



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Integrated Education and Training for English Language Learners—It is requested that provisional language be added to Item 7100-001-0001 to allow funding to be used for undocumented immigrants, consistent with federal law (see Attachment 1).

EDDNext—Long-Term Modernization—It is requested that Item 7100-001-0001 and 7100-001-0588 each be increased by \$68,015,000 one-time to provide resources for planning and implementation of EDDNext, a comprehensive modernization effort of Employment Development Department's information technology and benefit systems. It is also requested that statutory changes be adopted to support and implement these modernized systems and that provisional language be added requiring California Department of Technology approval prior to these funds being made available (see Attachments 1 and 2).

Fraud Prevention and Prosecution—It is requested that Item 7100-001-0001 be increased by \$10,909,000 and 6 positions in 2022-23, \$5,107,000 and 6 positions in 2023-24, and \$3,494,000 and 1 position in 2024-25, and Item 7100-001-0588 be increased by \$12,651,000 and 18 positions in 2022-23, \$6,849,000 and 18 positions in 2023-24, and \$5,461,000 and 14 positions in 2024-25 to support investigations into, awareness of, and prevention of unemployment and disability insurance fraud. It is also requested that statutory changes be adopted to facilitate information sharing with law enforcement investigating benefit fraud.

Employment Training Panel for Health and Social Work—It is requested that Item 7100-001-0001 be decreased by \$40,000,000 one-time to modify the Employment Training Panel's Health and Human Services proposal included in the Governor's Budget, which included \$90,000,000 for this proposal. This reduction is offset by an increase for the

Division of Apprenticeship Standards at the Department of Industrial Relations to expand apprenticeships (see Attachment 1).

Unemployment Insurance Loan Interest Payment—It is requested that Item 7100-002-0001 be reduced by \$127,683,000 one-time, to align with the revised Unemployment Insurance loan interest payment estimate of \$342,437,000, which is a decrease from the Governor's Budget estimate of \$470,120,000.

Disability Insurance Program Administration Resources—It is requested that Item 7100-001-0588 be increased by \$21,676,000 and 120.9 positions in 2022-23 and \$16,640,000 and 109.9 positions in 2023-24 and ongoing, to align with updated workload forecasts and maintain efficiency improvements in the disability insurance branch.

Disability Insurance Benefits—It is requested that Item 7100-101-0588 be increased by \$169,853,000 ongoing to align with updated forecast benefit payments.

Workforce Innovation and Opportunity Act—It is requested that Items 7100-001-0869 and 7100-021-0890 each be decreased by \$5,467,000 one-time to align authority with estimated federal Workforce Innovation and Opportunity Act grant allocations.

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, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On the next 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 Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
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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
Natalie Palugyai, Secretary, Labor and Workforce Development Agency
Stewart Knox, Undersecretary, Labor and Workforce Development Agency
Jay Sturges, Associate Secretary, Fiscal Policy & 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

"7100-001-0001—For support of Employment Development Department
~~1,486,793,000~~ 1,525,769,000

Schedule:

- (1) 5900-Employment and Employment Related Services
100,150,000
- (2) 5915-California Unemployment Insurance Appeals Board
~~9,651,000~~ 9,695,000
- (3) 5920-Unemployment Insurance Program 1,223,558,000
~~1,302,489,000~~
- (4) 5930-Tax Program ~~42,365,000~~ 42,366,000
- (5) 5935-Employment Training Panel ~~111,069,000~~ \$71,069,000

Provisions:

1. Of the amount appropriated in Schedule (3), \$9,180,000 shall be made available for expanding language access to EDD benefits.
2. Of the amount appropriated in Schedule (3), \$5,500,000 shall be made available for developing a direct deposit option for EDD benefits.
3. Of the amount appropriated in Schedule (3), \$11,400,000 shall be available for the funding of unemployment insurance navigators.
4. Of the amounts available in Schedule (3), \$3,892,000 shall be made available to support the Microsoft Office 365 Enterprise License Agreement.
5. Of the amount appropriated in Schedule (5), ~~\$9050,000,000~~ shall be made available to support the Employment Training Panel training health and social workers. These funds shall be available for encumbrance or expenditure until June 30, 2025, and for liquidation of encumbrances until June 30, 2027.
6. Of the amount appropriated in Schedule (5), \$20,000,000 shall be made available for the Employment Training Panel to expand Workforce Literacy training. These funds shall be available for encumbrance or expenditure until June 30, 2025, and for liquidation of encumbrances until June 30, 2027.
7. Of the amount appropriated in Schedule (1), \$30,000,000 shall be made available for integrated education and training for English language learners. These

funds shall be available for encumbrance or expenditure until June 30, 2025. The liquidation of encumbrances shall end on June 30, 2027.

(a) Persons who are not lawfully present in the United States may participate in and benefit from services provided with the funding identified in this Provision, and this Provision is therefore enacted pursuant to Section 1621(d) of Title 8 of the United States Code.

(b) For purposes of implementing this Provision, no entity or person shall seek information that is unnecessary to determine eligibility, including immigration or citizenship status. Information that may be collected from individuals participating in services provided under this funding shall not constitute a record subject to disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

8. Of the amount appropriated in Schedule (1) \$20,000,000 shall be made available for targeted emergency medical technician training. These funds shall be available for encumbrance or expenditure until June 30, 2025, and for the liquidation of encumbrances until June 30, 2027.

9. Of the amount appropriated in Schedule (1), \$50,000,000 shall be made available for a Displaced Oil and Gas Worker Fund. These funds shall be available for encumbrance or expenditure until June 30, 2025, and for liquidation of encumbrances until June 30, 2027.

10. Of the amount appropriated in Schedule (3), \$1,000,000,000 shall be made available for paying down the principle of the Unemployment Insurance Trust Fund Loan.

11. Of the amount appropriated in Schedule (3), \$68,015,000 shall be made available for the support of the EDDNext modernization projects, of which \$32,334,000 shall be for implementation activities and is authorized for expenditure only upon project approval or project delegation approval by the Department of Technology."

“7100-001-0588—For support of Employment Development Department, payable from the Unemployment Compensation Disability Fund~~335,623,000~~ 436,969,000

Schedule:

(1) 5915-California Unemployment Insurance Appeals Board7,151,000
\$7,154,000

(2) 5925-Disability Insurance Program ~~269,024,000~~ 360,423,000

(3) 5930-Tax Program ~~59,448,000~~ 69,392,000.00

Provisions:

1. On October 1, 2022, and April 20, 2023, the Employment Development Department shall submit to the Department of Finance, for its review and approval, an estimate of expenditures for both the current and budget year, including the assumptions and calculations underlying Employment Development Department projections for expenditures from this item. The Director of Finance shall approve or modify the assumptions underlying all estimates within 15 working days of the date the estimate is due. If the director does not approve or modify in writing the assumptions underlying all estimates within 15 working days of the date the estimate is due, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the director determines that the estimate of expenditures differs from the amount appropriated by this item, the director shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this appropriation and the approved estimate of the Director of Finance. Revisions reported pursuant to this provision are not subject to Section 28.00.
2. Of the amount appropriated in Schedule (2), \$68,015,000 shall be made available for the support of the EDDNext modernization projects, of which \$32,334,000 shall be for implementation activities and is authorized for expenditure only upon project approval or project delegation approval by the Department of Technology.”



Gavin Newsom ■ Governor

1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 7120-001-001 and 7120-101-0001, Support and Local Assistance, and Addition of Item 7120-102-0001, Local Assistance, California Workforce Development Board

Health and Human Services High Road Training Partnerships—It is requested that Item 7120-001-0001 be decreased by \$3,000,000 in 2022-23 and \$2,000,000 annually in 2023-24 and 2024-25, and Item 7120-101-0001 be decreased by \$57,000,000 one-time in 2022-23 and \$38,000,000 annually in 2023-24 and 2024-25, to decrease the Health and Human Services High Road Training partnerships proposal included in the Governor's Budget. This reduction is offset by an increase for the Division of Apprenticeship Standards at the Department of Industrial Relations to expand apprenticeships (see Attachments 1 and 2).

Extreme Heat: High Road Training Partnerships—It is requested that Item 7120-102-0001 be added in the amount of \$13,000,000 in 2022-23 and \$4,000,000 in 2023-24 to support the development of High Road Training Partnerships that address and mitigate extreme heat impacts (see Attachment 3).

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, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
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Natalie Palugyai, Secretary, Labor and Workforce Development Agency
Stewart Knox, Undersecretary, Labor and Workforce Development Agency
Jay Sturges, Associate Secretary, Fiscal Policy & Administration, Labor and Workforce
Development Agency
Tim Rainey, Director, California Workforce Development Board
Curtis Notsinneh, Deputy Director, California Workforce Development Board
Clemente Vizcarra, Deputy Director, Policy Implementation & Administrative Support

"7120-001-0001—For support of California Workforce Development Board
~~7,877,000~~ 4,877,000

Schedule:

(1) 6040-California Workforce Development Board~~7,881,000~~ 4,881,000
(2) Reimbursements to 6040-California Workforce Development Board
.....-4,000

Provisions:

1. Of the amount appropriated in Schedule (1), ~~\$7,750,000~~ \$4,750,000 shall be available for encumbrance or expenditure until June 30, 2025, and liquidation of encumbrances until June 30, 2027."

"7120-101-0001—For local assistance, California Workforce Development Board

.....
~~187,250,000~~ 130,250.000

Schedule:

(1) 6040-California Workforce Development Board ~~187,250,000~~
130,250.000

Provisions:

1. Of the amount appropriated in Schedule (1), \$19,000,000 shall be available for support of the Low Carbon Economy Grant Program. These funds shall be available for encumbrance or expenditure until June 30, 2025, and liquidation of encumbrances until June 30, 2027.
2. Of the amount appropriated in Schedule (1), \$14,250,000 shall be for oil and gas well capping training pilot. These funds shall be available for encumbrance or expenditure until June 30, 2025, and liquidation of encumbrances until June 30, 2027.
3. Of the amount appropriated in Schedule (1), ~~\$114,000,000~~ \$57,000,000 shall be for the development and expansion of High Road Training Partnerships for health and human services. These funds shall be available for encumbrance or expenditure until June 30, 2025, and liquidation of encumbrances until June 30, 2027.
4. Of the amount appropriated in Schedule (1), \$10,000,000 shall be available for advance payment and support to the Emerald Cities Collaborative for the California Youth Leadership Corps.
5. Of the amount appropriated in Schedule (1), \$30,000,000 shall be available for support for a goods movement training campus in Southern California. Notwithstanding any other law, these funds shall be available and eligible for advance payment."

Add Item 7120-102-0001

7120-102-0001 –Local Assistance, California Workforce Development Board
.....\$13,000,000

Schedule:

(1) 6040-California Workforce Development Board 13,000,000

Provisions:

- (1) The funds in this item are available for encumbrance or expenditure until June 30, 2025 for support and local assistance to implement the Extreme Heat Action Plan.
- (2) Not more than 5 percent of the amount appropriated in this item may be used for administrative costs.



May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 7350-001-0001 and Statutory Changes, Support,
Department of Industrial Relations**

Extreme Heat—It is requested that Item 7350-001-0001 be increased by \$12,250,000 in fiscal year 2022-23 and 2023-24 to support enhanced enforcement and compliance efforts to mitigate extreme heat impacts (see Attachment 1).

Apprenticeship Innovation Funding—It is requested that Item 7350-001-0001 be increased by \$70 million in 2022-23 and \$80 million in 2023-24 and 2024-25 to expand non-traditional apprenticeship programs and support additional apprentice activities (see Attachments 1). It is also requested that statutory changes be adopted to implement this program. This increase is offset by decreases to Governor's Budget proposals for the California Workforce Development Board and the Employment Development Department, explained in more detail in the respective Finance Letter for those entities.

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, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

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Stewart Knox, 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, Deputy Director, Department of Industrial Relations
Josh Iverson, Chief Financial Officer, Department of Industrial Relations

Amend and add provisions to Item 7350-001-0001

"7350-001-0001—For support of Department of Industrial Relations..... ~~650,000~~ 82,900,000

Schedule:

- (1) 6105-Division of Labor Standards Enforcement 650,000
- (2) 6100-Division of Occupational Safety and Health12,250,000
- (3) 6110-Division of Apprenticeship Standards.....70,000,000

Provisions:

- 1. The amount appropriated in Schedule (2) is for implementation of the Extreme Heat Action Plan and shall be available for encumbrance or expenditure through June 30, 2025.
- 2. The amount appropriated in Schedule (3) shall be available for encumbrance or expenditure through June 30, 2024."