efficiency Technical Assistance Program—It is requested that Item 8570-495 be amended to revert \$6.9 million for the Water Efficiency Technical Assistance Program, which was included in the 2021 Budget Act and is available for expenditure until June 30, 2024 (see Attachment 1).

General Fund Solution: Livestock Methane Reduction Programs—It is requested that Item 8570-101-3228 be decreased by \$7 million in fiscal year 2024-25 and increased by \$7 million in 2025-26 to effectuate a partial delay of fund shift for the Livestock Methane Reduction Programs (see Attachment 2).

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

Broomrape Program: Chapter 651, Statutes of 2023 (AB 402)—It is requested that Item 8570-001-0001 be increased by 7 permanent ongoing new positions to perform the research, outreach, survey, treatment, and assessment activities related to broomrape.

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

Emergency Response to Invasive Fruit Flies—It is requested that Item 8570-001-0001 be increased by \$24,985,000 and Item 8570-001-0890 be increased by \$28,786,000 on a one-time basis and provisional language be added to address emergencies related to the infestation of invasive fruit flies (IFF) to prevent irrevocable establishments of IFFs in California (see Attachments 3 and 4).

Technical Adjustments: Provisional Language Cleanup—It is requested that Item 8570-495 be amended to correct the referenced Budget Acts and dollar amounts for reversions (see Attachment 1). It is requested that Item 8570-101-3228 be amended to add administrative cost authority for programs focused on Livestock Methane Reduction (see Attachment 2).

Technical Adjustments: Various Federal Funds, Local Food Purchase Assistance, and Reimbursements—It is requested that Item 8570-001-0001 be amended by increasing reimbursements by \$25,792,000 one-time and provisional language be added for the agreement with the California Department of Social Services for California Association of Food Banks and the agreement with the California Dairy Research Foundation to provide incentives to producers and landowners to implement climate-smart agricultural practices, activities, and systems on working lands (see Attachment 3). It is also requested that Item 8570-001-0890 be increased by \$37,705,000 one-time and provisional language added for the management of the Resilient Food Systems Infrastructure Cooperative Agreement with the United States Department of Agriculture, which builds resilience in the middle of the supply chain and strengthens local and regional food systems by creating new revenue streams for California's producers (see Attachment 4).

Technical Adjustment: Various Reappropriations—It is requested that Item 8570-490 be added to reappropriate the balance of several Budget Act 2021 and Budget Act 2023 Items (see Attachment 5) that will allow the Department of Food and Agriculture to continue utilizing funding for technical assistance and resiliency grant support related to fairs and expositions, developing the Animal Blood Banks Program, and implementing ongoing IT projects. It is also requested that Item 8570-491 be added to reappropriate the balance of Item 8570-588-0001, Budget Act 2021 to extend the encumbrance and liquidation period (see Attachment 6) to allow the Department of Food and Agriculture to continue utilizing funding for administrative costs for the State Water Efficiency and Enhancement Program.

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 Christian Beltran, 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 Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
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Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
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Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
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No. 2
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
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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
Karen Ross, Secretary, Department of Food and Agriculture
Arima Kozina, Deputy Secretary for Administration and Finance, Department of
Food and Agriculture

Amend Item 8570-495 as follows:

“8570-495—Reversion, Department of Food and Agriculture. 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 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$23,000,000 for Enteric Methane Reduction in Program 6590-General Agricultural Activities per Provision 4.
- (2) Item 8570-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). ~~\$9,500,000~~ \$13,900,000 for the State Water Efficiency Program in Program 6590-General Agricultural Activities per Provision 2.
- (3) Section 35(d)(1) of Chapter 574, Stats. 2022. ~~\$11,100,000~~ \$9,500,000 for the State Water Efficiency Program.
- (4) Item 8570-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$14,400,000 for the Farm to Community Food Hubs Program.
- (5) Item 8570-102-0001, ~~Budget Act of 2021~~ Budget Act of 2022 (Chs. ~~21, 69, and 240, Stats. 2021~~ 43, 45, and 249, Stats. 2022). \$24,000,000 for Livestock Methane Reduction per Provision 5.
- (6) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$8,500,000 for the Healthy Refrigeration Grant Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 3.

- (7) Item 8570-102-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$33,200,000 for the California Nutrition Incentive Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 2.
- (8) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$10,000,000 for the Farm to School Incubator Grant Program in Program 6575-Marketing; Commodities and Agricultural Services per Provision 1.
- (9) Item 8570-102-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$200,000 for the Technical Assistance Program for Underserved Farmers in Program 6590-General Agricultural Activities per Provision 9.
- (10) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$2,075,000 for the Fairs and Exposition Resiliency Grants in Program 6580-Assistance to Fair and County per Provision 4.
- (11) Item 8570-102-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$445,000 from the Pollinator Habitat Program in Program 6590-General Agricultural Activities per Provision 7.
- (12) Item 8570-101-0001, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023) \$5,000,000 for Relief for Small Farmers in Program 6590-Agricultural Activities.

3398—California Emergency Relief Fund

- (1) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$6,000,000 for On-Farm Water Use and Agriculture Technical Assistance in Program 6590-Agricultural Activities.
- (2) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$12,900,000 for Relief for Small Farmers in Program 6590-Agricultural Activities.

- (3) Item 8570-101-3398, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021). \$6,900,000 for the Water Efficiency Technical Assistance Program in Program 6590-Agricultural Activities per Provision 1"

Amend Item 8570-101-3228 as follows:

"8570-101-3228—For local assistance, Department of Food and Agriculture, payable from the Greenhouse Gas Reduction Fund

~~44,600,000~~17,000,000

Schedule:

(1) 6590-General Agricultural Activities ~~44,600,000~~17,000,000

Provisions:

1. ~~Of the amount appropriated in this item, \$20,600,000 shall be available for the State Water Efficiency and Enhancement Program and shall be available for encumbrance or expenditure until June 30, 2027. Up to 2.5 percent of this amount may be used for administrative costs. No less than 5 percent and no more than \$2,060,000 shall be used for technical assistance grants pursuant to Section 570 of the Food and Agriculture Code.~~
2. Of the amount appropriated in this item, ~~\$24,000,000~~17,000,000 shall be available for Livestock Methane Reduction, with priority given to the Alternative Manure Management Program and the Dairy Digester Research and Development Program. Up to 5 percent of this amount may be used for administrative costs. This amount shall be available for encumbrance or expenditure until June 30, 2025, and liquidation until June 30, 2028."

Amend Item 8570-001-0001 as follows:

"8570-001-0001—For support of Department of Food and
Agriculture

~~138,234,000~~ 163,219,000

Schedule:

- | | | |
|-----|---|---|
| (1) | 6570-Agricultural Plant
and Animal Health;
Pest Prevention; Food
Safety Services
..... | 127,625,000 <u>152,610,000</u> |
| (2) | 6575-Marketing;
Commodities and
Agricultural Services
..... | 19,759,000 |
| (3) | 6580-Assistance to Fair
and County
Agricultural Activities
..... | 3,171,000 |
| (4) | 6590-General
Agricultural Activities
..... | 6,874,000 <u>32,666,000</u> |
| (5) | 9900100-
Administration
..... | 41,700,000 |
| (6) | 9900200-
Administration—
Distributed
..... | -41,521,000 |
| (7) | Reimbursements to
6570-Agricultural Plant
and Animal Health;
Pest Prevention; Food
Safety Services
..... | -5,286,000 |
| (8) | Reimbursements to 6575-
Marketing; Commodities
and Agricultural Services
..... | -12,260,000 |

(9)	Reimbursements to 6590- General Agricultural Activities	=1,649,000 <u>-27,441,000</u>
(10)	Reimbursements to 9900100- Administration	-179,000

Provisions:

1. The amount appropriated in this item for an agreement with the Regents of the University of California to operate poultry and livestock disease laboratories shall be adjusted annually, as necessary, for University of California negotiated employee compensation and benefit adjustments.
2. Of the amount appropriated in Schedule (1), \$24,985,000 shall be available for the response to infestations of exotic fruit flies, and shall be available for encumbrance or expenditure until June 30, 2026.
3. Of the amount appropriated in Schedule (9), -\$18,692,000 shall be available for reimbursements for the climate-smart dairy market and climate-smart manure management practices programs in partnership with the California Dairy Research Foundation and shall be available for encumbrance or expenditure until June 30, 2026."

Amend Item 8570-001-0890 as follows:

“8570-001-0890—For support of
 Department of Food and Agriculture,
 payable from the Federal Trust Fund
 ~~107,348,000~~ 173,839,000”

Schedule:

- (1) 6570-Agricultural Plant and
 Animal Health; Pest Prevention;
 Food Safety Services
 ~~51,011,000~~ 79,797,000
- (2) 6575-Marketing; Commodities
 and Agricultural Services
 18,415,000
- (3) 6590-General Agricultural
 Activities ~~37,922,000~~ 75,627,000

Provisions:

1. Of the amount appropriated in Schedule (1), \$28,786,000 shall be available for the response to infestations of exotic fruit flies, and shall be available for encumbrance or expenditure until June 30, 2026.
2. Of the amount appropriated in Schedule (3), \$37,705,000 shall be available for reimbursements for the Resilient Food Systems Infrastructure Cooperative Agreement with the United States Department of Agriculture – Agriculture Marketing Services and shall be available for encumbrance or expenditure until June 30, 2026.”

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 until June 30, 2025, and liquidation until June 30, 2027:

0001—General Fund

- (1) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021), for support for Fairs and Exposition Resiliency Grants per Provision 4.
- (2) Item 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Emerging Threats 2 Project and the Information Technology Enterprise Transition Support Project.
- (3) Item 8570-002-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021) and Item 8570-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for the Animal Blood Banks program.

0111—Department of Food and Agriculture Fund

- (1) Item 8570-001-0111, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) for Emerging Threats 2 Project.

Add Item 8570-491 as follows:

8570-491—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 until June 30, 2027, and liquidation until June 30, 2029:

0001—General Fund

- (1) Item 8570-588-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021), for support for the State Water Efficiency and Enhancement Program per Provision 2.



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 8640-001-0001, Support, Political Reform Act of 1974

Employee Compensation—It is requested that Item 8640-001-0001 be increased by \$3,000 ongoing to reflect revised employee compensation costs at the Franchise Tax Board (FTB) for this program.

Staff Benefits—It is requested that Item 8640-001-0001 be increased by \$1,000 ongoing to reflect revised employee benefit costs at the FTB for this program.

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

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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
Amy Tong, Secretary, Government Operations Agency
Miriam Barcellona Ingenito, Undersecretary, Government Operations Agency
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government
Operations Agency
Selvi Stanislaus, Director, Franchise Tax Board
Jeanne Harriman, Chief Financial Officer, Franchise Tax Board

May 14, 2024

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Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to and eliminate Various Budget Bill Items, Support and Local Assistance, California Public Utilities Commission

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:

Residential Solar and Storage Program—It is requested that Item 8660-002-0001 be eliminated. This action will decrease the Residential Solar and Storage program by \$50 million in fiscal year 2024-25.

Broadband Loan Loss Reserve Program—It is requested that Item 8660-062-0001 be eliminated. This action will decrease the program by \$150 million in 2024-25. Additionally, it is requested that Item 8660-496 be added to revert \$175 million from the prior Budget Act appropriation in 2023 for this program (see Attachment 1). This would result in a total decrease of \$325 million through 2024-25.

Capacity Building Grants Program—it is requested that Item 8660-496 be added to revert the \$10 million for the Capacity Building Grants Program originally appropriated in the 2022 Budget Act (see Attachment 1).

The May Revision proposes the following adjustments to enable the California Public Utilities Commission (CPUC) to implement recently chaptered legislation:

Railroad Contract Crew Transportation: Chapter 411, Statutes of 2023 (SB 757)—It is requested that Item 8660-001-0461 be increased by \$328,000 in 2024-25. Of this amount, \$128,000 is ongoing.

Public Utilities Timely Service: Chapter 317, Statutes of 2023 (AB 50)—It is requested that Item 8660-001-0462 be increased by \$453,000 ongoing and 2.0 permanent positions.

Broadband Infrastructure Mapping: Chapter 645, Statutes of 2023 (AB 286)—It is requested that Item 8660-001-0462 be increased by \$1,333,000 one-time (\$1,167,000 ongoing) and 2.0 permanent positions.

Electricity Transmission Planning and Permitting: Chapter 390, Statutes of 2023 (SB 319)—It is requested that Item 8660-001-0462 be increased by \$609,000 one-time (\$220,000 ongoing) and 1.0 permanent position ongoing.

Powering Up Californians Act: Chapter 394, Statutes of 2023 (SB 410)—It is requested that Item 8660-001-0462 be increased by \$2,166,000 ongoing and 7.0 permanent positions. It is requested that Item 8660-001-3089 be increased by \$384,000 ongoing and 2.0 permanent positions.

Renewable Energy, Department of Transportation Evaluation: Chapter 379, Statutes of 2023 (SB 49)—It is requested that Item 8660-001-0462 be increased by \$110,000 one-time.

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

Broadband Equity, Access, and Deployment (BEAD)—It is requested that Item 8660-001-0890 be increased by \$1,860,000,000 one-time and 31.0 permanent positions in anticipation of federal funds to implement the Broadband Equity, Access, and Deployment (BEAD) programs. This reflects the amount announced for California by the National Telecommunications and Information Administration.

California Lifeline Program—It is requested that Item 8660-001-0471 be increased by \$2,243,000 ongoing and Item 8660-101-0471 be increased by \$28,780,000 ongoing to implement the California Lifeline Program. The support item is increasing by \$2,243,000 ongoing due to a new contract for a Third-Party Administrator who will administer CPUC's Foster Youth Line Program. The local assistance item is increasing by \$28,780,000 ongoing based on projected increases in program participation. The CPUC estimates that project participation will increase as customers who were previously enrolled in the federal Affordable Connectivity Program will transition back to the California Lifeline Program given that the federal program expired in April 2024.

If you have any questions or need additional information regarding this matter, please call Steve Wells, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

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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
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Director, California Public Utilities Commission
Harsh Thakar, Budget Officer, California Public Utilities Commission

8660-496—Reversion, Public Utilities Commission. 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. \$175,000,000 of the amount appropriated for the Broadband Loan Loss Reserve Program in Provision 1 of item 8660-062-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
2. \$10,000,000 of the amount appropriated for the Capacity Building Grants Program in Provision 1 of Item 8660-001-0001, Budget Act of 2022 (Chs 43, 45, and 249, Stats. 2022).



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 8825-001-0001, and Addition of Item 8825-490, Support, Commission on Asian and Pacific Islander American Affairs

General Support Operations—It is requested that Item 8825-001-0001 be increased by \$374,000 in fiscal year 2024-25, and \$287,000 ongoing, to convert one temporary position to permanent and to support the Commission's operating expenses for a physical office space.

Higher Education Workgroup Reappropriation—It is requested that Item 8825-490 be added to reappropriate \$1,250,000 General Fund from Item 8825-001-0001, 2021 Budget Act, to allow the Commission to continue to administer a higher education workgroup with the objective of improving student outcomes for underserved Asian and Pacific Islander American communities (see Attachment 1). This funding is available for encumbrance or expenditure until June 30, 2027.

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 Jessie Romine, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

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Chief Deputy Director

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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
Khydeeja Alam, Executive Director, Commission on Asian and Pacific Islander
American Affairs

8825-490—Reappropriation, California Commission on Asian and Pacific Islander American Affairs. 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:

0001—General Fund

(1) Up to \$1,250,000 in Item 8825-001-0001, Budget Act of 2021, (Chs. 21, 69, and 240, Stats. 2021) for support of the Commission's higher education workgroup.



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 8880-001-0001, 8880-001-9740, Support, Financial Information System for California

FI\$Cal Staffing Realignment—It is requested that Item 8880-001-0001 be decreased by \$537,000 and increased by 3.2 positions ongoing, and Item 8880-001-9740 be decreased by \$315,000 and increased by 1.8 positions ongoing. This request is submitted in conjunction with the Department of General Services and allows the Financial Information System for California to realign positions and funding for procurement-related functionality in the Financial Information System for California.

Central Service Cost Recovery Fund Amendment—It is requested that Item 8880-001-9740 be amended to remove Provision 4 and 5 (see Attachment 1). Provisions 4 and 5 provide the Department of Finance authority to augment this Item for workload to transition the accounting book of record and onboard remaining departments, pursuant to Article 2, of Chapter 10, of Part 1 of Division 3, of Title 2 of Government Code. However, given the project was deemed completed pursuant to Chapter 569, Statutes of 2022, it is no longer 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 Danielle Brandon, Principal Program Budget Analyst, 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
Amy Tong, Secretary, Government Operations Agency
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration,
Government Operations Agency
Jennifer Maguire, Director, Department of Financial Information System for
California

Remove Provision 4 and 5 from Item 8880-001-9740 as follows:

~~4. Notwithstanding any other law, the Director of Finance may augment this item, but not sooner than 30 days after notification is provided to the chairpersons of the fiscal committees in each house of the Legislature that consider appropriations for this item, or their designees, and the Chairperson of the Joint Legislative Budget Committee, or their designee, or not sooner than any lesser time the chairperson of the joint committee, or their designee, may in each instance determine. The augmentation may only be made to fund workload reported to the Legislature pursuant to Article 2 (commencing with Section 11860) of Chapter 10 of Part 1 of Division 3 of Title 2 of the Government Code and the augmentation amount associated with that workload.~~

~~5. Notwithstanding any other law, the Department of Finance may augment this item for costs associated with departmental migrations to the FISCAL system that were either not anticipated or not funded during the current year. This augmentation may occur not sooner than 30 days after notifying the Joint Legislative Budget Committee.~~



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 8885-295-0001, 8885-295-0044, and 8885-295-0106,
Local Assistance, Commission on State Mandates**

Juveniles: Custodial Interrogation Mandate—It is requested that Item 8885-295-0001 be increased by \$2,230,000 one-time to reimburse cities and counties for the costs associated with complying with section 625.6 of the Welfare and Institutions Code, which requires youths, 17 years of age or younger, to consult with legal counsel prior to custodial interrogation and before the waiver of any Miranda rights. On January 27, 2023, the Commission on State Mandates found that Chapter 335, Statutes of 2020 (SB 203) imposed a reimbursable state-mandated program, and the statewide cost estimate was adopted in March 2024 (see Attachment 1).

Technical Adjustment to Funded Mandates to Correct Fiscal Years—It is requested that Items 8885-295-0001 (see Attachment 1), 8885-295-0044 (see Attachment 2) and 8885-295-0106 (see Attachment 3) be adjusted to update the fiscal years referenced in those items' provisions. These changes are necessary to ensure the reimbursement claims are paid for the correct fiscal year and the previously suspended programs are suspended for the upcoming fiscal year.

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) 4453274.

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
Heather Halsey, Executive Director, Commission on State Mandates

“8885-295-0001—For local assistance for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the Controller for claims for costs incurred during the specified periods

.....~~128,026,000~~ 130,256,000

Schedule:

(1) 6905-Funded Mandates: For payment of the following mandate claims for costs incurred through the ~~2021-22~~ 2022-23 fiscal year~~128,026,000~~ 130,256,000

(a) Accounting for Local Revenue Realignments (Ch. 162, Stats. 2003; Ch. 211, Stats. 2004; Ch. 610, Stats. 2004) (05-TC-01)0

(b) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM 4448)761,000

(c) California Public Records Act (Ch. 463, Stats. 1992; Ch. 982, Stats. 2000; Ch. 355, Stats. 2001) (02-TC-10 and 02-TC-51)0

(d) Crime Victims' Domestic Violence Incident Reports (Ch. 1022, Stats. 1999) (99-TC-08)210,000

(e) Custody of Minors-Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM 4237)12,120,000

(f) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM 96-362-02)10,848,000

(g) Domestic Violence Arrests and Victims Assistance (Chs. 698 and 702, Stats. 1998) (98-TC-14)2,557,000

(h) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM 96-281-01)2,650,000

(i) Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)2,076,000

(j) Local Agency Ethics (Ch. 700, Stats. 2005) (07-TC-04)11,000

(k) Medi-Cal Beneficiary Death Notices (Chs. 102 and 1163, Stats. 1981) (CSM 4032)13,000

(l) Medi-Cal Eligibility of Juvenile Offenders (Ch. 657, Stats. 2006) (08-TC-04)0

(m) Peace Officer Personnel Records: Unfounded Complaints and Discovery (Ch. 630, Stats. 1978; Ch. 741, Stats. 1994) (00-TC-24)870,000

(n) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM 4426)641,000

- (o) Sexually Violent Predators (Chs. 762 and 763, Stats. 1995) (CSM 4509)
.....16,519,000
- (p) State Authorized Risk Assessment Tool for Sex Offenders (Chs. 336, 337, and 886,
Stats. 2006; Ch. 579, Stats. 2007) (08-TC-03)602,000
- (q) Threats Against Peace Officers (Ch. 1249, Stats. 1992; Ch. 666, Stats. 1995) (CSM
96-365-02)142,000
- (r) Tuberculosis Control (Ch. 676, Stats. 1993; Ch. 685, Stats. 1994; Ch. 116, Stats. 1997;
and Ch. 763, Stats. 2002) (03-TC-14)111,000
- (s) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM 4317 and CSM 4355)
.....429,000
- (t) Post Election Manual Tally (2 Cal. Code Regs., 20120 to 20127, incl.) (10-TC-08)
.....0
- (u) Sheriffs Court-Security Services (Ch. 22, Stats. 2009) (09-TC-02)0
- (v) U Visa Form 918, Victims of Crime: Non-Immigrant Status (Ch. 721, Stats. 2015)
.....2,171,000
- (w) Local Agency Employee Organizations, Impasse Procedures II (Ch. 314, Stats.
2012)30,000
- (x) Peace Officer Training: Mental Health/Crisis Intervention Mandate (Ch. 469, Stats.
2015)514,000
- (y) Municipal Storm Water and Urban Runoff Discharges Mandate (Los Angeles
Regional Water Quality Control Board Order No. 01-182; Permit CAS004001; Part 4F5c3)
.....0
- (z) Vote by Mail Ballots: Prepaid Postage (Ch. 120, Stats. 2018)
.....3,346,000
- (aa) Sexual Assault Evidence Kits: Testing Mandate (Ch. 588, Stats. 2019)
.....12,540,000
- (bb) Racial and Identity Profiling Mandate (Ch. 466, Stats. 2015; Ch. 328, Stats. 2017)
.....58,865,000
- (cc) Juveniles: Custodial Interrogation Mandate (Ch. 355, Stats. 2020)..... 2,230,000
- (2) 6905050-Funded Mandates: For payment of mandate claims for the 2005–06
through 2021–22 fiscal years for the Peace Officers' Procedural Bill of Rights Act (Ch.
675, Stats. 1990) (CSM 4499)0
- (3) 6905050-Funded Mandates: For payment of mandate claims for the 2002–03
through 2021–22 fiscal years for the Public Safety Officers Procedural Bill of Rights II (Ch.

465, Stats. 1976; Ch. 786, Stats. 1998; Ch. 209, Stats. 2000; Ch. 170, Stats. 2000) (03-TC-18)
.....0

(4) 6905050-Funded Mandates: For payment of mandate claims for the 2001–02 through 2021–22 fiscal years for the Local Government Employment Relations Mandate (Ch. 901, Stats. 2000) (01-TC-30)0

(5) 6905050-Funded Mandates: Pursuant to the provisions of Section 17581 of the Government Code, the mandates identified in the following schedule are specifically identified by the Legislature for suspension during the ~~2023–24~~ 2024-25 fiscal year
.....0

- (a) Absentee Ballots (Ch. 77, Stats. 1978 and Ch. 1032, Stats. 2002) (CSM 3713)
- (b) Absentee Ballots-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
- (c) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM 4392)
- (d) Airport Land Use Commission/Plans (Ch. 644, Stats. 1994) (CSM 4507)
- (e) Animal Adoption (Ch. 752, Stats. 1998 and Ch. 313, Stats. 2004) (04-PGA-01 and 98-TC-11)
- (f) Brendon Maguire Act (Ch. 391, Stats. 1988) (CSM 4357)
- (g) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- (h) Coroners' Costs (Ch. 498, Stats. 1977) (04-LM-07)
- (i) Crime Statistics Reports for the Department of Justice (Ch. 1172, Stats. 1989; Ch. 1338, Stats. 1992; Ch. 1230, Stats. 1993; Ch. 933, Stats. 1998; Ch. 571, Stats. 1999; and Ch. 626, Stats. 2000) (02-TC-04 and 02-TC-11) and Crime Statistics Reports for the Department of Justice Amended (Ch. 700, Stats. 2004) (07-TC-10)
- (j) Crime Victims' Domestic Violence Incident Reports II (Ch. 483, Stats. 2001; Ch. 833, Stats. 2002) (02-TC-18)
- (k) Developmentally Disabled Attorneys' Services (Ch. 694, Stats. 1975) (04-LM-03)
- (l) DNA Database & Amendments to Postmortem Examinations: Unidentified Bodies (Ch. 822, Stats. 2000; Ch. 467, Stats. 2001) (00-TC-27 and 02-TC-39)
- (m) Domestic Violence Background Checks (Ch. 713, Stats. 2001) (01-TC-29)
- (n) Domestic Violence Information (Ch. 1609, Stats. 1984 and Ch. 668, Stats. 1985) (CSM 4222)
- (o) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
- (p) Extended Commitment, Youth Authority (Ch. 267, Stats. 1998 and Ch. 546, Stats. 1984) (98-TC-13)

- (q) False Reports of Police Misconduct (Ch. 590, Stats. 1995 and Ch. 289, Stats. 2000) (00-TC-26)
- (r) Firearm Hearings for Discharged Inpatients (Ch. 578, Stats. 1999) (99-TC-11)
- (s) Grand Jury Proceedings (Ch. 1170, Stats. 1996; Ch. 443, Stats. 1997; and Ch. 230, Stats. 1998) (98-TC-27)
- (t) Interagency Child Abuse and Neglect (ICAN) Investigation Reports (Ch. 958, Stats. 1977; Ch. 1071, Stats. 1980; Ch. 435, Stats. 1981; Chs. 162 and 905, Stats. 1982; Chs. 1423 and 1613, Stats. 1984; Ch. 1598, Stats. 1985; Chs. 1289 and 1496, Stats. 1986; Chs. 82, 531, and 1459, Stats. 1987; Chs. 269, 1497, and 1580, Stats. 1988; Ch. 153, Stats. 1989; Chs. 650, 1330, 1363, and 1603, Stats. 1990; Chs. 163, 459, and 1338, Stats. 1992; Chs. 219 and 510, Stats. 1993; Chs. 1080 and 1081, Stats. 1996; Chs. 842, 843, and 844, Stats. 1997; Chs. 475 and 1012, Stats. 1999; and Ch. 916, Stats. 2000) (00-TC-22)
- (u) Identity Theft (Ch. 956, Stats. 2000) (03-TC-08)
- (v) In-Home Supportive Services II (Ch. 445, Stats. 2000 and Ch. 90, Stats. 1999) (00-TC-23)
- (w) Inmate AIDS Testing (Ch. 1579, Stats. 1988 and Ch. 768, Stats. 1991) (CSM 4369 and CSM 4429)
- (x) Judiciary Proceedings (Ch. 644, Stats. 1980) (CSM 4366)
- (y) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (z) Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM 4431)
- (aa) Mandate Reimbursement Process (Ch. 486, Stats. 1975 and Ch. 1459, Stats. 1984) (CSM 4204 and CSM 4485)
- (bb) Mandate Reimbursement Process II (Ch. 890, Stats. 2004) (05-TC-05) (Suspension of Mandate Reimbursement Process and Mandate Reimbursement Process II includes suspension of the Consolidation of Mandate Reimbursement Processes I and II)
- (cc) Mentally Disordered Offenders: Treatment as a Condition of Parole (Ch. 228, Stats. 1989 and Ch. 706, Stats. 1994) (00-TC-28 and 05-TC-06)
- (dd) Mentally Disordered Offenders' Extended Commitments Proceedings (Ch. 435, Stats. 1991; Ch. 1418, Stats. 1985; Ch. 858, Stats. 1986; Ch. 687, Stats. 1987; Chs. 657 and 658, Stats. 1988; Ch. 228, Stats. 1989; and Ch. 324, Stats. 2000) (98-TC-09)
- (ee) Mentally Disordered Sex Offenders' Recommitments (Ch. 1036, Stats. 1978) (04-LM-09)
- (ff) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
- (gg) Missing Persons Report (Ch. 1456, Stats. 1988 and Ch. 59, Stats. 1993) (CSM 4255, CSM 4368, and CSM 4484)

- (hh) Modified Primary Election (Ch. 898, Stats. 2000) (01-TC-13)
- (ii) Not Guilty by Reason of Insanity (Ch. 1114, Stats. 1979 and Ch. 650, Stats. 1982) (CSM 2753) (05-PGA-35)
- (jj) Open Meetings Act/Brown Act Reform (Ch. 641, Stats. 1986 and Chs. 1136, 1137, and 1138, Stats. 1993) (CSM 4257 and CSM 4469)
- (kk) Pacific Beach Safety: Water Quality and Closures (Ch. 961, Stats. 1992) (CSM 4432)
- (ll) Perinatal Services (Ch. 1603, Stats. 1990) (CSM 4397) (05-PGA-38)
- (mm) Permanent Absent Voters II (Ch. 922, Stats. 2001, Ch. 664, Stats. 2002, and Ch. 347, Stats. 2003) (03-TC-11)
- (nn) Personal Safety Alarm Devices (8 Cal. Code Regs. 3401 (c)) (CSM 4087)
- (oo) Photographic Record of Evidence (Ch. 875, Stats. 1985; Ch. 734, Stats. 1986; and Ch. 382, Stats. 1990) (98-TC-07)
- (pp) Pocket Masks (Ch. 1334, Stats. 1987) (CSM 4291)
- (qq) Post Conviction: DNA Court Proceedings (Ch. 943, Stats. 2001 and Ch. 821, Stats. 2000) (00-TC-21 and 01-TC-08)
- (rr) Postmortem Examinations: Unidentified Bodies, Human Remains (Ch. 284, Stats. 2000) (00-TC-18)
- (ss) Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM 4427)
- (tt) Senior Citizens Property Tax Postponement (Ch. 1242, Stats. 1977 and Ch. 43, Stats. 1978) (CSM 4359)
- (uu) Sex Crime Confidentiality (Ch. 502, Stats. 1992; Ch. 36, 1993–94 1st Ex. Sess.; and Ch. 555, Stats. 1993) (98-TC-21)
- (vv) Sex Offenders: Disclosure by Law Enforcement Officers (Chs. 908 and 909, Stats. 1996; Chs. 17, 80, 817, 818, 819, 820, and 822, Stats. 1997; and Chs. 485, 550, 927, 928, 929, and 930, Stats. 1998) (97-TC-15)
- (ww) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM 4393)
- (xx) SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM 4424)
- (yy) SIDS Training for Firefighters (Ch. 1111, Stats. 1989) (CSM 4412)
- (zz) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM 4403)
- (aaa) Structural and Wildland Firefighter Safety Clothing and Equipment (8 Cal. Code Regs., 3401 to 3410, incl.) (CSM 4261 and CSM 4281)

(bbb) Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992; Ch. 843, Stats. 1994; and Ch. 333, Stats. 1995) (97-TC-13)

(ccc) Voter Identification Procedures (Ch. 260, Stats. 2000) (03-TC-23)

(ddd) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)

Provisions:

1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior-year claims may be paid from this item. The funds appropriated in this item shall be allocated only for the payment of claims as required by Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, and that payment shall be made pursuant to Article 5 (commencing with Section 17615) of that chapter.

Notwithstanding any other law, interest shall be paid from funds appropriated in this item only to the extent, and in the amount, authorized by Section 17561.5 of the Government Code.

2. The Controller shall offset payments made from the appropriation in this item to recoup the amount of any unallowable mandate claim costs determined by desk or field audits.

3. Notwithstanding any other law, accounts receivable for recoveries that result in savings as described in this item shall have no effect upon the positive balance of the General Fund. The savings may be used to pay claims for costs incurred to carry out the cited state mandates in this item."

“8885-295-0044—For local assistance, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the Controller for claims for costs incurred through the 2022-23 fiscal year

..... 1,869,000

Schedule:

6905005-Administrative License Suspension Mandates: Per Se (Ch. 1460, Stats. 1989) (98-	
(1) TC-16)	1,869,000

Provisions:

Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior-year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4

1. of Title 2 of the Government Code.”

“8885-295-0106—For local assistance, Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the Controller for claims for costs incurred through the 2022-23 fiscal year 102,000

Schedule:

6905014-Pesticide Use
 Reports: (Ch. 1200, Stats.
 1989) (CSM 4420)
 (1) 102,000

Provisions:

Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior-year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.”

1.



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 Various Budget Bill Items and Reimbursements, Support, California Military Department

Consolidated Headquarters Staffing—It is requested that Item 8940-001-0001 be increased by \$554,000 and 7 positions in 2024-25, and \$539,000 ongoing to support the security and facility needs of the California Military Department's new Consolidated Headquarters Complex.

Taskforce Rattlesnake—It is requested that Item 8940-001-0001 be increased by \$3,397,000 ongoing and reimbursements be increased by \$2 million ongoing to provide pay increases and cover increased costs for benefit stipends for Emergency State Active Duty employees assigned to Taskforce Rattlesnake. This request aligns with federally set rates and provides resources for industrial disability leave required for hand crews.

State Active Duty Compensation Adjustment—It is requested that Item 8940-001-0001 be increased by \$265,000 and reimbursements be increased by \$4,000 ongoing, Item 8940-002-0001 be decreased by \$1,000 ongoing, Item 8940-001-0890 be increased by \$637,000 ongoing, and Item 8940-001-3085 be increased by \$15,000 ongoing to align the pay of the Department's State Active Duty employees to the pay of service members of similar grade in the United States Army, Air Force, and Navy.

State Active Duty Benefit Adjustment—It is requested that Item 8940-001-0001 be increased by \$2,945,000 and reimbursements be increased by \$285,000 ongoing, Item 8940-001-0890 be increased by \$4,619,000 ongoing, Item 8940-001-3085 be increased by \$105,000 ongoing, and Item 8940-002-0001 be increased by \$16,000 ongoing to cover costs for State Active Duty service members' Salary Driven Benefits and Basic Allowance for Housing and Cost of Living Adjustments. These adjustments are set annually by the federal government in the National Defense Authorization Act, and the Department is required to pay State Active Duty employees the same as their counterparts on federal active duty. It is also requested that provisional language be added to allow Finance to augment these items in the current year to cover increased costs for Basic Allowance for Housing and Cost of Living Adjustments resulting from the passage of the federal active duty compensation increase in the federal budget (see Attachments 1-4).

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 Jessie Romine, 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
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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
Major General Matthew Beevers, California Military Department
Lieutenant Colonel Adam Rix, Comptroller, California Military Department
Ajit Bindra, Budget Officer, California Military Department

Add Provision 10 in Item 8940-001-0001 as follows:

10. Upon order of the Department of Finance, the amount available for expenditure in Schedule (1) may be augmented by an amount sufficient for the Military Department to cover cost increases for Basic Allowance for Housing and Cost of Living Adjustments for state active duty employees following passage of a federal active duty compensation increase in the federal budget.

Add Provision 2 in Item 8940-001-0890 as follows:

2. Upon order of the Department of Finance, the amount available for expenditure in Schedule (1) may be augmented by an amount sufficient for the Military Department to cover cost increases for Basic Allowance for Housing and Cost of Living Adjustments for state active duty employees following passage of a federal active duty compensation increase in the federal budget.

Add Provision 1 in Item 8940-001-3085 as follows:

1. Upon order of the Department of Finance and subject to available resources, the amount available for expenditure in Schedule (1) may be augmented by an amount sufficient for the Military Department to cover cost increases for Basic Allowance for Housing and Cost of Living Adjustments for state active duty employees following passage of a federal active duty compensation increase in the federal budget.

Add Provision 2 in Item 8940-002-0001 as follows:

2. Upon order of the Department of Finance, the amount available for expenditure in Schedule (1) may be augmented by an amount sufficient for the Military Department to cover cost increases for Basic Allowance for Housing and Cost of Living Adjustments for state active duty employees following passage of a federal active duty compensation increase in the federal budget.



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 8955-001-0001, Support, and Addition of Item 8955-492, Support, Department of Veterans Affairs

CalVet Electronic Health Record (CEHR) Reappropriation—It is requested that Item 8955-492 be added to reappropriate up to \$3,847,000 General Fund from Item 8955-001-0001, 2021 Budget Act, to cover contract costs for the Department's Electronic Health Records project (see Attachment 1). The CEHR project has experienced delays, primarily due to the COVID-19 Pandemic.

Allocation for Employee Compensation and Staff Benefits—It is requested that Item 8955-001-0001 be increased by \$96,000 ongoing to reflect revised employee compensation and staff benefits costs. Of the total amount, \$89,000 is for employee compensation costs and \$7,000 is for staff benefits.

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 Jessie Romine, 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 Stephen C. 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
Isaiah Mall, Deputy Secretary, Administrative Services, California Department of
Veteran Affairs

8955-492—Reappropriation, Department of Veteran Affairs. The amount specified in the following citations is reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2025.

0001—General Fund

(1) Up to \$3,847,000, in Schedule (3) of Item 8955-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for support of the CalVet Electronic Health Records Project.



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 9625-001-0001 and 9625-001-0042, Support,
Department of Finance**

It is requested that Item 9625-001-0001 be increased by \$15 million one-time and Item 9625-001-0042 be increased by \$500,000 one-time to provide a federal interest liability payment to the federal government in 2024-25.

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 Margie Daniels, 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 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
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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



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 Various Budget Bill Items, Support, Employee Compensation

Augmentation for Employee Compensation—It is requested that Item 9800-001-0001 be decreased by \$42,804,000 in 2024-25 and \$80,208,000 ongoing, Item 9800-001-0494 be decreased by \$33,294,000 in 2024-25 and \$61,596,000 ongoing, and Item 9800-001-0988 be decreased by \$16,647,000 in 2024-25 and \$30,587,000 ongoing, to reflect updated expenditures for collectively bargained pay increases and health and dental premiums. Additionally, while these amounts reflect estimated health premium rates, the Department of Finance notes the health rates will be finalized and adopted by the California Public Employees' Retirement System (CalPERS) Board of Administration in summer 2024.

Proposition 2 Other Postemployment Benefits Prefunding—It is requested that Control Section 3.61 be amended to authorize the Department of Finance to transfer Proposition 2 debt repayment funding to the California Employers' Retiree Benefit Trust Fund in the current or prior fiscal year to satisfy the Proposition 2 debt repayment allocation for the relevant fiscal year (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 Aston Tennefoss, Principal Program Budget Analyst, 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
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No. 4
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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
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government
Operations Agency
Eraina Ortega, Director, Department of Human Resources
Anthony Crawford, Deputy Director of Fiscal and Data Management, Department
of Human Resources
Stephan Higginbotham, Chief, Financial Management Division, Department of
Human Resources

Amend Control Section 3.61 as follows:

"SEC. 3.61. Contribution to Prefund Other Postemployment Benefits.

(a) Notwithstanding any other law, the employers' contribution for prefunding other postemployment benefits for the 2024–25 fiscal year that are chargeable to any item with respect to each state officer and employee who is a member of the Public Employees' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, or the Legislators' Retirement System and who is in that employment or office shall be the monthly dollar amount or the percentage of pensionable compensation by bargaining unit, retirement category, fund source, or state office, department, division, board, bureau, commission, organization, or agency, as follows:

Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20,

and 21, Service Employees International

Union 3.0% of pensionable compensation.

Bargaining Unit 2, California Attorneys,

Administrative Law Judges, and Hearing Officers

in State Employment 1.4% of pensionable compensation.

Bargaining Unit 5, California Association of

Highway Patrolmen 3.4% of pensionable compensation.

Bargaining Unit 6, California Correctional Peace Officers

Association 4.0% of pensionable compensation.

Bargaining Unit 7, California Statewide Law

Enforcement Association 4.0% of pensionable compensation.

Bargaining Unit 8, California Department of

Forestry Firefighters 3.9% of pensionable compensation.

Bargaining Unit 9, Professional Engineers in

California Government 2.0% of pensionable compensation.

Bargaining Unit 10, California Association of

Professional Scientists 2.1% of pensionable compensation.

Bargaining Unit 12, International Union of
Operating Engineers 3.6% of pensionable compensation.

Bargaining Unit 13, International Union of
Operating Engineers 3.5% of pensionable compensation.

Bargaining Unit 16, Union of American Physicians
and Dentists 1.4% of pensionable compensation.

Bargaining Unit 18, California Association of
Psychiatric Technicians 4.5% of pensionable compensation.

Bargaining Unit 19, American Federation of
State, County, and Municipal
Employees 3.0% of pensionable compensation.

Exempt and excluded employees with a
collective bargaining identification designation
of "E" 2.4% of pensionable compensation.

State employees of the Judicial Branch (excluding
justices) 2.3% of pensionable compensation.

The Director of Finance may adjust amounts in any appropriation item, or in any category thereof, as a result of changes from amounts budgeted for the employers' contributions for prefunding other postemployment benefits for the 2024–25 fiscal year to achieve the percentages specified in this subdivision.

(b) Notwithstanding any other law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed to be the amounts remaining after the adjustments required by subdivision (a) are made.

(c) The Director of Finance may adjust the percentage levels of the employers' contribution for prefunding other postemployment benefits listed in subdivision (a) in accordance with either of the following:

(1) Labor agreements or other legislation approved by the Legislature.

(2) For employees excluded from collective bargaining, in accordance with salary and benefit schedules established by the Department of Human Resources.

(d) The Director of Finance shall notify the Controller by executive order of adjustments made pursuant to subdivision (c). The executive order shall be submitted not sooner than 30 days after notification of the adjustments in writing to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

(e)

- (1) In addition to the employers' prefunding of other postemployment benefits listed in subsection (a), the Department of Finance may direct the Controller to transfer up to the amount identified for appropriation pursuant to subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution equivalent to the amount described in paragraph (3) of subdivision (d) of Section 35.50 for the prior fiscal year and/or current year.
- (2) The Director of Finance shall direct the Controller to transfer the amount specified in paragraph (1) to the California Employers' Retiree Benefit Trust Fund. The Director of Finance shall provide the Controller a schedule of the timing and amounts to be used for purposes of this subdivision."

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 Control Section 3.60

It is requested that Control Section 3.60 be amended to reflect changes in state retirement contribution rates (see Attachment 1) for state members of the California Public Employees' Retirement System (CalPERS), and the Judges' Retirement System II (JRS II), as adopted by the CalPERS Board of Administration on April 16, 2024.

The newly adopted state employer contribution rates result in net reduced state contributions of \$23,055,000 ongoing from the \$1,857,394,000 decrease included in the Governor's Budget. The \$23,055,000 ongoing decrease consists of a decrease of \$12,362,000 General Fund, a decrease of \$791,000 special funds, and a decrease of \$9,902,000 other nongovernmental cost funds.

The decrease in state employer contributions for CalPERS members is due to the integration of CalPERS valuation results as of June 30, 2023, which were not available at Governor's Budget, and includes the application of the CalPERS state plans 2023 supplemental pension payment pursuant to Chapter 9, Statutes of 2024 (AB 106, Sec. 77). The decrease in the state employer contribution rate for JRS II members is attributed to a lower JRS II rate than Governor's Budget.

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 Aston Teneffoss, Principal Program Budget Analyst, 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
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No. 4
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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
Dan Bienvenue, Interim 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

Amend Section 3.60 as follows:

“SEC. 3.60. (a) Notwithstanding any other law, the employers' retirement contributions for the 2024–25 fiscal year that are chargeable to any item with respect to each state officer and employee who is a member of the Public Employees' Retirement System (PERS) or the Judges' Retirement System II and who is in that employment or office shall be the percentage of salaries and wages by state member category, as follows:

Miscellaneous, First Tier	26.60% <u>26.31%</u>
California State University, Miscellaneous, First Tier	26.60% <u>26.31%</u>
Miscellaneous, Second Tier	26.60% <u>26.31%</u>
State Industrial	15.58% <u>15.52%</u>
State Safety	19.18% <u>18.92%</u>
Peace Officer/Firefighter	30.45% <u>30.72%</u>
California State University, Peace Officer/Firefighter	30.45% <u>30.72%</u>
Highway Patrol	69.52% <u>71.210%</u>
Judges' Retirement System II	23.80% <u>23.79%</u>

The Director of Finance may adjust amounts in any appropriation item, or in any category thereof, as a result of changes from amounts budgeted for employer contributions for 2024–25 fiscal year retirement benefits to achieve the percentages specified in this subdivision. Beginning in the 2013–14 fiscal year, adjustments to the California State University (CSU) rates are applied to the actual pensionable 2013–14 fiscal year payroll, which is \$2,307,876,000, as identified by the Controller. This process establishes pension funding adjustments through this section for CSU. This results in pension funding for CSU of ~~\$615,069,000~~\$608,547,041 General Fund for the 2024–25 fiscal year. This amount will be included in the total appropriation for Item 6610-001-0001 in 2024-25.

(b) Notwithstanding any other law, the Director of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed to be the amounts remaining after the adjustments required by subdivisions (a) and (b) are made.

(d) Of the percentage of salaries and wages by state member categories identified in subdivision (a), the following percentages are estimated to be the result of the increased employee contributions pursuant to Chapter 296 of the Statutes of 2012 (AB 340), known as the California Public Employees' Pension Reform Act of 2013, and will be directed toward the state's unfunded pension liability:

Miscellaneous, First Tier	0.10%
California State University, Miscellaneous, First Tier	0.10%
Miscellaneous, Second Tier	0.10%
State Industrial	0.88%
State Safety	1.18%
Peace Officer/Firefighter	1.65%
California State University, Peace Officer/Firefighter	1.65%
Highway Patrol	1.32%

The contributions to the unfunded liability, as a result of the percentages of salaries and wages in this subdivision, are estimated to be \$139,344,081 (\$96,158,784 General Fund) for the 2024–25 fiscal year.

(e) The Director of Finance may adjust the percentage levels of the employers' retirement contributions listed in subdivisions (a) and (d) as a result of rates provided by the Board of Administration of the Public Employees' Retirement System. The Director of Finance shall notify the Controller by executive order of adjustments made pursuant to this subdivision. Within 30 days of making an adjustment pursuant to this subdivision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.

(f) (1) In addition to the employers' retirement contributions listed in subdivisions (a) and (d), the Department of Finance may direct the Controller to transfer up to the amount identified for appropriation pursuant to subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution equivalent to the amount described in paragraph (3) of subdivision (d) of Section 35.50 to supplement the state's retirement contributions for the 2024–25 fiscal year.

(2) The Director of Finance shall direct the Controller to transfer the amount specified in paragraph (1) to either of the following:

(A) The Public Employees' Retirement Fund.

(B) The Surplus Money Investment Fund and other funds in the Pooled Money Investment Account that accrue interest to the General Fund, for repayment of principal and interest of a cash loan that was made to supplement the state's retirement contributions.

(3) The supplemental payment described in this subdivision is for unfunded liabilities for state-level pension plans in excess of current base amounts for the 2024–25 fiscal year. Therefore, any amount transferred to a fund identified in paragraph (2) constitutes an obligation pursuant to subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution.

(4) The Director of Finance shall provide the Controller a schedule of the timing and amounts to be used for purposes of this subdivision."