

May 12, 2023

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

Amendments to Various Budget Bill Items, Support, Legislature

Legislature: State Appropriations Limit Adjustment—It is requested that the following items be amended as follows to reflect the increase in the State Appropriations Limit:

- Item 0110-001-0001 be increased by \$2,640,000 ongoing
- Item 0120-011-0001 be increased by \$3,478,000 ongoing
- Item 0130-021-0001 reflects a net zero adjustment between the following schedules:
 - Schedule (1) be increased by \$180,000 ongoing
 - Schedule (2) be decreased by \$90,000 ongoing
 - Schedule (3) be decreased by \$90,000 ongoing

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 Mark Jimenez, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 0160-001-0001, Support, Legislative Counsel Bureau

It is requested that Item 0160-001-0001 be decreased by \$6,000 ongoing to fix a technical error in the Allocation for Other Post-Employment Benefits adjustment included 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 Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

JOE STEPHENSHAW
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/s/ Erika Li

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Christopher Zimmer, Chief Administrative Officer, Legislative Counsel Bureau
Vanessa Crawley, Fiscal Officer, Legislative Counsel Bureau

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Senate Budget and Fiscal Review Committee

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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, Judicial Branch

Allocation for Employee Compensation and Staff Benefits—It is requested that Item 0250-001-0001 be increased by \$22,000 ongoing to revise the Item 9800 employee compensation adjustment to reflect recently approved salary increases for Staff Attorneys.

Community Assistance, Recovery, and Empowerment (CARE) Court—It is requested that Item 0250-001-0001 be increased by \$1,139,000 in fiscal year 2023-24, \$549,000 in 2024-25, and be decreased by \$73,000 in 2025-26 and ongoing; Item 0250-101-0001 be increased by \$15,620,000 in 2023-24, \$29,285,000 in 2024-25, and \$33 million in 2025-26 and ongoing, Items 0250-111-0001 and 0250-101-0932 be increased by \$8,913,000 in 2023-24 and \$4,699,000 in 2024-25, to revise CARE Court funding proposed in the Governor's Budget. This adjustment provides additional resources to support early implementation of CARE Court in Los Angeles County and doubles the number of hours per participant for legal services from 20 hours to 40 hours. It is requested that provisional language be amended to update amount references, and to add language to extend the encumbrance period of balances of CARE planning grants allocated in 2022-23 through June 30, 2024. It is also requested that provisional language be amended and added to specify the allocation methodology of funding for legal services (see Attachment 1, 2, and 3).

Federal Byrnes State Crisis Intervention Program Grant—It is requested that Item 0250-001-0001 be amended to increase reimbursement authority by \$695,000 in 2023-24, \$470,000 in 2024-25, and \$485,000 in 2025-26; and Item 0250-101-0001 be amended to increase reimbursement authority by \$5,204,000 in 2023-24, 2024-25, and 2025-26. These adjustments are necessary to support an interagency agreement with the Board of State and Community Corrections to implement federal funds from the Byrne State Crisis Intervention Program. The Judicial Council will implement a statewide

project that improves execution of firearm relinquishment orders, and expands and enhances collaborative courts by providing funding, training, and technical assistance.

State Court Facilities Construction Fund Solvency—It is requested that Item 0250-015-0001 be decreased by \$34 million one-time in 2023-24 to reduce the General Fund backfill to the State Court Facilities Construction Fund proposed in the Governor's Budget. This adjustment reflects updated revenue estimates that have increased due to one-time revenues from the sale of the West Los Angeles Courthouse.

Ability-to-Pay Backfill Adjustment—It is requested that Item 0250-103-0001 be decreased by \$20,651,000 in 2023-24, and \$30 million ongoing, to reflect updated estimates of revenue losses due to the implementation of the Ability-to-Pay program. The associated revenue loss for all courts is lower than expected and is estimated to total \$26,371,000 in 2023-24, and \$28,430,000 ongoing.

Filing Fee Waiver Backfill Adjustment—It is requested that Item 0250-103-0001 be decreased by \$16,374,000 ongoing to reduce the General Fund backfill for the revenue loss related to the expansion of filing fee waivers in the 2022 Budget Act.

Technical Provisional Language Adjustment—It is requested that provisional language in Item 0250-101-0001 be amended to correct an error in the amount of funding available for the administrative costs of a grant program to provide legal services for indigent persons (see Attachment 4).

Extended Availability of Pretrial Funding—It is requested that provisional language be added to Item 0250-101-0001 to authorize the trial courts to carryover funding for pretrial services appropriated in the 2021 and 2022 Budget Acts to Los Angeles County, until June 30, 2024. This language is necessary to provide Los Angeles County additional time to establish its pretrial program (see Attachment 5).

Court-Appointed Special Advocate Program—It is requested that Item 0250-111-0001 and Item 0250-101-0932 be reduced by \$20 million in 2023-24 and 2024-25 for the Court-Appointed Special Advocate Program. The Governor's Budget proposed to revert these funds in statewide Control Section 4.06. The May Revision restores this reversion and maintains funding for this program.

Trial Court Employee Benefit Adjustment—It is requested that Item 0250-111-0001 and Item 0250-101-0932 be decreased by \$21,437,000 ongoing to reflect the updated health benefit and retirement rate changes for trial court employees.

Trial Court Trust Fund Backfill—It is requested that Item 0250-113-0001 be decreased by \$4,173,000 ongoing to reflect updated revenue shortfalls based on the most current estimates of the Trial Court Trust Fund revenues for fiscal year 2023-24.

Reappropriation of CARE Court Funding—It is requested that Item 0250-493 be added to reappropriate up to \$1,750,000 provided in the 2022 Budget Act, for information technology enhancements related to the implementation of the CARE Act. This is

necessary to provide the Judicial Council additional time to redesign the existing court case management system to incorporate CARE Act reporting (see Attachment 6).

Early Reversion of Various Proposals—It is requested that Item 0250-496 and Item 0250-011-0932 be added to revert the remaining balances of proposals in previous Budget Acts including savings from trial court employee benefits, and proposals from previous Budget Acts for court reporters in family law and civil cases, increased transcript rate costs, Pretrial Pilot Projects, and implementation of Chapter 993, Statutes of 2018 (AB 1793) (see Attachment 7 and 8).

Technical Adjustment to Shift Reversion of 2021 Balances (Deferred Maintenance)— It is requested that Item 0250-497 be added to revert \$49.5 million of appropriations to fund deferred maintenance projects in the Judicial Branch provided by the 2021 Budget Act. The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department level by shifting the reversions from the statewide control section to the applicable departmental budget (see Attachment 9).

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 Mark Jimenez, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Zlatko Theodorovic, Director of Budget Services, Judicial Council
Fran Mueller, Deputy Director of Budget Services, Judicial Council
Angela Cowan, Manager, Budget Services, Judicial Council
Heather Staton, Budget Supervisor, Budget Services, Judicial Council

Amend Provision 21 of Item 0250-001-0001 as follows:

"21. Of the amount appropriated in Schedule (3), ~~\$293,000~~ \$1,432,000 ~~is available for the Judicial Council for administrative costs related to allocating resources for legal services to implement the Community Assistance, Recover, and Empowerment Act.~~ shall be distributed by the Judicial Council to the Legal Services Trust Fund Commission of the State Bar of California for administrative costs related to allocating resources for legal services to implement the Community Assistance, Recovery, and Empowerment (CARE) Act.

(a) The Legal Services Trust Fund Commission will be responsible for collecting outcome data from each county's public defender office, qualified legal services projects, and support centers. The State Bar of California shall annually provide to the Judicial Council a report that includes funding allocations, annual expenditures, and program outcomes by service area, and service provider. Data shall be reported using the reporting framework developed by the Legal Services Trust Fund Commission. The Judicial Council shall include this report in the annual report pursuant to Section 5985 of the Welfare and Institutions Code."

Amend Provision 19 of Item 0250-101-0001 as follows:

"19. Of the funds appropriated in this item Schedule (5), ~~\$5,850,000~~ \$20,400,000 is available for legal services to implement the Community Assistance, Recovery, and Empowerment (CARE) Act, and shall be distributed by the Judicial Council through the Legal Services Trust Fund Commission of the State Bar of California as grants to qualified legal services projects, as defined in Section 6213 to 6214.5, inclusive, of the Business and Professions Code, to provide legal counsel pursuant to subdivision (c) of Section 5976 of the Welfare and Institutions Code for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans by October 1, 2023.

- (a) Notwithstanding the competitive nature of these grants, the Legal Services Trust Fund Commission shall use a formula to determine the amount of funding to provide representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans in each county.
- (b) These grants are to serve the seven counties listed in subdivision (a) of Section 5970.5 of the Welfare and Institutions Code and the County of Los Angeles. The Legal Services Trust Fund Commission shall provide any funds not awarded to qualified legal services projects for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans in each county to that county's public defender office to provide those services."

Add Provision 20 to Item 0250-101-0001 as follows:

20. Of the funds appropriated in Schedule (5), up to \$1,020,000 is available to provide legal training and technical assistance related to the implementation of the Community Assistance, Recover, and Empowerment (CARE) Act. These funds shall be distributed by the Judicial Council through the Legal Services Trust Fund Commission of the State Bar of California as grants to qualified support centers in order to provide representation by October 1, 2023. The Legal Services Trust Fund Commission shall provide any funds not awarded to qualified support centers for representation in CARE Act proceedings, matters related to CARE agreements, and CARE plans in each county to that county's public defender office to provide those services by October 1, 2023.

Add Provision 38 to Item 0250-101-0932 as follows:

38. Notwithstanding Section 77203 of the Government Code, trial courts may carry any unexpended balances of the \$2,828,000 that was specifically appropriated in the 2022 Budget Act, Item 0250-101-0932 and identified in Provision 36 of that item for implementation of the Community Assistance, Recovery, and Empowerment (CARE) Act, to June 30, 2024. Any unexpended funds shall revert to the General Fund.

Amend Provision 36 of Item 0250-101-0932 as follows:

"36. Of the funds appropriated in Schedule (1), ~~\$20,536,000~~ \$29,449,000 is available for the implementation of the Community Assistance, Recovery, and Empowerment (CARE) Act."

Amend Provision 1 and 2 of Item 0250-101-0001

- "1. In order to improve equal access and the fair administration of justice, \$35,392,000 of the funds appropriated in Schedule (5) are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Up to 10 percent of the funds appropriated for purposes of this provision shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and not less than 90 percent of the funds appropriated for purposes of this provision shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. Any funding not allocated for joint projects shall be redistributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code. Of the amount appropriated for purposes of this provision, not more than ~~1~~2.5 percent shall be available, upon order of the Department of Finance, for administrative costs of the Judicial Council and the State Bar.
2. In order to improve equal access and the fair administration of justice, \$5,000,000 shall be annually appropriated in Schedule (5) by the Judicial Council to the California Access to Justice Commission for grants to civil legal aid nonprofits, including qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used to support the infrastructure and innovation needs of legal services in civil matters for indigent persons. Of this amount, not more than ~~1~~2.5 percent shall be available for administrative costs of the California Access to Justice Commission associated with distributing and monitoring the grants."

Add Provision 21 to Item 0250-101-0001 as follows:

21. Notwithstanding Section 77203 of the Government Code, trial courts may carry any unexpended balances of the funding that was specifically appropriated in Provisions 9 and 10 of Item 0250-101-0001, 2021 Budget Act, and in Provision 8 of Item 0250-101-0001, 2022 Budget Act, for pretrial services in Los Angeles County, to June 30, 2024. Any unexpended funds shall revert to the General Fund.

Add Item 0250-493 as follows:

0250-493—Reappropriation, Judicial Council. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2024:

0001—General Fund

(1) Up to \$1,750,000 of the amount appropriated in Schedule (3), Item 0250-001-0001, Budget Act of 2022 (Chs. 43, 45 and 249, Stats. 2022), for implementation of the Community Assistance, Recovery, and Empowerment Act.

Add Item 0250-496 as follows:

0250-496—Reversion, Judicial Council. As of June 30, 2023, 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) Up to \$5,480,000 in Provision 8 of Item 0250-101-0001, Budget Act of 2019 (Ch. 23, Stats. 2019 and Ch. 40, Stats 2020)

0932-Trial Court Trust Fund

- (1) Up to \$4,456,000 in Provision 17 of Item 0250-101-0932, Budget Act of 2021 (Chs. 21, 69 and 240, Stats. 2021)
- (2) Up to \$28,875,000 in Provision 30 of Item 0250-101-0932, Budget Act of 2021 (Chs. 21, 69 and 240, Stats. 2021)
- (3) Up to \$1,913,000 in Provision 31 of Item 0250-101-0932, Budget Act of 2021 (Chs. 21, 69 and 240, Stats. 2021)
- (4) Up to \$11,850,000 in Item 0250-101-0932, Budget Act of 2022 (Chs. 43, 45 and 249, Stats. 2022), appropriated in Schedule (1) 0150010-Support for Operation of Trial Courts.
- (5) Up to \$496,000 in Item 0250-101-0932, Budget Act of 2022 (Chs. 43, 45 and 249, Stats. 2022), appropriated in Schedule (4) 0150037-Court Interpreters.

Add Item 0250-011-0932 as follows:

0250-011-0932—For transfer by the Controller, upon order of the Department of Finance, from the Trial Court Trust Fund, to the General Fund..... (\$47,100,000)

Provisions:

1. Upon order of the Department of Finance, up to \$47,100,000 may be transferred from the Trial Court Trust Fund to the General Fund. This amount reflects program savings from appropriations in previous budget acts.

Add Item 0250-497 as follows:

Item 0250-497—Reversion, Judicial Council. As of June 30, 2023, 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) Up to \$49,500,000 of the amount appropriated for deferred maintenance in Item 0250-001-0001 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021).

May 12, 2023

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

Addition of Budget Bill Item 0250-495, Capital Outlay, Judicial Branch

Monterey County: New Fort Ord Courthouse—It is requested that Item 0250-495 be added to revert \$25 million in savings from the acquisition phase of the Fort Ord courthouse project (see Attachment 1). The full amount of funding for the acquisition phase from the 2021 Budget Act appropriation is not needed because the land will be donated to the Judicial Branch instead of being purchased. Approximately \$10.6 million of the original appropriation will be retained to conduct necessary evaluations of the site, to bring various utility connections to the site, and to draft and execute documents related to the transfer.

The effect of my action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Koreen van Ravenhorst, Principal Program Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Angela Cowan, Manager, Budget Services, Judicial Council

0250-495—Reversion, Judicial Branch. As of June 30, 2023, 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 0250-301-0001, Budget Act of 2021 (Ch. 21, Stats. 2021). \$25,000,000 appropriated in Project 0008985-Monterey County: New Fort Ord Courthouse—Acquisition

May 12, 2023

Honorable Nancy Skinner, Chair
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Attention: Christian Griffith, Chief Consultant

**Amendment to State Retirement Contributions to the Judges' Retirement System II,
Support and Local Assistance, Judges' Retirement System**

It is requested that state retirement contributions to the Judges' Retirement System (JRS) II, be increased by a total of \$2,188,000 ongoing. These changes comply with the statutory requirement per Government Code section 75600.5, that the state retirement contribution to JRS II be appropriated based on the contribution rate submitted by the California Public Employees' Retirement System (CalPERS) Board of Administration. On February 14, 2023, the CalPERS Board approved a JRS II contribution rate of 23.58 percent for 2023-24, up from the 23.23 percent rate in 2022-23. The contribution rate increase is due mainly to the amortization of the unfunded accrued liability generated by investment losses in fiscal year 2021-22.

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 Evelyn Suess, Assistant Program Budget Manager, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
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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
Michele Nix, Acting 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 12, 2023

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Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, and Statutory Changes, Governor's Office of Business and Economic Development

Local Economic Development Plan (SB 846)—It is requested that Item 0509-001-0001 be increased by \$10 million one-time for local economic development efforts pursuant to Chapter 239, Statutes of 2022 (SB 846). It is also requested that provisional language be added to allow the funds to be available for encumbrance or expenditure until June 30, 2027 (see Attachment 1).

Outsmart Disaster Program—It is requested that Item 0509-001-0001 be amended to increase reimbursement authority by \$350,000 one-time to allow the Office of the Small Business Advocate (CalOSBA) to administer a federal grant, in coordination with the California Academy for Economic Development, for the Outsmart Disaster Program. This program is a statewide awareness campaign focused on providing California businesses and communities with the resources they need to adequately prepare for and recover from all types of disasters and business interruptions.

State Small Business Credit Initiative Technical Assistance Program—It is requested that Item 0509-001-0890 be increased by \$25.3 million one-time, to be spent over five years, for CalOSBA to provide technical assistance to small businesses, including businesses owned by socially and economically disadvantaged individuals, applying for State Small Business Credit Initiative capital programs. It is also requested that provisional language be added to allow the funds to be available for encumbrance or expenditure until June 30, 2028 (see Attachment 2).

Small Agricultural Business Relief Grants—It is requested that Item 0509-102-0001 be increased by \$25 million one-time to expand the existing California Small Agricultural Business Drought Relief Grant Program to provide direct assistance to eligible agriculture-related businesses that have been affected by recent storms. It is requested that provisional language be added to allow the funds to be available for

encumbrance or expenditure until December 30, 2024 (see Attachment 3). It is also requested that statutory changes be made to expand the existing program to include a round of grants for these businesses. The statutory changes will be posted on the Department of Finance website.

City of Fresno Public Infrastructure Plan—It is requested that provisional language be added to Item 0509-101-0001 to allocate \$50 million in 2023-24 to support the City of Fresno's Public Infrastructure Plan to invest in the downtown area. This plan includes projects to build a High Speed Rail Station and parking structures, develop green space, improve walkability, and for water infrastructure. In total, this request includes \$50 million in 2023-24, and \$100 million in 2024-25 and 2025-26, to be allocated to the City of Fresno to support these efforts. It is also requested that provisional language be added to specify the use of these funds in Item 0509-101-0001 (see Attachment 4).

Local Government Budget Sustainability Fund Program—It is requested that provisional language be amended in Item 0509-101-0001 to reduce the amount available for this program to \$50 million in 2023-24 (see Attachment 5). This request also reduces the amount available for this program by \$100 million in 2024-25 and 2025-26.

Immigrant Integration and Economic Development Grants Reappropriation—It is requested that Item 0509-490 be added to reappropriate up to \$2 million available in the 2022 Budget Act for competitive grants to service providers to develop export training programs and curriculum aimed at underserved business owners. It is also requested that these funds be available for encumbrance or expenditure until June 30, 2025 (see Attachment 6). The 2022 Budget Act inadvertently did not include an extended period of availability for this funding that would have aligned this grant program with the related competitive grants to local governments included in the Immigrant Integration and Economic Development proposal.

Technical Statutory Changes to Extend Program Sunset Dates—It is requested that statutory changes be made to extend the sunset dates for several grant programs administered by CalOSBA to allow additional time to award grants and for program closeout activities. The requested statutory changes will be posted on the Department of Finance website.

Reduction of 2023-24 Appropriation—It is requested that Item 0509-112-0001 be reduced by \$25 million one-time for financing for clean energy transmission projects. The Governor's Budget reduced this appropriation in Control Section 4.07. This is a technical adjustment to shift the reduction from the statewide control section to an item in the department's budget. It is also requested that provisional language be amended to reflect this reduction (see Attachment 7).

Restoration of Funding for the Climate Catalyst Fund for Forest Resilience Projects—It is requested that \$25 million be restored from the proposed reversion included in the Governor's Budget for the Climate Catalyst Fund to support Forest Resilience Projects. The Governor's Budget included a total reversion of \$41 million for these projects in Control Section 4.06. This request restores \$25 million to support additional forest resilience projects that are in the final stages of the review process. This brings the total

proposed reversion to \$16 million (see Attachment 7). This action also conforms to the May Revision proposals to delete Control Section 4.07 and to amend Control Section 3.94.

Reversion of 2021 Balances—It is requested that Item 0509-495 be added to revert the unexpended balance of appropriations made for the California Small Business COVID-19 Relief Grant Program in the 2021 Budget Act. As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to this program to assist in closing the projected shortfall and ensuring the submission of a balanced budget plan. The Governor's Budget also included a reversion of \$92 million for this program, bringing the total proposed reversion to \$142 million for this program (see Attachment 8).

Technical Adjustment to Shift Reversion of 2021 and 2022 Balances—It is requested that Item 0509-495 be added to revert the unexpended balance of appropriations made in the 2021 and 2022 Budget Acts. The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department level by shifting reversions from the statewide control section to the applicable department budget (see Attachment 8).

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 Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

JOE STEPHENSHAW

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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
Dee Dee Myers, Director, Governor's Office of Business and Economic Development
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic Development

Add provision 4 to Item 0509-001-0001:

4. Of the amount appropriated in Schedule (2), \$10,000,000 is available for local economic development efforts pursuant to Chapter 239, Statutes of 2022 (SB 846). These funds shall be available for state operations or local assistance, and are available for encumbrance or expenditure until June 30, 2027.

Add provision 1 to Item 0509-001-0890:

1. The amount appropriated in Schedule (2) is available to implement the federal State Small Business Credit Initiative Technical Assistance program. These funds are available for encumbrance or expenditure until June 30, 2028.

Add provision 2 to Item 0509-102-0001:

2. The amount appropriated in Schedule (2) is available for grants to small agricultural businesses impacted by recent storms. Up to 5 percent of this funding may be used for administrative costs. These funds are available for encumbrance or expenditure until December 30, 2024.

Add provision 2 to Item 0509-101-0001:

2. Of the amount appropriated in this item, \$50 million shall be available to the City of Fresno to support the City's Public Infrastructure Plan.

Amend provision 1 of Item 0509-101-0001:

"1. Of the amount appropriated in this item, ~~The funds appropriated in this item~~
\$50 million shall be available for the Local Government Budget Sustainability
Fund."

Add Item 0509-491 as follows:

0509-491—Reappropriation, Governor's Office of Business and Economic Development. 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, 2025:

0001—General Fund

- (1) Up to \$2,000,000 in Item 0509-101-0001 of the Budget Act of 2022 (Chs. 43 and 249, Stats. 2022).

Amend provision 1 of Item 0509-112-0001:

"1. Of the amount appropriated in this item, ~~\$50,000,000~~ \$25,000,000 shall be available for clean energy transmission projects pursuant to Section 63048.93 of the Government Code. Not more than 2.5 percent of the amount appropriated pursuant to this provision may be used to support administrative costs, which shall be available for expenditure or encumbrance until June 30, 2025, and liquidation until June 30, 2028."

0509-495—Reversion, Governor's Office of Business and Economic Development. As of June 30, 2023, 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) Up to \$16,000,000 of the amount appropriated for the Climate Catalyst Fund in Item 0509-112-0001 of the Budget Act of 2021 (Ch. 240, Stats. 2021).

(2) Up to \$142,000,000 of the amount appropriated for the California Small Business COVID-19 Relief Grant Program in Schedule (1) of Item 0509-162-8506 of the Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. 2021), as transferred pursuant to Section 11.96 of the Budget Act of 2021 (Ch. 21, Stats. 2021).

(3) Up to \$50,000,000 of the amount appropriated for the California Infrastructure and Economic Development Bank's California Small Business Finance Center provided in Item 0509-111-0001, Budget Act of 2021 (Ch. 21, Stats. 2021)

(4) Up to \$25,000,000 of the amount appropriated for support of the Climate Catalyst Fund in Item 0509-112-0001 of the Budget Act of 2022 (Ch. 43, Stats. 2022).

May 12, 2023

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 0521-131-0001 and Addition of Item 0521-131-0042,
Local Assistance, California State Transportation Agency**

California State Transportation Agency (CalSTA): Reduction of 2023-24 Appropriation (Ports and Goods Movement)—It is requested that Item 0521-131-0001 be reduced by \$550 million one-time to reflect a shift in the source of funding for ports and goods movement projects. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. Of the total adjustment requested for this item, \$400 million is a technical adjustment to provide transparency at the agency level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Additionally, \$150 million of the total adjustment requested for this item is a result of lower revenue projections and a resulting increase in the budget problem, the May Revision proposes a further reduction to this item to assist in closing the projected shortfall and ensuring the submission of a balanced budget plan. It is also requested that Item 0521-131-0042 be increased by \$150 million to offset the General Fund reduction and shift the funding appropriation to the State Highway Account, State Transportation 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 Steve Wells, Principal Program Budget Analyst, at (916) 322-2263.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee

Attention: Mark McKenzie, Staff Director

Honorable Roger W. Niello, 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

Honorable Steve Bennett, 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

Toks Omishakin, Secretary, California State Transportation Agency

Mark Tollefson, Undersecretary, California State Transportation Agency

May 12, 2023

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 0530-001-0890 and 0530-001-9745, Support, California Health and Human Services Agency (CalHHS)

Preschool Development Grant Authority Increase (Issue 061)—It is requested that Item 0530-001-0890 be increased by \$4,684,000 one-time federal funds from the Preschool Development Grant Fund that supports early childhood services for children birth to age five. This program supports needs assessment, strategic planning, family engagement, quality improvement, workforce compensation and direct services for young children. CalHHS will use these contracting funds to provide overall grant implementation management with consultants and existing staff, analyses of services for quarterly state and federal reports, and coordination of cross-agency workgroup meetings.

California Emergency Medical Services Authority (Issue 062)—It is requested that Item 0530-001-9745 be increased by \$665,000 one-time from the California Health and Human Services Automation Fund and 3.0 ongoing positions to provide project management support to the Emergency Medical Services Authority for the California Emergency Medical Services Data Resource System Project planning efforts under the California Health and Human Services Agency. These resources would manage the POLST eRegistry and provide technical support lead for the California Emergency Medical Services Information System.

Child Welfare Services – California Automated Response and Engagements System (Issue 066)—It is requested that Item 0530-001-9745 be increased by \$19,055,000 and five positions ongoing to continue the design, development, and implementation activities of the Child Welfare Services – California Automated Response and Engagement System. See related issue in the Department of Social Services Finance Letter.

Health Innovations Initiative (Issue 074)—It is requested that Item 0530-001-0001 be increased by \$9 million General Fund one-time, for a total of \$10 million for the Health Innovations Initiative. This initiative promotes health and human services innovations

that benefit California citizens. To the extent possible, the program will also ideally leverage private and philanthropic investments for this beneficial cause.

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 Matt Aguilera, Principal Program Budget Analyst, at (916) 202-9663.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review 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
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Sonia Herrera, Deputy Secretary, Health and Human Services Agency

May 12, 2023

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 and Addition of Various Budget Bill Items, Support and Local Assistance, California Natural Resources Agency

Technical Adjustment to Shift the Reduction of 2023-24 Appropriations (Various Climate and Resources Investments)—It is requested that Item 0540-001-0001 be reduced by \$15 million in 2023-24 for the Ocean Protection Council and Item 0540-101-0001 be reduced by \$115 million in 2023-24 for state-owned lands and urban greening (see Attachments 1 and 2). Additionally, it is requested that Item 0540-102-0001 be eliminated in 2023-24 and 2024-25 for Ocean Protection Council SB 1 Implementation. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the California Natural Resources Agency (Agency) level by shifting the reductions from the statewide control section to items of appropriation in the Agency's budget.

Human Resources Services Consolidation—It is requested that Item 0540-001-0140 be increased by 3 positions in 2023-24 and ongoing to begin the transition to a consolidated Human Resources office for small entities within Agency.

Museum of Tolerance—It is requested that Item 0540-101-0001 be increased by \$2.1 million one-time to support renovations of the Museum of Tolerance, which provides education and messaging of tolerance and empowerment of the Jewish community (see Attachment 2).

Technical Adjustment to Reappropriation Item—It is requested that technical corrections be made to Item 0540-491, as proposed in the April 1 Finance letter (see Attachment 3). These changes will allow the funding transferred to the Rivers and Mountains Conservancy to be reappropriated.

Technical Adjustment to Shift the Reversion of 2021 and 2022 Balances (Various Climate and Resources Investments)—It is requested that Item 0540-495 be added to revert

\$29 million for the museum grant program, \$10 million for stewardship of state-owned lands, and \$35 million for the recreational trails and greenways program in the 2021 and 2022 Budget Acts (see Attachment 4). The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the Agency level by shifting the reversions from the statewide control section to the Agency's budget.

Reversion of 2022 Balances (Urban Greening)—It is requested that Item 0540-495 be added to revert \$100 million for urban greening in the 2022 Budget Act (see Attachment 4). As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to this program to assist in closing the projected shortfall and ensuring the submission of a balanced budget plan.

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 Krystal Acierto, 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 Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, 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 for Administration and Finance, Natural Resources Agency

Amend Item 0540-001-0001 as follows:

"0540-001-0001—For support of Secretary of the Natural Resources Agency...~~60,631,000~~45,631,000

Schedule:

(1) 0320-Administration of Natural Resources Agency...~~60,631,000~~45,631,000

Provisions:

1. Of the amounts appropriated in this item, ~~\$50,000,000~~\$35,000,000 shall be available to the Ocean Protection Council for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems.
2. The amount appropriated in Provision 1 shall be available for encumbrance or expenditure until June 30, 2026.
3. Of the amount appropriated in this item, \$250,000 shall be available to support programs and activities that advance multi-benefit and nature-based solutions consistent with Chapter 258 of the Statutes of 2021."

Amend Item 0540-101-0001 as follows:

"0540-101-0001—For support of Secretary of the Natural Resources Agency...~~299,000,000~~186,100,000

Schedule:

(1) 0320-Administration of Natural Resources Agency...~~299,000,000~~186,100,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2026. Up to 5 percent of the amount appropriated in this item may be used for administrative costs.
2. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the funds appropriated in this item for the development and adoption of program guidelines and selection criteria.
3. Upon direction of the Secretary of the Natural Resources Agency, or the secretary's designee, all or part of these funds may be transferred to another state department or entity, from which they are also appropriated for the purposes specified in this item.
4. ~~Of the amounts appropriated in this item, \$100,000,000 shall be available for grants through existing Urban Greening or Urban Forestry Programs.~~
5. Of the amounts appropriated in this item, \$180,000,000 shall be available for programs and projects that improve environmental conditions to promote recovery of native fish species in the Sacramento-San Joaquin watershed, including habitat restoration projects, multi-benefit projects that promote native species improvements while increasing climate resiliency, and projects that enable water users to make additional flows available for environmental purposes. Use of these funds should occur expeditiously, without regard to the timing of State Water Resources Control Board efforts to update the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta-Estuary. No funds may be expended for existing obligations imposed on any party by law.
6. Of the amounts appropriated in this item, ~~\$17,000,000~~\$2,000,000 shall be available for wildfire prevention and forest resilience activities, and shall be made available for support or local assistance.
7. Of the amounts appropriated in this item, \$2,100,000 shall be available for the Museum of Tolerance."

Amend Item 0540-491 as follows:

"0540-491—Reappropriation, Secretary of the Natural Resources Agency. 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:

0001—General Fund

(1) Provision (4) of Item 0540-001-0001, Budget Act of 2022 (Chs. 43 and 249, Stats. 2022)

(2) The amount transferred by Provision 2 of Item 0540-101-0001, Budget Act of ~~2019~~ ~~(Chs. 23 and 363, Statutes of 2019)~~ 2018 (Chs. 29 and 30, Stats. of 2018) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

(3) The amount transferred by Provision 9 of Item 0540-101-0001, Budget Act of 2019 (Chs. 23 and 363, ~~Statutes~~ Stats. Of 2019) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

(4) The amount transferred by Provision 11 of Item 0540-101-0001, Budget Act of 2019 (Chs. 23 and 363, ~~Statutes~~ Stats. of 2019) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy."

0540-495—Reversion, Secretary of the Natural Resources Agency. As of June 30, 2023, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which appropriations were made.

0001—General Fund

1. Item 0540-101-0001, Budget Act of 2021 (Chs. 21, 43, 69, 84, and 240, Stats. of 2021). \$29,000,000 of the amount appropriated for the Museum Grant Program in Subschedule (1)(e).
2. Item 0540-101-0001, Budget Act of 2022 (Chs. 43 and 249, Stats. of 2022). \$10,000,000 of the amount appropriated for wildfire prevention and forest resilience activities in Provision 6.
3. Item 0540-101-0001, Budget Act of 2022 (Chs. 43 and 249, Stats. of 2022). \$100,000,000 of the amount appropriated for Urban Greening in Provision 4.
4. Item 0540-102-0001 of the Budget Act of 2022 (Chs. 43 and 45, Stats. of 2022). \$35,000,000 of the amount appropriated for the Recreational Trails and Greenways Program in Subschedule (1)(g).
5. Subsection (b)(1)(A) in Control Section 19.58 of the Budget Act of 2022 (Chs. 43 and 249, Stats. of 2022). \$10,000,000 of the amount appropriated for Redondo Beach Wetlands Restoration.

May 12, 2023

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

Amendments to and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, and Statutory Changes, Office of Planning and Research

Information Technology Unit—It is requested that Item 0650-001-0001 be increased by \$5,347,000 and 15 positions ongoing to establish an information technology unit within the Office of Planning and Research (OPR). This request is necessary to support internal departmental oversight and administration of information technology needs.

Transition to State Civil Service Positions and Reductions to Governor's Budget

Proposals—It is requested that Item 0650-001-0001 be reduced by \$2,001,000 and 10.0 positions in 2023-24, decreasing to \$1,544,000 and 10.0 positions in 2026-27 and ongoing, to address declining General Fund Revenues and to begin the process of transitioning OPR to a more traditional department with state civil service positions. Specifically, this request reduces the new proposals included in the Governor's Budget from a total of \$9.2 million and 26 positions to \$7.2 million and 16 positions, of which 13 will be established as civil service positions. This request adjusts the following Governors Budget proposals: California Climate Adaptation Strategy, General Plan Guidance Updates, Legislative and Legal Staffing, CEQANet, Tribal Liaison, and the Statewide Extreme Heat Ranking System, and the Racial Equity Commission and Youth Empowerment Commission.

Technical Adjustment to Shift the Reversion of 2021 and 2022 Balances—It is requested that Item 0650-495 be added to include reversions related to the specified balances of appropriations made in the 2021 and 2022 Budget Acts (see Attachment 1). The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department level by shifting the reversions from the statewide control section to the applicable departmental budget.

Reversion of 2022 Balances—It is requested that Item 0650-495 be added to revert the unexpended balance of an appropriation made for the Regional Climate Resilience Program in the 2022 Budget Act (see Attachment 1). As a result of lower revenue

projections and a resulting increase in the budget problem, the May Revision proposes adjustments to the Regional Climate Resilience program to assist in closing a projected shortfall and to ensure the submission of a balanced budget plan.

Technical Adjustment to Shift the Reduction of 2023-24 Appropriations—It is requested that Item 0650-001-0001 be reduced by \$40 million one-time, and Item 0650-101-0001 be reduced by \$235 million one-time. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets. It is also requested that provisional language be removed to reflect these changes (see Attachments 2 and 3).

Reduction of 2023-24 Appropriations—It is requested that Item 0650-001-0001 be reduced by \$100 million one-time for the Transformative Climate Communities program. It is also requested that Item 0650-101-0001 be reduced by \$75 million in 2023-24 and \$85 million in 2024-25 for the Community Resilience Centers grant program. As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to these programs to assist in closing the projected shortfall and to ensure the submission of a balanced budget plan.

Office of Local Defense Community Cooperation Federal Grant—It is requested that Item 0650-001-0001 be amended to reflect increased reimbursement authority of \$500,000 one-time to account for an anticipated federal Office of Local Defense grant award. Reimbursement authority is necessary given that OPR is expected to be a subrecipient of this federal grant awarded to the University of California, Davis.

U.S. EPA Environmental Justice Government to Government Grant—It is requested that Item 0650-101-0890 be increased by \$350,000 in 2023-24, and \$400,000 in 2024-25 and 2025-26, to account for an anticipated federal United States Environmental Protection Agency Environmental Justice Government-to-Government grant award. This funding will be used to partner with community-based organizations within disproportionately impacted areas to pilot activities that address climate change, disaster resiliency, and emergency preparedness.

Various Statutory Changes—It is requested that the following statutory changes be made. The requested statutory changes will be posted on the Department of Finance website:

- **CEQA Lead Agency Exemption**—Statutory changes to specify that OPR shall not be considered the lead/responsible agency for projects in which OPR awards funding to and in which the project is subject to the California Environmental Quality Act (CEQA) review. This change is necessary to promote impartiality on behalf of OPR for projects in which the department awards grants.
- **Community Resilience Centers Advance Pay**—Statutory changes to include the Community Resilience Centers within the statewide Advance Payment Pilot Program pursuant to Chapter 159, Statutes of 2022 (AB 156). This change is

necessary to fix a drafting error in AB 156, which referenced the incorrect section in statute.

Various Provisional Language Changes—It is requested that the following provisional language changes be made:

- **Transformative Climate Community Administrative Carveout Increase**—Add provisional language to Item 0650-001-0001 to increase the percentage available for administrative costs for the Transformative Climate Communities program, funded in the 2022 Budget Act, from up to 5 percent to up to 10 percent (see Attachment 2). This request is necessary to support additional technical assistance for local jurisdictions that intend to apply for federal grants that fund projects similar to the Transformative Climate Communities program.
- **Youth Corps Program**—Add provisional language to Item 0650-001-0001 to provide a set-aside for tribal communities, and to prioritize undocumented youth for participation in the youth workforce development program administered by California Volunteers (see Attachment 2). This request is necessary to promote tribal and undocumented youth participation within the program.
- **Integrated Climate Adaptation Planning Program Set-Aside**—Add provisional language to Item 0650-001-0001 to provide a set-side of funding for tribal communities and under resourced communities to promote participation within the Integrated Climate Adaptation Planning Grant Program.

Various Technical Adjustments—It is requested that Item 0650-101-0001 be increased by \$14 million one-time, and Item 0650-001-0001 be reduced by \$14 million one-time, to appropriately reflect limited-term funding for an extreme heat outreach campaign included in the 2022 Budget Act, which is administered by the Office of Community Partnerships and Strategic Communications.

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 Mark Jimenez, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petel, 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
Sam Assefa, Director, Office of Planning and Research
Scott Morgan, Chief Deputy Director, Office of Planning and Research
Saharnza Mirzazad, Chief Deputy Director, Office of Planning and Research
Vivian Su, Budget Officer, Office of Planning and Research

Add Item 0650-495 as follows:

0650-495—Reversion, Office of Planning and Research. Notwithstanding any other law, as of June 30, 2023, 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. \$65,000,000 of the amount appropriated for the Transformative Climate Communities Program in Item 0650-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)
2. \$80,000,000 of the amount appropriated for the COVID-19 Outreach Campaign in Schedule (1) of Item 0650-021-3398, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) and the related adjustments to effectuate this reversion.
3. \$25,000,000 of the amount appropriated for the Extreme Heat and Community Resilience Program in Item 0650-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
4. \$125,000,000 of the amount appropriated for the Regional Climate Resilience Program in Item 0650-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
5. \$25,000,000 of the amount appropriated for the Summer Youth Job Corps Program in Schedule (2) of Item 0650-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).

Delete Provision 7 in Item 0650-001-0001

~~"7. Of the amount appropriated in Schedule (3), up to \$100,000,000 shall be available for support or local assistance and shall be used for the Transformative Climate Communities Program described in Part 4 (commencing with Section 75240) of Division 44 of the Public Resources Code. These funds are available for expenditure or encumbrance until June 30, 2028, and for liquidation until June 30, 2030. Not more than 5-10 percent of the amount may be used for administrative costs."~~

Add Provisions 8, 9, 10, and 11 in Item 0650-001-0001

8. Of the amount appropriated in Schedule (2), \$2,000,000 shall be available for California's Tribal communities to apply through a competitive process.

9. It is the intent of the Administration that the Youth Corps program, including its fellowship program, prioritize the recruitment of and outreach to AB 540 students, and immigrant youth with federal work authorization, including DACA beneficiaries, and this section is therefore enacted pursuant to Section 1621(d) of Title 8 of the United States Code. For purposes of implementing this initiative, no entity or person shall seek information that is unnecessary to determine eligibility, including immigration or citizenship status.

10. Funds appropriated pursuant to Provision 8, Item 0650-001-0001, Budget Act of 2021 (Chs. 21 and 240, Stats. 2021), for the Integrated Climate Adaptation Planning Grants Program may be expended for the following groups: California Native American tribes and disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code, and Under-resourced communities as identified pursuant to Section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005.

11. Of the funds appropriated for the Transformative Climate Communities Program in Provision 7, Item 0650-001-0001, 2022 Budget Act (Chs. 43, 45, and 249, Stats. 2022), not more than 10 percent may be used for administrative costs to support the program.

Delete Provisions 2, 3, and 4 in Item 0650-101-0001

Provisions:

~~2. Of the amount appropriated in Schedule (1), \$100,000,000 shall be available for the ICARP Regional Resilience Grant Program to support regional climate resilience planning and implementation to reduce the risk of climate change impacts such as wildfire, sea level rise, drought, flood, increasing temperatures, and extreme heat events. These funds shall be available for encumbrance or expenditure until June 30, 2028, and liquidation through June 30, 2030.~~

~~3. Funds appropriated in Provision 2 shall also be available to develop a grant program, to implement regional projects aligned with the priorities of the Integrated Climate Adaptation and Resiliency Program, and regional plans developed pursuant to the Regional Planning Grant program. Grants may be issued both competitively and on a formula basis.~~

~~4. Of the amount appropriated in Schedule (1), \$50,000,000 shall be available for state operations or local assistance for the ICARP Extreme Heat and Community Resilience Grant Program. These funds shall be available for encumbrance or expenditure until June 30, 2027, and liquidation through June 30, 2029.~~

May 12, 2023

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 and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, Office of Emergency Services

Statewide Disaster Warehousing Operations—It is requested that Item 0690-001-0001 be increased by \$43,258,000 and 15 positions for ongoing resources to support northern and southern California emergency response warehousing operation, including funding for long-term leasing and operation of the Dixon warehouse and to procure the life-cycle management of personal protective equipment consistent with the state's SMARTER Plan. The resources will enable the Office of Emergency Services (Cal OES) to continue warehousing operations and have appropriate resources available across the state for all emergencies.

Gun Buyback Event—It is requested that Item 0690-001-0001 be increased by \$25 million one-time to reallocate to Cal OES the amount appropriated to the Board of State and Community Corrections in the 2022 Budget Act to support gun buyback competitive grant programs structured to reduce firearm violence. Because the competitive nature of the grant programs is not conducive to quickly achieving this purpose, the Administration proposes moving the appropriation to Cal OES to directly work and partner with local law enforcement agencies to conduct gun buybacks more swiftly.

Provisional Language to Authorize Augmentations for the State Cost-Share of Direct Federal Assistance—It is requested that provisional language be added to Item 0690-006-0001 to authorize augmentations to pay the state cost-share of direct federal assistance provided during disaster incidents pursuant to Presidential Emergency Declarations or Presidential Major Disaster Declarations (see Attachment 1).

Nonprofit Security Grant Program—It is requested that Item 0690-103-0001 be added to provide \$10 million one-time in fiscal year 2023-24 to support the Nonprofit Security Grant Program, which provides funding support for target hardening and other physical security enhancements to nonprofit organizations that are at high risk for violent attacks

and hate crimes due to ideology, beliefs, or mission. It is also requested that provisional language be added (see Attachment 2).

Distributed Administration Position Authority—It is requested that Item 0690-001-0001 be increased by 12 positions ongoing for various administrative support activities to be funded with distributed administration funding resulting from the required federal indirect cost allocation included in Cal OES's other 2023-24 budget change proposals that request new program positions.

2022-23 Support Capacity Net-Zero Technical Adjustment—It is requested that Item 0690-001-0001 be increased by \$1,065,000 and Item 0690-004-0001 be decreased by \$1,065,000 for a net-zero technical adjustment to correct the budget item allocation of funding approved in the 2022-23 Support Capacity proposal.

Allocation for Employee Compensation—It is requested that the items listed below be amended by the ongoing amounts noted for a net-zero technical adjustment to correct the allocation of distributed administration funding. The requested amendments are that:

- Item 0690-001-0001 be increased by \$167,000 and reimbursements be increased by \$5,000
- Item 0690-001-0029 be decreased by \$2,000
- Item 0690-001-0217 be decreased by \$1,000
- Item 0690-001-0890 be decreased by \$150,000
- Item 0690-001-0903 be decreased by \$4,000
- Item 0690-001-3228 be decreased by \$4,000
- Item 0690-001-6061 be decreased by \$4,000
- Item 0690-004-0001 be decreased by \$1,000
- Item 0690-010-3034 be decreased by \$1,000

Technical Adjustment to Shift the Reduction of 2023-24 Appropriations (Multifamily Seismic Retrofit Matching Funds)—It is requested that Item 0690-101-0001, Budget Act of 2022 be decreased by \$250 million one-time. The Governor's Budget reduced various items of appropriations in the 2023-24 fiscal year in Control Section 4.07. This is a technical adjustment to provide transparency at the department level by shifting the reductions from the statewide control section to items of appropriation in the applicable departmental budgets.

Emergency Vehicle Reappropriation—It is requested that Item 0690-490 be added to reappropriate up to \$1 million of Item 0690-001-0001, Budget Act of 2022, with funding available for encumbrance and expenditure until June 30, 2024. This reappropriation will support the purchase of 16 vehicles that were authorized in the 2022-23 Addressing Heightened Risks through Enhanced Partnerships proposal, but that were delayed due to supply chain issues (see Attachment 3).

Technical Adjustment to Shift Reversion of 2022 Balances (Warehousing Operations for Emergency Response Equipment and Supplies)—It is requested that Item 0690-495 be added to revert the unexpended balance of appropriations made in the 2022 Budget

Act. The Governor's Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department level by shifting the reversions from the statewide control section to the applicable departmental budget (see Attachment 4).

Statewide Flood Support—It is requested that Control Section 11.86 be added to administer a \$125 million one-time General Fund flood contingency set aside to support costs associated with preparedness, response, recovery, and other associated activities related to the 2023 storms, the resulting snowmelt, and other flooding risks, including, but not limited to, supporting communities and vulnerable populations, such as farmworkers, from these impacts and to better withstand future flood events (see Attachment 5).

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 Stephen Benson, Principal Program Budget Analyst, at (916) 324-0043.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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
Honorable Mia Bonta, Chair, Assembly Budget Subcommittee No. 5
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
Nancy Ward, Director, Office of Emergency Services
Tina Curry, Chief Deputy Director, Office of Emergency Services
Lisa Mangat, Chief Deputy Director, Office of Emergency Services

Add the following provision to Item 0690-006-0001:

2. The Department of Finance may augment this item in the amount of any invoice received by the Office of Emergency Services from a federal agency for direct federal assistance provided during disaster incidents pursuant to a Presidential Emergency Declaration or Presidential Major Disaster Declaration. Within 10 days of approval, the Department of Finance shall provide written notification of any such augmentation to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and the appropriate subcommittees of each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

0690-103-0001—For local assistance, Office of Emergency Services..... 10,000,000

Schedule:

(1) 0385-Special Programs and Grant Management 10,000,000

Provisions:

1. The funding appropriated in this item is for the California Nonprofit Security Grant Program to help nonprofit organizations that are targets of hate-motivated violence and hate crimes.
2. This appropriation shall be available for encumbrance or expenditure until June 30, 2025. No more than 5 percent of the amount appropriated in this item may be used for administrative support costs.

0690-490—Reappropriation, Office of Emergency Services. The amount specified are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2024:

0001—General Fund

(1) Up to \$1,000,000 of Item 0690-001-0001, Budget Act of 2022 (Chs. 43 and 249, Stat. 2022)

0690-495—Reversion, Office of Emergency Services. As of June 30, 2023, 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 0690-001-0001, Budget Act of 2022 (Chs. 43, and 249, Stats. of 2022). \$37,000,000 of the amount appropriated in Program 0385-Special Programs and Grant Management for warehousing operations for emergency response equipment and supplies.

SEC. 11.86. (a) Notwithstanding any other law, the Department of Finance may adjust amounts in any item of appropriation to support costs associated with preparedness, response, recovery, and other associated activities related to the 2023 storms, the resulting snowmelt, and other flooding risks, including, but not limited to, supporting communities and vulnerable populations, such as farmworkers, from these impacts and to better withstand future flood events.

(b) The aggregate amount of General Fund appropriation increases provided under this section during the fiscal year may not exceed \$125,000,000.

(c) The Department of Finance shall notify the Joint Legislative Budget Committee of the amount augmented within 10 days after the augmentation is made.

(d) The augmentations specified in this subdivision may occur until June 30, 2024.

May 12, 2023

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

**Addition of Budget Bill Item 0690-301-0660, Capital Outlay, Governor's Office of
Emergency Services**

Southern Region: Emergency Operations Center—It is requested that Item 0690-301-0660 be added in the amount of \$174,658,000 one-time for the design-build phase of the Southern Region: Emergency Operations Center project (see Attachment 1). This project includes construction of a new office building, warehouse, communications tower, and helipad on 15 acres at the former Fairview Developmental Center.

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 Matt Schuller, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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
Honorable Mia Bonta, Chair, Assembly Budget Subcommittee No. 5
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
Christina Curry, Chief Deputy Director, Governor's Office of Emergency Services
Lisa Mangat, Chief Deputy Director of Policy and Administration, Governor's Office of
Emergency Services
Eric Swanson, Deputy Director of Finance and Administration, Governor's Office of
Emergency Services

Attachment 1

0690-301-0660—For capital outlay, Office of Emergency Services, payable from the
Public Buildings Construction Fund.....174,658,000

Schedule:

(1) 0008943-Southern Region: Emergency Operations Center.....174,658,000

(a) Design-build 174,658,000

Provisions:

1. The Office of Emergency Services, the Department of General Services, and the State Public Works Board are authorized to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale and issuance of bonds in accordance with the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code) or otherwise to effectuate the financing of the scheduled project.

May 12, 2023

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

Amendments to and Addition of Various Budget Bill Items, Support, and Statutory Changes, Department of Justice

eDiscovery Storage and Review Platform Augmentation—It is requested that the items listed below be augmented by a total of \$1,883,000 in 2023-24, increasing to \$3,996,000 in 2026-27 and ongoing to collect, store, and process electronic discovery information related to litigation. This request is necessary to cover the increased costs of storing the growing volume of litigation documents.

- 0820-001-0001 be increased by \$702,000
- 0820-001-0012 be increased by \$26,000
- 0820-001-0017 be increased by \$105,000
- 0820-001-0032 be increased by \$1,000
- 0820-001-0044 be increased by \$43,000
- 0820-001-0142 be increased by \$2,000
- 0820-001-0367 be increased by \$21,000
- 0820-001-0378 be increased by \$29,000
- 0820-001-0460 be increased by \$31,000
- 0820-001-0567 be increased by \$17,000
- 0820-001-1008 be increased by \$7,000
- 0820-001-3016 be increased by \$13,000
- 0820-001-3053 be increased by \$22,000
- 0820-001-3086 be increased by \$52,000
- 0820-001-3087 be increased by \$81,000
- 0820-001-3088 be increased by \$22,000
- 0820-001-9731 be increased by \$705,000
- 0820-001-9740 be increased by \$4,000

DNA ID Fund Expenditure Authority Technical Adjustment—It is requested that Item 0820-001-3086 be increased by \$7.3 million ongoing to align the expenditure authority with the General Fund backfill proposed in the Governor's Budget for the DNA ID Fund Backfill. This request is necessary to provide the Bureau of Forensic Services with sufficient authority to expend the corresponding General Fund backfill.

Litigation Deposit Fund Loan—It is requested that Item 0820-011-0920 be added to provide a \$400 million loan from the Litigation Deposit Fund to the General Fund to assist in closing the projected shortfall and to ensure the submission of a balanced budget plan. It is also requested that provisional language be added to specify that the loan is not subject to interest at the time of repayment (see Attachment 1). Furthermore, it is requested that statutory changes be made to implement this budgetary loan. The requested statutory changes will be made available on the Department of Finance website.

Firearms Information Technology Systems Modernization Project—It is requested that Item 0820-001-0460 be increased by \$1,111,000 and 6.0 positions ongoing to update cost estimates to continue the Project Approval Lifecycle process and address ongoing workload pertaining to the Firearms Information Technology System Modernization Project. It is also requested that Item 0820-001-0001 be adjusted to reflect a net-zero change to display administrative costs associated with this proposal. This request is in addition to \$6.4 million and 6.0 positions in 2023-24 and \$1.5 million ongoing included in the April 1 adjustment to the Governor's Budget.

Various Technical Net-Zero Adjustments—It is requested that Items 0820-001-0001, 0820-001-0012, and 0820-001-3087 be adjusted to reflect a net-zero change to display administrative costs and position authority associated with the Antitrust Gasoline, Pricing, Agriculture, and Technology Enforcement, and the Wage Theft Criminal Prosecution proposals included 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 Mark Jimenez, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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
Chris Ryan, Chief of Operations, California Department of Justice
Michael Fong, Director of Fiscal Services, California Department of Justice
Ashley Harp, Budget Officer, California Department of Justice

Add Item 0820-011-0920

0820-011-0920—For transfer by the Controller, upon order of the Department of Finance, from the Litigation Deposit Fund to the General Fund.....(400,000,000)

Provisions:

1. The Department of Finance may transfer up to \$400,000,000 as a loan to the General Fund. This loan is not subject to any interest charge at the time of repayment.

May 12, 2023

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 and Addition of Item 0840-490, Support, State Controller's Office

California State Payroll System (CSPS) Project—It is requested that Item 0840-001-0001 be increased by \$46,810,000 in fiscal year 2023-24, \$3,300,000 in 2024-25, \$3,316,000 in 2025-26, \$2,455,000 in 2026-27, and \$2,471,000 in 2027-28 and ongoing to support 6.5 positions in 2023-24 and 8.0 positions in 2024-25 and ongoing for the continuation of the CSPS project as it transitions from planning and implementation, to maintenance and operation. It is also requested that the following provisional language be added.

19. Up to \$28,393,000 of the amount included in this item for Department Agency Readiness Teams costs shall be allocated upon order of the Department of Finance following the project's successful completion of Stage 4 of the Project Approval Lifecycle Process. Allocation of these funds shall be made no earlier than 45 days after notification in writing to the chairpersons of the budget committees in both houses of the Legislature, the Joint Legislative Budget Committee, and the appropriate subcommittees in both houses of the Legislature.

It is further requested that Item 0840-490 be added to reappropriate the remaining balance of the funding provided in Item 0840-001-0001, Budget Act of 2022, related to the CSPS project.

Add Item 0840-490 as follows:

0840-490—Reappropriation, Controller. 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, 2024.

0001—General Fund

(1) Provision 17 of Item 0840-001-0001, Budget Act of 2022 (Chs. 43 and 45, Statutes of 2022)

Provisions:

1. Up to \$83,250,000 of the amount in this item for the System Integrator contract and related costs shall be allocated upon order of the Department of Finance following the project's successful completion of Stage 4 of the Project Approval Lifecycle Process. Allocation of these funds shall be made no earlier than 45 days after notification in writing to the chairpersons of the budget committees in both houses of the Legislature, the Joint Legislative Budget Committee, and the appropriate subcommittees in both houses of the Legislature.

Broadcom Computer Associates (CA) Integrated Database Management System (IDMS) Software Licensing Incremental Additional Cost—Final negotiations with the vendor resulted in an increase in annual costs and a decrease in the term from five to three years. It is requested that the following items be amended to reflect this change:

- Item 0840-001-0001 be increased by \$1,313,000 in 2023-24, 2024-25 and 2025-26, and decreased by \$2,610,000 in 2026-27, and 2027-28
 - Item 0840-001-0970 be increased by \$175,000 in 2023-24, 2024-25 and 2025-26, and decreased by \$348,000 in 2026-27 and 2027-28
 - Item 0840-001-3268 be increased by \$175,000 in 2023-24, 2024-25 and 2025-26, and decreased by \$348,000 in 2026-27 and 2027-28
- Item 0840-001-9740 be increased by \$791,000 in 2023-24, 2024-25 and 2025-26, and decreased by \$1,571,000 in 2026-27 and 2027-28

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 James Doyle, Staff Finance Budget Analyst, at (916) 445-5332.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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
Honorable Malia Cohen, State Controller
Karen Greene Ross, Chief of Staff, State Controller's Office
Jennifer Chaves, Director of Administration, State Controller's Office

May 12, 2023

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 0890-001-0001, 0890-001-0228, and 0890-101-0890,
Support and Local Assistance, Secretary of State**

Secretary of State Staffing Resources—It is requested that Item 0890-001-0001 be increased by \$1,377,000 and Item 0890-001-0228 be increased by \$1,324,000 ongoing to support operations at the Secretary of State. The Political Reform, Information Technology, and Managerial Services Divisions, and the State Archives program have experienced increased and more complex workload over the last several years, resulting in increased ongoing costs.

California Business Connect System—It is requested that Item 0890-001-0228 be increased by \$7,696,000 ongoing to support the maintenance and operations phase of the California Business Connect system. This request includes resources for software maintenance and licenses and to reclassify 13 positions to align with the workload being performed by the Information Technology Division.

Business Programs Division—It is requested that Item 0890-001-0228 be increased by \$3,488,000 in 2023-24, 2024-25, and 2025-26 to extend 37 existing limited term positions and to reclassify 33 existing positions to align with workload and new processes resulting from the implementation of the California Business Connect System. These resources will allow the Secretary of State to continue collecting data on the ongoing workload needs of the Business Programs Division.

Information Security (AB 2135)—It is requested that Item 0890-001-0001 be increased by \$145,000 ongoing and 2 positions, and Item 0890-001-0228 be increased by \$292,000 ongoing, to support the Information Security Office and implement Chapter 773, Statutes of 2022 (AB 2135).

CalACCESS Replacement Project—It is requested that Item 0890-001-0001 be increased by \$6,923,000 one-time to support the CalACCESS Replacement Project. This brings the total amount available for the project in 2023-24 to \$12,310,000. This funding supports

33 existing positions, contract services and technology costs, and project planning and execution activities.

Help America Vote Act: 2023 Election Security Federal Grant—It is requested that Item 0890-101-0001 be increased by \$1,166,000 one-time and Item 0890-101-0890 be increased by \$5,827,000 one-time to allow the Secretary of State to accept the Federal Help America Vote Act Elections Security Grant and meet the 20 percent match requirement. These resources are to support state and county implementation of election security safeguards and infrastructure against physical and cyber risks and vulnerabilities, as well as improving voting technology and polling place accessibility.

Withdrawn: Improving Safe at Home Customer Service—It is requested that Item 0890--001--0001 be reduced by \$730,000 one-time to withdraw the Improving Safe at Home Customer Service budget change proposal that was included in the Governor's Budget. These resources are duplicative of workload associated with the Governor's Budget proposal to implement Chapter 554, Statutes of 2022 (SB 1131).

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 Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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
Shirley N. Weber, Ph.D., Secretary of State
Lisa Martin, Chief Deputy Secretary, Secretary of State
Reginald Fair, Deputy Secretary of Operations, Secretary of State
Tamara Johnson, Chief Financial Officer, Secretary of State

May 12, 2023

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

Addition of Budget Bill Items, Local Assistance and State Operations, ScholarShare Investment Board

Item 0954-001-0001, State Operations, ScholarShare Investment Board (Issue 024)—It is requested that Item 0954-001-0001 be increased by \$158,000 ongoing General Fund and 1 position to provide support for the California Kids Investment and Development Savings Program (CalKIDS) and the Administration's financial literacy initiative.

Current Year Adjustments

Item 0954-101-0001, Local Assistance, ScholarShare Investment Board (Issue 020)—It is requested that Item 0954-101-0001 of the 2022 Budget Act be decreased by \$30 million to reflect updated estimates of the number of eligible pupils entering first grade in the 2022-23 fiscal year.

Fixing Staff Benefits Adjustment, State Operations, ScholarShare Investment Board (Issue 025)—It is requested that Item 0954-001-0001 be adjusted to reallocate \$4,000 current year General Fund in staff benefits from the Golden State Scholarshare Trust Program (0780) to the Statewide Child Savings Account Program (0795). Additionally, it is requested that Item 0954-001-0564 be adjusted to reallocate \$11,000 in the Scholarshare Administrative Fund in the current year from the Statewide Child Savings Account Program (0795) to the Golden State Scholarshare Trust Program (0780).

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 Jack Zwald, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
Honorable Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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
Julio Martinez, Executive Director, ScholarShare Investment Board
Noah Lightman, Manager, Child Savings Account Initiatives, ScholarShare Investment Board
Karma Manni, Budget Manager, Fiscal Services, State Treasurer's Office

May 12, 2023

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

Addition of Budget Bill Items 0984-401 and 0984-402, CalSavers Retirement Savings Trust Program Fund

CalSavers 2016 Loan Repayment Extension—It is requested that Item 0984-401 be added to extend the loan repayment date for a \$1,900,000 General Fund loan, provided in the 2016 Budget Act to the CalSavers Retirement Savings Trust Program Fund (see Attachment 1). This item extends the loan repayment date from June 30, 2024, as provided in the 2021 Budget Act, to June 30, 2030.

CalSavers 2017 Loan Repayment Extension—It is requested that Item 0984-402 be added to extend the loan repayment date for a \$15,000,000 General Fund loan, provided in the 2017 Budget Act to the CalSavers Retirement Savings Trust Program Fund (see Attachment 2). This item extends the loan repayment date from June 30, 2024, as provided in the 2021 Budget Act, to June 30, 2030.

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 Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
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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 Steve Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
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
Honorable Fiona Ma, California State Treasurer
Karma Manni, Chief, Fiscal Services Unit, Office of the California State Treasurer
Jessica Stroing, Administrative Operations Manager, CalSavers Retirement Savings Board

Attachment 1

0984-401—Notwithstanding Provision 1 of Item 0984-011-0001, Budget Act of 2016, or Item 0984-401, Budget Act of 2021, the \$1,900,000 loan to the CalSavers Retirement Savings Trust Program Fund will be repaid to the General Fund no later than June 30, 2030, upon order of the Director of Finance.

Attachment 2

0984-402—Notwithstanding Provision 1 of Item 0984-011-0001, Budget Act of 2017, or Item 0984-402, Budget Act of 2021, the \$15,000,000 loan to the CalSavers Retirement Savings Trust Administration Fund will be repaid to the General Fund no later than June 30, 2030, upon order of the Director of Finance.

May 12, 2023

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 Statutory Changes, Budget Bill Item 0985-220-0001, Local Assistance, California School Finance Authority

Item 0985-220-0001, Local Assistance, Charter School Facility Grant Program (Issue 12)—It is requested that Item 0985-220-0001 be increased by \$51,000 ongoing Proposition 98 General Fund to reflect an 8.22-percent cost-of-living adjustment for the Charter School Facility Grant Program. The Charter School Facility Grant Program provides funding to assist charter schools in paying for rent and lease expenditures that are either serving or located in attendance areas where a notable percentage of their students qualify for free or reduced-price meals.

Removing References to Revenue Limits for Proposed Statutory Amendments to Intercept Mechanism—It is requested that statutory changes transmitted at the Governor's Budget be amended to remove references to revenue limits to CSFA's mechanism to intercept state revenues and the proposed mechanism to intercept local revenues.

Proposed statutory amendments for these requests can be viewed at www.dof.ca.gov.

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

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
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
Fiona Ma, California State Treasurer, State Treasurer's Office
Patrick Henning, Chief Deputy Treasurer, State Treasurer's Office
Becky Grajski, Director of Administration, State Treasurer's Office
Karma Manni, Budget Manager, State Treasurer's Office
Katrina Johantgen, Executive Director, California School Finance Authority

May 12, 2023

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 and Addition of Various Budget Bill Items and Reimbursements, Support and Local Assistance, and Statutory Changes, Clean Energy Reliability Investment Plan—Various Departments.

This proposal includes resources for various departments related to implementing the Clean Energy Reliability Investment Plan (CERIP) prepared and adopted by the California Energy Commission and presented to the Legislature on March 1, 2023, pursuant to Chapter 239, Statutes of 2022 (SB 846). The CERIP supports programs and projects that accelerate the deployment of clean energy resources, support energy demand response, increase energy reliability, and assist ratepayers. This proposal allocates resources that were included in the Governor's Budget, but not yet distributed to the various departments, per the adopted CERIP.

CERIP Various Programs—It is requested that Item 3360-008-0001 be decreased by \$47 million in 2023-24, increased by \$400 million in 2024-25, and increased by \$495 million in 2025-26 to implement the CERIP. The decrease in 2023-24 reflects the adopted CERIP allocating \$53 million of the \$100 million available in 2023-24 to the California Energy Commission, with the remainder allocated as described below. It is also requested that statutory changes be added to effectuate the programs in the CERIP. This funding will focus on enabling investments, scaling demand-side and supply-side resources, and augmentations for extreme events (see Attachment 1).

CERIP Central Procurement Function—It is requested that Item 3860-001-0001 be increased by \$32 million in 2023-24 one-time and provisional language be added to implement the CERIP program to support the implementation of a central procurement function at the Department of Water Resources (see Attachment 2).

CERIP Energy Development, Permitting and Interconnection—It is requested that Item 0509-101-0001 be increased one-time by \$15 million in 2023-24, and \$5 million in 2025-26 and provisional language be added for the Governor's Office of Business and Economic Development to implement a CERIP program to address barriers throughout

the energy resource development process for local agencies, including navigating through permitting processes and requirements (see Attachment 3).

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

If you have any questions or need additional information regarding this matter, please call Eamon Nalband, Principal Program Budget Analyst, at (916) 322-2263.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony J. Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, 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 Josh Becker, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Steve Bennett, 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
Bryan Cash, Assistant Secretary for Administration and Finance, Natural Resources Agency
Amanda Martin, Deputy Assistant Secretary for Administration and Finance, Natural Resources Agency
Rob Cook, Deputy Director, Energy Resources Conservation and Development Commission
Damien Mimnaugh, Chief Financial Officer, Energy Resources Conservation and Development Commission
Chris Dombrowski, Chief Deputy Director, Governor's Office of Business and Economic Development
Aracely Campa Ramirez, Senior Deputy Director, Strategic Program Planning and External Affairs, Governor's Office of Business and Economic Development
Karla Nemeth, Director, Department of Water Resources
Delphine Hou, Deputy Director for Statewide Water and Energy, Department of Water Resources
Duard MacFarland, Branch Manager, Division of Fiscal Services, Department of Water Resources

It is requested that 3360-008-0001 be amended as follows:

"3360-008-0001 – For support of State Energy Resources Conservation and Development Commission ~~205,000,000~~ 158,000,000

Schedule:

(1) 2380010-Power Plant Site Certification and Transmission Line Corridor Designation Program..... 105,000,000

(2) 2390010-Renewable Energy.....~~100,000,000~~ 53,000,000

Provisions:

1. The funds appropriated in ~~this Item~~ Schedule (1) shall be allocated as follows:

- ~~a. \$100,000,000 shall support the Clean Energy Reliability Investment Plan created in Chapter 239, Statutes of 2022 (SB 846).~~
- b. \$95,000,000 shall be used to support incentives for demand side grid support and associated mitigation costs.
- c. \$10,000,000 shall be used for administrative costs to support distributed electricity backup assets and utility scale assets including incentives for clean backup generation.

~~2. The funds appropriated in this item shall be available for encumbrance or expenditure by the State Energy Resources Conservation and Development Commission until June 30, 2027, and shall be available for liquidation until June 30, 2031.~~

The funds appropriated in Schedule (2) shall be allocated as follows:

- a. \$33,000,000 shall be used to implement a Clean Energy Reliability Investment Plan program to support near-term electric system reliability through additional funding for the Demand Side Grid Support Program and the Distributed Electricity Backup Assets Program.
- b. \$10,000,000 shall be used for administrative costs to support implementation of the Clean Energy Reliability Investment Plan.
- c. \$8,000,000 shall be used to implement a Clean Energy Reliability Investment Plan program to improve processes and provide resources that support engagement and technical assistance for communities of concern.
- d. \$2,000,000 shall be used to implement a Clean Energy Reliability Investment Plan program for critical planning studies, such as Transmission Corridor Planning, and implementing recommendations in the permitting roadmap for offshore wind resources.

3. The funds appropriated in this Item shall be available for encumbrance or expenditure by the State Energy Resources Conservation and Development Commission until June 30, 2027, and shall be available for liquidation until June 30, 2031."

Add the following provision to Item 3860-001-0001:

4. Of the funds in this item, \$32,000,000 shall be used to support a Central Procurement Function for diverse clean energy resources. The funds shall be available for encumbrance or expenditure until June 30, 2028, and shall be available for liquidation until June 30, 2030. If a determination is made by the California Public Utilities Commission that the Department will not perform this function, the remaining funds in this provision shall be transferred to the California Energy Commission upon order of the Director of Finance.

Add Provision 2 to Item 0509-101-0001

2. Of the amount appropriated in Schedule (1), \$15,000,000 shall be used to address barriers throughout the energy resource development process for local agencies, including navigating permitting processes and requirements. Notwithstanding any other law, these funds may be transferred to Item 0509-001-0001 upon order of the Department of Finance. The funds shall be available for encumbrance or expenditure until June 30, 2026, and liquidation until June 30, 2028.