



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

#### **Addition of Budget Bill Control Section 20.00**

**Control Section 20.00: Reappropriations and Reversions**—It is requested that Control Section 20.00 be added to streamline the reappropriation and reversion process for bond and non-governmental cost funds. This process will streamline workload and reduce the amount of technical budget bill language required for inclusion into the annual Budget Act while still providing transparency and notification to the Legislature (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 Hull, Principal Program Budget Analyst, at (916) 324-0043.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
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  
Wade Crowfoot, Secretary, Natural Resources Agency  
Bryan Cash, Assistant Secretary of Administration and Finance, Natural Resources Agency

It is requested that Control Section 20.00 be added as follows:

SEC. 20.00. (1) It is the intent of the Legislature, in enacting this section, to provide flexibility for the administrative approval of reappropriations and reversions within individual items of appropriation in those instances where the actions are necessary for the efficient and cost-effective implementation of the programs, projects, and functions funded by this act or any prior appropriation. No adjustment shall be authorized under this section to either eliminate any program, project, or function, except when implementation is found to be no longer feasible in light of changing circumstances or new information, or establish any new program, project, or function.

(2) The Director of Finance may extend the date of availability for encumbrance or expenditure, of any appropriation or reappropriation, or a portion thereof, from the funds specified in paragraph (6), to no later than three years following the last day the appropriation is currently available for encumbrance if the Director of Finance determines that the department, office, or other state entity requires additional time to complete the original purpose of the appropriation.

(3) The Director of Finance may extend the period that an encumbrance of an appropriation from the funds specified in paragraph (6), or a portion thereof, is available for liquidation to no later than three years following the last day the appropriation is currently available for encumbrance.

(4) If the Director of Finance determines that it is necessary to revert all, or a portion of an appropriation from the funds identified in paragraph (6), that portion shall, upon order of the Director of Finance, revert to and become a part of the fund from which the appropriation was made.

(5) Any extension or reversion pursuant to paragraph (2), (3), or (4), may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, 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.

(6) This section shall apply to the following specified funds:

0545—River Parkway Subaccount

0660—Public Buildings Construction Fund

0668—Public Buildings Construction Fund Subaccount

6001—Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund

6005—Flood Protection Corridor Subaccount

6007—Urban Stream Restoration Subaccount

6026—Bay-Delta Multipurpose Water Management Subaccount

- 6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
- 6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002
- 6041—2004 Higher Education Capital Outlay Bond Fund
- 6049—2006 California Community College Capital Outlay Bond Fund
- 6051—Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006
- 6083—Water Quality, Supply, and Infrastructure Improvement Fund of 2014
- 6087—2016 California Community College Capital Outlay Bond Fund
- 6088—California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund