

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, Employment Development Department

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:

California Jobs First—It is requested that Item 7100-101-0001 be decreased by \$50 million in fiscal years 2024-25, 2025-26, and 2026-27 for California Jobs First. It is also requested that Item 7100-496 be added to revert \$25 million appropriated in the 2021 Budget Act for California Jobs First (see Attachment 1).

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

Relocation to New Labor Agency Building—It is requested that the following items be amended to provide limited-term resources for the initial information technology set-up and configuration for the New Labor Agency Building:

- Item 7100-001-0184 be increased by \$69,000 in 2024-25 and \$11,000 in 2025-26.
- Item 7100-001-0185 be increased by \$3,171,000 in 2024-25 and \$492,000 in 2025-26.
- Item 7100-001-0514 be increased by \$213,000 in 2024-25 and \$38,000 in 2025-26.
- Item 7100-001-0588 be increased by \$1,523,000 in 2024-25 and \$237,000 in 2025-26.
- Item 7100-001-0870 be amended by increasing reimbursements by \$491,000 in 2024-25 and \$148,000 in 2025-26 for a total increase of \$5,467,000 in 2024-25 and \$926,000 in 2025-26.

Revised Employee Compensation Costs—It is requested that Item 7100-001-0184 be increased by \$117,000; Item 7100-001-0185 be increased by \$491,000; Item 7100-001-0514 be increased by \$67,000; Item 7100-011-0588 be increased by \$566,000; and Item 7100-001-0908 be increased by \$10,000 ongoing to reflect revised employee compensation costs.

Workforce Innovation and Opportunity Act Allocations—It is requested that Items 7100-001-0869 and 7100-021-0890 be increased by \$28,642,000 one-time and Items 7120-101-0869 and 7100-101-0890 be increased by \$28,972,000 one-time to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.

Unemployment Insurance Loan Interest Payment—It is requested that Item 7100-002-0001 be increased by \$153,233,000 one-time to align with an updated Unemployment Insurance loan interest payment estimate of \$487,264,000.

Disability Insurance Program Benefits—It is requested that Item 7100-101-0588 be increased by \$461,192,000 ongoing to align with updated State Disability Insurance program benefit payment estimates. Additionally, Item 7100-101-0588, Budget Act of 2023, pursuant to Provision 2, is increased by \$935,332,000 in 2023-24 to align with an estimated increase in disability insurance claim payments.

Unemployment Insurance Program Benefit—Item 7100-101-0871, Budget Act of 2023, pursuant to Provision 3, is increased by \$197,558,000 in 2023-24 to align with an estimated increase in unemployment insurance claims.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrew March, Assistant Program Budget Manager, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: 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 Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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
Stewart Knox, Secretary, Labor and Workforce Development Agency
Jacque Roberts, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency
Jay Sturges, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency
Nancy Farias, Director, Employment Development Department
Tad Allred, Deputy Director, Administration Branch, Employment Development
Department
Caleb Horel, Chief, Fiscal Services, Employment Development Department

Item 7100-496—Reversion, Employment Development Department. 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) \$25,000,000 of the amount appropriated by Chapter 259, Statutes of 2021 for the Community Economic Resilience Fund Program, and subsequently transferred to the General Fund as authorized by Control Section 11.96, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to Budget Bill Items 7120-101-0001 and 7120-001-0890 and Addition of Item 7120-490, Support and Local Assistance, California Workforce Development Board

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: California Youth Leadership Corps—It is requested that Item 7120-101-0001 be eliminated in fiscal year 2024-25 to assist in closing the projected budget shortfall. This General Fund solution eliminates \$20 million for the third and final year of funding for the California Youth Leadership Corps which began with the 2022-23 Budget Act.

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

Relocation to New Labor Agency Building—It is requested that Item 7120-001-0890 be increased by \$166,000 in 2024-25 and \$39,000 in 2025-26 to support the California Workforce Development Board's portion of the initial set-up and configuration costs of the New Labor Agency Building's information technology infrastructure. This addition is part of a larger request including \$5,657,000 and \$491,000 reimbursement authority in 2024-25, and \$1,061,000 and \$148,000 reimbursement authority in 2025-26 split amongst multiple entities within the Labor and Workforce Development Agency.

Reappropriation of Federal Funds—It is requested that Item 7120-490 be added to extend the encumbrance and expenditure period for \$9 million in Item 7120-001-0890, Budget Act of 2023 to allow the California Workforce Development Board to fund appropriate staff costs throughout the life of federal grants. This will extend the encumbrance and expenditure period from June 30, 2024, to June 30, 2028, (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 Andrew March, Assistant Program Budget Manager, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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
Stewart Knox, Secretary, Labor and Workforce Development Agency
Jacque Roberts, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency
Jay Sturges, Deputy Secretary Fiscal Policy and Administration, Labor and
Workforce Development Agency
Kaina Pereira, Executive Director, California Workforce Development Board
Emily Sunahara, Deputy Director, Operations and Policy Implementation, California
Workforce Development Board

Add item 7120-490 as follows:

7120-490—Reappropriation, California Workforce Development Board. 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, 2028:

0890 – Federal Trust Fund

(1) Up to \$9,000,000 of Item 7120-001-0890, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).



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 7300-001-3078, Support, Agricultural Labor Relations Board

New Labor Agency Building Relocation—It is requested that Item 7300-001-3078 be increased by \$67,000 in 2024-25, \$13,000 in fiscal year 2025-26, and \$8,000 ongoing, to support the Agricultural Labor Relations Board's share of the initial set-up and configuration costs for the new Labor Agency building's technology infrastructure. This is part of a larger Labor Agency Budget Change Proposal including \$5,657,000 and \$491,000 reimbursement authority in 2024-25 and \$1,061,000 and \$148,000 reimbursement authority in 2025-26 with authority split amongst multiple labor departments to support their relocation.

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 Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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
Stewart Knox, Secretary, Labor and Workforce Development Agency
Jay Sturges, Associate Secretary, Fiscal Policy & Administration, Labor and
Workforce Development Agency
Victoria Hassid, Board Chair, Agricultural Labor Relations Board
Brian Dougherty, Chief of Administrative Services Division, Agricultural Labor
Relations Board

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, Department of Industrial Relations

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:

Women in Construction Priority Unit—It is requested that Item 7350-001-0001 be decreased by \$10 million ongoing to eliminate funding for the Women in Construction Priority Unit.

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

Workers' Compensation: Post-Traumatic Stress Disorder: Chapter 621, Statutes of 2023 (SB 623)—It is requested that Item 7350-001-0223 be increased by \$300,000 in fiscal year 2024-25 and 2025-26.

Fast Food Council: Chapter 262, Statutes of 2023 and Chapter 4, Statutes of 2024 (AB 1228 and AB 610)—It is requested that Item 7350-001-3121 be increased by \$1,751,000 and 6 positions in 2024-25, and \$1,653,000 and 6 positions in 2025-26 and ongoing, and Item 7350-001-3152 be increased by \$3,437,000 and 15.5 positions in 2024-25 and \$3,230,000 and 15.5 positions in 2025-26 and ongoing.

Workplace Violence Prevention: Chapter 289, Statutes of 2023 (SB 553)—It is requested that Item 7350-001-3121 be increased by \$1,555,000 and 6 positions in 2024-25 and \$1,465,000 and 6 positions in 2025-26 and ongoing.

Affordable Housing on Faith and Higher Education Lands Act of 2023: Chapter 771, Statutes of 2023 (SB 4)—It is requested that Item 7350-001-3150 be increased by \$1,854,000 and 10 positions in 2024-25, and \$1,702,000 and 10 positions in 2025-26 and ongoing.

Public Works: Ineligibility List: Chapter 465, Statutes of 2023 (AB 1121)—It is requested that Item 7350-001-3150 be increased by \$706,000 and 1 position in 2024-25, and \$109,000 and 1 position in 2025-26 and ongoing.

Paid Sick Days Accrual and Use: Chapter 309, Statutes of 2023 (SB 616)—It is requested that Item 7350-001-3152 be increased by \$605,000 and 3 positions in 2024-25, and \$560,000 and 3 positions in 2025-26 and ongoing.

Grocery Workers: Chapter 452, Statutes of 2023 (AB 647)—It is requested that Item 7350-001-0223 be increased by \$648,000 and 2.5 positions in 2024-25, and \$609,000 and 2.5 positions in 2025-26 and ongoing.

Food Safety: Food Handlers: Chapter 610, Statutes of 2023 (SB 476)—It is requested that Item 7350-001-3152 be increased by \$205,000 and 1 position in 2024-25, and \$189,000 and 1 position in 2025-26 and ongoing.

Labor Code Alternative Enforcement: Chapter 659, Statutes of 2023 (AB 594)—It is requested that Item 7350-001-3152 be increased by \$833,000 and 4 positions in 2024-25, and \$773,000 and 4 positions in 2025-26 and ongoing.

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

Relocation to New Labor Agency Building—It is requested that Item 7350-001-0223 be increased by \$108,000 in 2024-25 and \$69,000 in 2025-26; Item 7350-001-0452 be increased by \$16,000 in 2024-25 and \$10,000 in 2025-26; Item 7350-001-3022 be increased by \$42,000 in 2024-25 and \$28,000 in 2025-26; Item 7350-001-3078 be increased by \$28,000 in 2024-25 and \$18,000 in 2025-26; Item 7350-001-3121 be increased by \$80,000 in 2024-25 and \$50,000 in 2025-26; and Item 7350-001-3152 be increased by \$62,000 in 2024-25 and \$39,000 in 2025-26 to provide limited-term resources for the initial information technology set-up and configuration for the New Labor Agency Building.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrew March, Assistant Program Budget Manager, at (916) 445-3274.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Aisha Wahab, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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
Stewart Knox, Secretary, Labor and Workforce Development Agency
Jacque Roberts, Undersecretary, Labor and Workforce Development Agency
Jay Sturges, Associate Secretary, Fiscal Policy & Administration, Labor and Workforce
Development Agency
Katrina Hagen, Director, Department of Industrial Relations
Deanna Ping, Chief Deputy Director, Department of Industrial Relations
Josh Iverson, Chief Financial Officer, Department of Industrial Relations