



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

Amendments to Budget Bill Items 7502-001-0001 and 7502-001-9730, Support, California Department of Technology

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:

Middle Mile Broadband Initiative—It is requested that Item 7502-001-0001 be reduced by \$250 million General Fund in 2024-25, and \$1.25 billion General Fund in 2025-26, and amends Provision 4 of this Item to allow the Director of Finance to augment this Item by up to \$1.5 billion General Fund upon notification to the Joint Legislative Budget Committee (see Attachment 1). This adjustment modifies the Governor's Budget Middle Mile Broadband Initiative proposal.

Statewide Technology Services—It is requested that Item 7502-001-0001 be amended to remove Provision 7 (see Attachment 2). This adjustment removes provisional language authorizing the California Department of Technology (CDT) to augment this item by up to \$10 million General Fund in support of statewide technology services.

Below are the remaining adjustments included in the May Revision:

Administration/Distributed Administration Technical Adjustment—It is requested that Item 7502-001-9730 be amended to remove the use of Administration and Distributed Administration programs in 2024-25, and ongoing. This technical adjustment will allow CDT to reflect program funding while transitioning to the Financial Information System for California.

Local Government: Internet Websites and Email Addresses—It is requested that Item 7502-001-0001 be increased by \$147,000 in 2024-25, and \$147,000 in 2025-26. This adjustment provides funding to conduct an inventory of all high-risk automated decision systems utilized by state entities pursuant to Chapter 586, Statutes of 2023 (AB 1637).

High Risk Automated Decision Systems Inventory—It is requested that Item 7502-001-0001 be increased by \$588,000 in 2024-25. This adjustment provides funding to equip local entities with “.gov” or “.ca.gov” email domain pursuant to Chapter 800, Statutes of 2023 (AB 302).

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
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Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
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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
Liana Bailey-Crimmins, Director and State Chief Information Officer, California
Department of Technology
Miles Burnett, Chief Administrative Officer, California Department of Technology

Amend Provision 4 of Item 7502-001-0001

4. Upon order of the Director of Finance, this item may be augmented by up to \$1,500,000,000 ~~\$500,000,000~~ to support MMBI. The Department of Finance shall notify the Joint Legislative Budget Committee in writing within 30 days of any augmentation to this item.

Remove Provision 7 of Item 7502-001-0001 as follows:

~~7. Upon order of the Director of Finance, the amount available for expenditure in Schedule (1) may be augmented by up to \$10,000,000 in support of statewide technology services.~~



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 Items 7504-001-9753 and 7504-011-9753 and Reimbursements, Support, Office of Data and Innovation

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:

Data and Innovation Fund Transfer—It is requested that Item 7504-011-9753 be added in the amount of \$15 million. This adjustment authorizes a transfer from the Data and Innovation Services Revolving Fund (DIF) to the General Fund.

Below is the remaining adjustment included in the May Revision:

Data and Innovation Fund Appropriation—It is requested that Item 7504-001-9753 be added in the amount of \$16 million, with \$2 million in reimbursements and include provisional language allowing expenditures upon approval by the Secretary of the Government Operations Agency (see Attachment 1). Per Government Code section 12815(o)(1), the DIF is continuously appropriated until July 1, 2024, and requires a Budget Act appropriation to permit the Office of Data and Innovation (ODI) to continue support for ongoing projects as well as the Technology Modernization Fund and Technology Stabilization Fund. ODI continues to seek interagency agreements for ODI's work and need reimbursement authority to account for the anticipated contracts.

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) 4453274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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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
Liana Bailey-Crimmins, Director and State Chief Information Officer, California
Department of Technology
Miles Burnett, Chief Administrative Officer, California Department of Technology

7504-001-9753 – For Support of Office of Data and Innovation.....16,000,000

Schedule:

(1) 6271-Office of Data and Innovation.....18,000,000

(2) Reimbursements to 6271-Office of Data and Innovation.....-2,000,000

Provisions:

1. The amounts in this Item shall only be available for expenditure upon authorization by the Secretary of the Government Operations Agency.



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 and Amendment to Various Budget Bill Items, Support, California
Department of Tax and Fee Administration**

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 Anticipated Salary Savings—It is requested that Item 7600-495 be added to revert \$20 million from California Department of Tax and Fee Administration's 2023 Budget Act appropriation. The savings reflects anticipated personal services savings (see Attachment 2).

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

Employee Compensation—It is requested that the following items be increased by a total of \$1,155,000 ongoing to reflect revised employee compensation costs.

- Item 7600-001-0001 be increased by \$622,000
- Item 7600-001-0022 be increased by \$1,000
- Item 7600-001-0061 be increased by \$58,000
- Item 7600-001-0070 be increased by \$2,000
- Item 7600-001-0080 be increased by \$1,000
- Item 7600-001-0230 be increased by \$2,000
- Item 7600-001-0320 be increased by \$1,000
- Item 7600-001-0387 be increased by \$1,000
- Item 7600-001-0439 be increased by \$7,000
- Item 7600-001-0623 be increased by \$4,000
- Item 7600-001-0965 be increased by \$4,000
- Item 7600-001-3015 be increased by \$1,000

- Item 7600-001-3058 be increased by \$2,000
- Item 7600-001-3065 be increased by \$6,000
- Item 7600-001-3067 be increased by \$15,000
- Item 7600-001-3212 be increased by \$1,000
- Item 7600-001-3270 be increased by \$1,000
- Item 7600-001-3301 be increased by \$2,000
- Item 7600-001-3366 be increased by \$1,000
- Item 7600-501-3304 be increased by \$3,000
- Item 7600-501-3319 be increased by \$14,000
- Item 7600-501-3333 be increased by \$19,000
- Item 7600-501-0995 be increased by \$387,000

Staff Benefits—It is requested that the following items be increased by a total of \$458,000 ongoing to reflect revised employee benefit costs.

- Item 7600-001-0001 be increased by \$248,000
- Item 7600-001-0061 be increased by \$23,000
- Item 7600-001-0070 be increased by \$1,000
- Item 7600-001-0230 be increased by \$1,000
- Item 7600-001-0439 be increased by \$3,000
- Item 7600-001-0623 be increased by \$2,000
- Item 7600-001-0965 be increased by \$1,000
- Item 7600-001-3058 be increased by \$2,000
- Item 7600-001-3065 be increased by \$2,000
- Item 7600-001-3067 be increased by \$6,000
- Item 7600-001-3301 be increased by \$1,000
- Item 7600-501-3304 be increased by \$1,000
- Item 7600-501-3319 be increased by \$5,000
- Item 7600-501-3333 be increased by \$7,000
- Item 7600-501-0995 be increased by \$155,000

Firearms and Ammunition Excise Tax (AB 28)—It is requested that Item 7600-001-3437 be added in the amount of \$1,200,000 ongoing to allow the California Department of Tax and Fee Administration to administer the firearms and ammunition excise tax imposed by Chapter 231, Statutes of 2023 (AB 28) (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 Christopher Hill, 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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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
Nicholas Maduros, Director, California Department of Tax and Fee Administration
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government
Operations Agency
Jason Mallet, Chief Financial Officer, California Department of Tax and Fee
Administration

Attachment 1

7600-001-3437 – For support of California Department of Tax and Fee Administration, payable from the Gun Violence Prevention and School Safety Fund.....1,200,000

Schedule:

- (1) 6275 – Administration of the California Department of Tax and Fee Administration.....1,200,000

7600-495 – Reversion, California Department of Tax and Fee Administration. 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 7600-001-0001, Budget Act of 2023 (Chs. 12, 38, 139, and 862, Stats. 2023 and Ch. 9, Stats. 2024) \$20,000,000 of the amount appropriated in Program 6275100 – Sales and Use Tax Program

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 and Reimbursements, Support, Franchise Tax Board

Employee Compensation—It is requested that various Items be increased by a total of \$1,888,000 ongoing to reflect revised employee compensation costs for the Franchise Tax Board (FTB).

- Item 7730-001-0001 be increased by \$1,797,000 and reimbursements be increased by \$30,000
- Item 7730-001-0044 be increased by \$7,000
- Item 7730-001-0064 be increased by \$17,000
- Item 7730-001-0242 be increased by \$37,000

Staff Benefits—It is requested that various Items be increased by a total of \$749,000 ongoing to reflect revised employee benefit costs for FTB.

- Item 7730-001-0001 be increased by \$719,000 and reimbursements be increased by \$9,000
- Item 7730-001-0044 be increased by \$2,000
- Item 7730-001-0064 be increased by \$5,000
- Item 7730-001-0242 be increased by \$14,000

Enterprise Data to Revenue 2 Reappropriation—It is requested that Item 7730-490 be added to extend the encumbrance period of funding allocated in the 2023 Budget Act for the Enterprise Data to Revenue 2 project. Specifically, this would extend \$31,286,000 of Item 7730-001-0001, Budget Act of 2023 from June 30, 2024 to June 30, 2025. These

funds will be used for necessary project work that was unanticipated and for vendor compensation payments.

High-Speed Printer Reappropriation—It is requested that Item 7730-490 be added to extend the encumbrance period for funding needed to replace the high-speed printer systems and software that FTB uses to print FTB's notices, bills, and correspondence. The extended encumbrance would be for \$2,232,000 from Items 7730-001-0001, 7730-001-0044, 7730-001-0064, and 7730-001-0242, Budget Act of 2023 and would extend the encumbrance period from June 30, 2024 to June 30, 2025 (see Attachment 1).

California ALS Research Contribution Fund—It is requested that Item 7730-001-8139 be added in the amount of \$6,000 ongoing for the FBA to administer this voluntary contribution fund.

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

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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

7730-490 – Reappropriation, Franchise Tax Board. 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) The sum of up to \$17,452,000 for the Enterprise Data to Revenue Project – Phase 2 for unplanned work as appropriated to the Franchise Tax Board in Item 7730-001-0001, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023).
- (2) The sum of up to \$13,834,000 for the Enterprise Data to Revenue Project – Phase 2 for vendor compensation as appropriated to the Franchise Tax Board in Item 7730-001-0001, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023).
- (3) The sum of up to \$2,199,000 for the high-speed printer as appropriated to the Franchise Tax Board in Item 7730-001-0001, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023).

0044—Motor Vehicle Account, State Transportation Fund

- (1) The sum of up to \$6,000 for the high-speed printer as appropriated to the Franchise Tax Board in Item 7730-001-0044, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023).

0064—Motor Vehicle License Fee Account, Transportation Tax Fund

- (1) The sum of up to \$11,000 for the high-speed printer as appropriated to the Franchise Tax Board in Item 7730-001-0064, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023).

0242—Court Collection Account

- (1) The sum of up to \$16,000 for the high-speed printer as appropriated to the Franchise Tax Board in Item 7730-001-0242, Budget Act of 2023 (Chs. 12, and 38, Stats. 2023) in order to replace the high-speed printer systems and software.



May 14, 2024

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Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support, Department of General Services

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:

Electric Vehicle Service Equipment Reduction—It is requested that Item 7760-001-0001 be decreased by \$11.7 million in fiscal year 2024-25, and \$11.6 million in 2025-26. This adjustment reduces funding for electric vehicle service equipment infrastructure assessment and facility development appropriated in the 2023 Budget Act.

Capitol Repairs Funding Temporary Reduction—It is requested that Item 7760-001-0001 be decreased by \$7,079,000 in 2024-25 and 2025-26. This adjustment temporarily reduces funding appropriated for State Capitol repairs.

California Commission on Disability Access Permanent Fund Shift—It is requested that Item 7760-001-0001 be decreased by \$1,567,000 General Fund and 7 positions, and Item 7760-001-0006 be increased by \$1,567,000 Disability Access Account and 4 positions in 2024-25 and 2025-26. This adjustment permanently shifts support for the California Commission on Disability Access from the General Fund to the Disability Access Fund.

Asset Management Branch Temporary Fund Shift—It is requested that Item 7760-001-0001 be decreased by \$1,239,000 General Fund and 4 positions, and Item 7760-001-0002 be increased by \$1,239,000 Property Acquisition Law Money Account and 4 positions in 2024-25 and 2025-26. This adjustment temporarily shifts support of the Department of General Services' (DGS) Asset Management Branch for workload related to the Mercury Cleaners remediation and other statutorily mandated activities.

Net Zero Greenhouse Gas Emissions Funding Reversion and Reduction—It is requested that Item 7760-495 be added to revert \$2.5 million General Fund appropriated in 2023-24 (see Attachment 1), and Item 7760-001-0001 be decreased by \$2.5 million General Fund in 2024-25, and 2025-26. This adjustment eliminates funding provided in the 2023 Budget Act to implement net-zero greenhouse gas emissions in state agency operations pursuant to Chapter 368, Statutes of 2022 (SB 1203).

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

FI\$Cal Staffing Realignment—It is requested that Item 7760-001-0666 be increased by \$392,000 and 2 positions ongoing, and reimbursements be decreased by \$2,050,000 and 11 positions ongoing. This request is submitted in conjunction with the Department of FI\$Cal and allows DGS to realign positions and funding for procurement-related functionality in the Financial Information System for California.

California Building Standards Commission Drought-Resistant Buildings Act—It is requested that Item 7760-001-3144 be increased by \$254,000 Building Standards Administration Special Revolving Fund and 1 position in 2024-25, \$1,173,000 in 2025-26, and \$254,000 in 2026-27, and ongoing. This request allows the California Building Standards Commission to implement Chapter 884, Statutes of 2023 (SB 745).

Technical Adjustment to State School Utilization Fund Authority per Education Code section 17224—It is requested that Item 7760-001-0956 be decreased by \$633,000 in 2024-25. Pursuant to Education Code section 17224, certain funds in the State School Site Utilization Fund may be used for administrative costs of the School Facilities Program. This adjustment reflects reconciliation of funds available for this purpose.

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

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Ana Lasso, Director, Department of General Services
Jennifer Osborn, Chief Deputy Director, Department of General Services
Katherine Minnich, Deputy Director of Administration, Department of General
Services
Heather Carlson, Chief Financial Officer, Department of General Services

Add Item 7760-495 as follows:

7760-495—Reversion, Department of General Services. 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 7760-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$2,500,000 of the amount appropriated in Program 6330082-Office of Sustainability.



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

**Statutory Changes and Addition of Budget Bill Item 7760-311-3292, Capital Outlay,
Department of General Services**

**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:**

Capitol Annex Projects – Fund Shift—It is requested that Item 7760-311-3292 be added to transfer \$700 million from the State Project Infrastructure Fund to the General Fund (see Attachment 1). It is further requested that statutory language be amended to allow costs associated with completion of the Capitol Annex projects to be funded from the Public Buildings Construction Fund.

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 Randall Katz, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Ana Lasso, Director, Department of General Services
Jennifer Osborn, Chief Deputy Director, Department of General Services
Katherine Minnich, Deputy Director of Administration, Department of General
Services
Heather Carlson, Chief Financial Officer, Department of General Services

7760-311-3292—For transfer by the Controller, upon order of the Director of Finance,
from the State Project Infrastructure Fund to the General
Fund..... (700,000,000)



May 14, 2024

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Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 7870-001-0001, Support, and Item 7870-101-0001, Local Assistance, California Victim Compensation Board

Attorney General Costs for Erroneous Convictions—It is requested that Item 7870-001-0001 be increased by \$350,000 ongoing to provide resources for the California Victim Compensation Board (CalVCB) to pay for legal services rendered by the California Department of Justice in erroneous conviction cases.

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

Erroneous Convictions Claims Program: Chapter 702, Statutes of 2023 (SB 78)—It is requested that Item 7870-001-0001 be increased by \$464,000 in fiscal year 2024-25 and \$418,000 in 2025-26 and ongoing, and Item 7870-101-0001 be increased by \$1 million ongoing to support CalVCB's implementation of SB 78. This bill extends the timeline for CalVCB to approve claims for erroneous convictions from 30 days to 90 days after receiving the claim and authorizes CalVCB to require additional documentation to calculate the total compensation owed.

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 Anthony Franzoia, Staff Finance Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Lynda Gledhill, Executive Officer, California Victim Compensation Board
Shawn Ramirez, Deputy Executive Officer, Administration Division, California Victim
Compensation Board
Mae Barger, Budget Officer, California Victim Compensation Board

May 14, 2024

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Senate Budget and Fiscal Review Committee

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Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Items and Statutory Changes, Support, and Local Assistance, California Public Employees' Retirement System

Operational Budget—It is requested that various Budget Bill items be amended to reflect the changes to the 2024-25 operational budget of the California Public Employees' Retirement System (CalPERS) that was approved by the CalPERS Board on April 16, 2024. The budget proposed by CalPERS reflects a net increase of \$53,854,000, primarily attributed to increased investment external management fees and headquarters building costs, offset by a decrease in third-party administrator fees. The request is comprised of the following changes:

- Item 7900-003-0830 be increased by \$55,806,000
- Item 7900-015-0815 be decreased by \$273,000
- Item 7900-015-0820 be decreased by \$79,000
- Item 7900-015-0830 be decreased by \$2,070,000
- Item 7900-015-0833 be increased by \$562,000
- Item 7900-015-0849 be decreased by \$52,000
- Item 7900-015-0884 be decreased by \$162,000
- Item 7900-015-9251 be increased by \$122,000

The Budget Bill items noted above are display items for informational purposes to reflect the corresponding changes in CalPERS' continuous appropriation authority.

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
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable James Ramos, Chair, Assembly Budget Subcommittee No. 6
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
Michele Nix, Interim Chief Financial 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



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 7920-011-0001, Support, California State Teachers' Retirement System

State Contributions to CalSTRS—It is requested that Item 7920-011-0001 be increased by \$17,876,000 ongoing to reflect an increase in the state's contributions to the California State Teachers' Retirement System's (CalSTRS) Defined Benefit (DB) Program and Supplemental Benefit Maintenance Account (SBMA). The state's contributions to the DB Program and SBMA are calculated using creditable compensation provided by the Teachers' Retirement Board (Board) for the fiscal year immediately preceding June 30; the report is published annually by the Board by October 25, with a subsequent report due by April 15, displaying necessary revisions to creditable compensation. Based on the Board's April 12, 2024 creditable compensation report, the DB contribution will be increased by \$13,749,000 and the SBMA contribution will be increased by \$4,127,000, as compared to the Governor's Budget.

Benefit Payment Revisions—It is requested that Item 7920-011-0001 be increased by \$519,000 in 2024-25 to reflect the state's share of overpayments identified by the system to be paid on July 1, 2024, as required by Education Code Section 24616.2. Based on the overpayments identified by CalSTRS from the prior fiscal year, the state's share of costs for overpayments made as a result of errors by the system will be \$519,000, as compared to \$0 in the 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 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
Committee
Attention: Elisa Wynne, Staff Directs, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
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
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government
Operations Agency
Julie Underwood, Chief Financial Officer, California State Teachers' Retirement
System
Art Martinez, Director of Financial Planning and Reporting, California State Teachers
Retirement System
Anela Hanohano-Kjer, Budget Officer, California State Teachers' Retirement System
or Honorable Buffy Wick