

PROTECT  
OUR

*Progress* 2024

*Step One:*

# SHRINK THE SHORTFALL



**Senator Mike McGuire**

President pro Tempore

**Senator Scott D. Wiener**

Chair, Committee on Budget and Fiscal Review

March 14, 2024

# General Public Comment

## George, Linda

**CALIFORNIA** faces a serious budget shortfall that will require tough decisions throughout the budget process to bring the budget into balance and to improve the out-year fiscal condition.

Starting with the Governor's January forecast, the state faces a \$38 billion budget problem. Since that forecast was released, revenues have underperformed projections, and the Legislative Analyst Office (LAO) has reported the problem could grow by an additional \$15 billion, which would take the shortfall to \$53 billion. The May Forecasts will provide a more precise number, which could range from lower than \$38 billion to higher than \$53 billion.<sup>1</sup> This is why the state must move quickly to reduce the deficit.

With this year's budget challenges in mind, as the California State Senate works to craft a 2024-25 state budget, once again the primary goal will be to protect the progress made to core programs in recent years, and make the tough decisions to tackle the deficit.

Step one of this effort is to enact the Shrink the Shortfall early action plan, to immediately decrease the shortfall to a more manageable level for the critical time period leading up to the June 15 budget deadline date.

This early action plan uses the current point-in-time shortfall estimate range of \$38 billion to \$53 billion.

There are no easy options for closing this shortfall.

However, the Legislature, right now, can make the shortfall more manageable by immediately adopting several billion dollars of proposed solutions. Taking this action now will allow lawmakers to thoughtfully focus and prioritize on more difficult decisions later in the budget process.

Therefore, the Shrink the Shortfall early action budget plan includes the relatively less challenging solution options to bring down the shortfall to a more manageable level.

With decisive, early action to implement \$17.1 billion in solutions and in agreement with the Governor's proposed partial use of the Rainy Day Fund, Step 1 of the Senate's Protect Our Progress 2024 budget plan accomplishes the following:

- "Shrinks the Shortfall" from a projected \$38-\$53 billion to a more manageable \$9-24 billion.
- Positions the Legislature and the Governor to best protect our progress by maximizing the time and energy spent focusing on the most challenging solutions to close the remaining budget shortfall during the critical time period leading up to June 15.

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<sup>1</sup> It is important to note, that these forecast numbers are based off the premise that the Proposition 98 funding levels are at the constitutional minimum in both the 2022-23 and 2023-24 fiscal years. Otherwise the shortfall figures grow by around \$15 billion.

# General Public Comment

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Step 2 of the Senate's Protect Our Progress 2024 budget plan will be released later in the Spring and provide a comprehensive proposal for a balanced, responsible budget that protects core programs and services.

The rest of this document provides more detail on the Senate's Shrink the Shortfall early action budget plan.

## SUMMARY

### General Fund Solutions:

All told, the Shrink the Shortfall budget plan contains \$17.1 billion in General Fund Solutions through the 2024-25 fiscal year.

The vast majority of the solutions in this plan were first proposed by the Governor, and include the varying types of solutions proposed by the Governor:

- Program Reductions
- Revenues/Borrowing
- Fund Shifts
- Delays
- Deferrals

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In addition, the Shrink the Shortfall budget plan reflects the Governor's proposed partial use of \$12.2 billion from the Rainy Day Fund. This is a reasonable proposal, as it leaves roughly \$13 billion remaining in the fund to assist the budget in 2025-26 or later. This proposal ensures that the Rainy Day Fund will last through at least three years of this downturn – from 2023-24 through at least 2025-26 – which is a much more responsible approach than depleting the fund in one budget cycle.

The solutions included in the Shrink the Shortfall budget plan have been reviewed over the past two months and it has been determined that, regardless of any changes to the shortfall forecasts in May, these actions will need to be adopted as part of any plan to balance the budget. Therefore, these are included in the early action plan to allow the Legislature to focus on the more challenging solutions through the remainder of the budget process.

# General Public Comment

## George, Linda

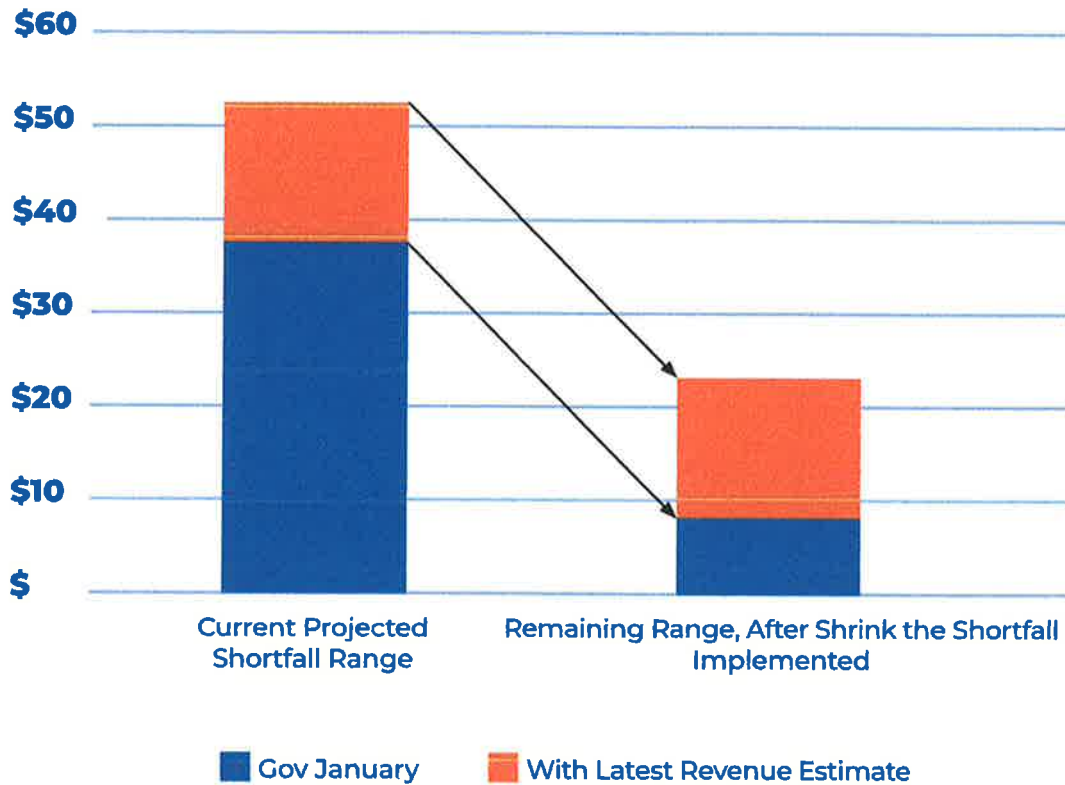
### Summary Chart:

Current Projected Shortfall Range:	\$37.9 to \$52.9 billion
Shrink the Shortfall Solutions:	-\$17.1 billion
Assume Proposed Use of Rainy Day Fund:	-\$12.2 billion
<b>Remaining Shortfall Range:</b>	<b>\$8.6 to \$23.6 billion</b>

## SHRINK THE SHORTFALL

### Dramatically Improves Budget Condition

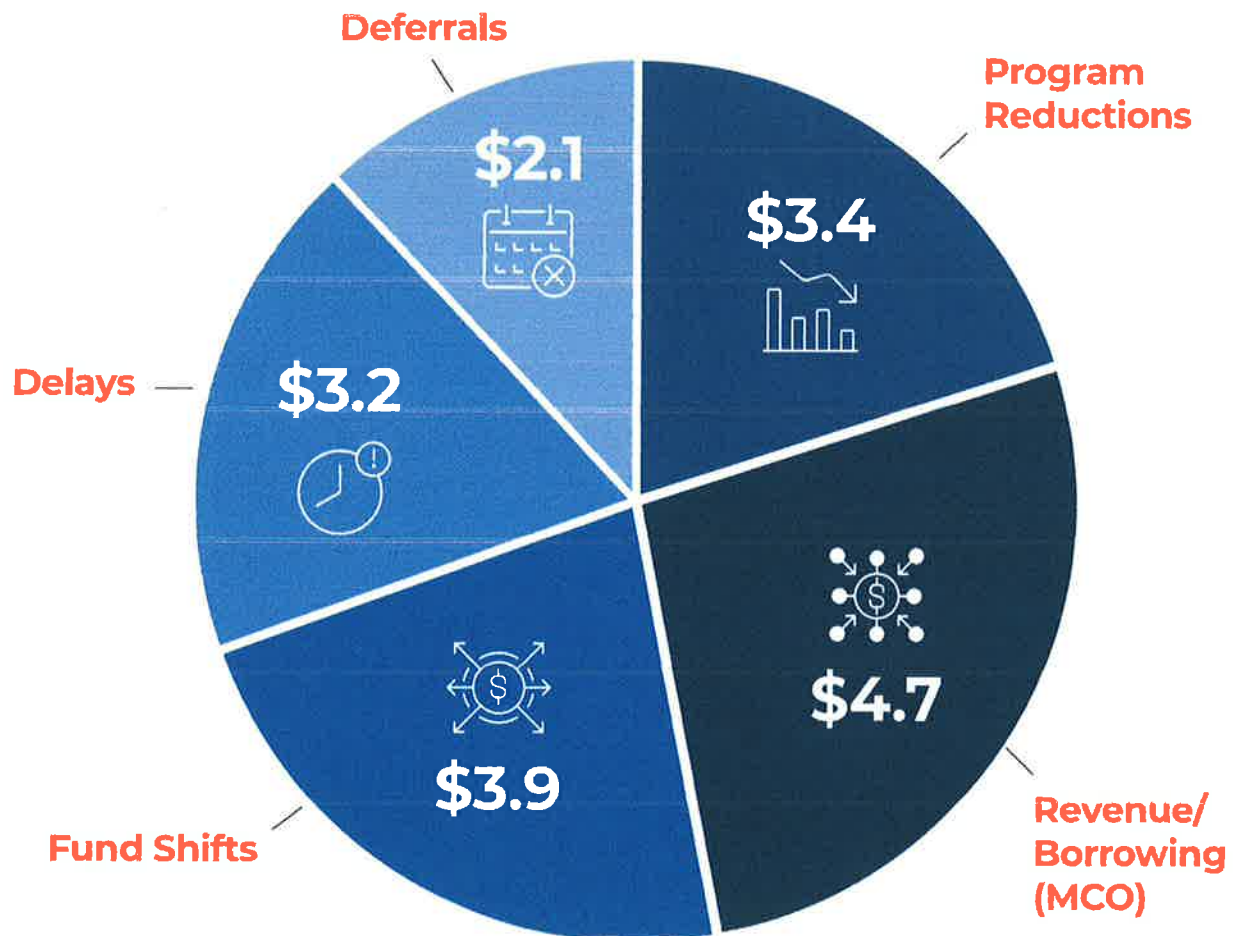
(in billions)



### Solutions Summary by Type and Fiscal Year *(in billions)*

	2023-24	2024-25	Total
Program Reductions	\$1.2	\$2.1	\$3.3
Revenue/Borrowing	\$1.0	\$3.6	\$4.7
Fund Shifts	\$0.7	\$3.2	\$3.9
Delays	\$0.7	\$2.5	\$3.2
Deferrals	\$0.0	\$2.1	\$2.1
<b>TOTAL</b>	<b>\$3.7</b>	<b>\$13.4</b>	<b>\$17.1</b>

### Distribution of Solutions *(in billions)*





# General Public Comment

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### General Fund Solutions by Subcommittee

(in millions)

	2023-24	2024-25	Total
Sub 1 (Education)	\$29	\$1,849	\$1,878
Sub 2 (Resources/Energy)	\$1,105	\$2,641	\$3,747
Sub 3 (Health and Human Services)	\$1,566	\$3,317	\$4,884
Sub 4 (General Government)	\$387	\$332	\$720
Sub 5 (Public Safety/Transportation/Labor)	\$601	\$5,293	\$5,894
<b>TOTAL</b>	<b>\$3,688</b>	<b>\$13,482</b>	<b>\$17,123</b>

### Subcommittee 1: General Fund Solutions by Type

(in millions)

	2023-24	2024-25	Total
Program Reductions	\$29	\$800	\$829
Revenue/Borrowing	\$0	\$0	\$0
Fund Shifts	\$0	\$0	\$0
Delays	\$0	\$550	\$550
Deferrals	\$0	\$499	\$499
<b>TOTAL</b>	<b>\$29</b>	<b>\$1,849</b>	<b>\$1,878</b>

### Subcommittee 2 General Fund Solutions by Type

(in millions)

	2023-24	2024-25	Total
Program Reductions	\$448	\$400	\$848
Revenue/Borrowing	\$0	\$201	\$201
Fund Shifts	\$557	\$1,721	\$2,278
Delays	\$100	\$320	\$420
Deferrals	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,105</b>	<b>\$2,642</b>	<b>\$3,747</b>

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### Subcommittee 3 General Fund Solutions by Type

(in millions)

	2023-24	2024-25	Total
Program Reductions	\$360	\$1	\$360
Revenue/Borrowing	\$1,020	\$2,867	\$3,888
Fund Shifts	\$145	\$32	\$176
Delays	\$42	\$417	\$459
Deferrals	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,566</b>	<b>\$3,317</b>	<b>\$4,884</b>

### Subcommittee 4 General Fund Solutions by Type

(in millions)

	2023-24	2024-25	Total
Program Reductions	\$127	\$32	\$159
Revenue/Borrowing	\$0	\$150	\$150
Fund Shifts	\$0	\$0	\$0
Delays	\$260	\$150	\$410
Deferrals	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$387</b>	<b>\$332</b>	<b>\$720</b>

### Subcommittee 5 General Fund Solutions by Type

(in millions)

	2023-24	2024-25	Total
Program Reductions	\$241	\$822	\$1,063
Revenue/Borrowing	\$0	\$414	\$414
Fund Shifts	\$34	\$1,400	\$1,433
Delays	\$327	\$1,080	\$1,407
Deferrals	\$0	\$1,577	\$1,577
<b>TOTAL</b>	<b>\$601</b>	<b>\$5,293</b>	<b>\$5,894</b>

### **Other Early Action Items:**

In addition to General Fund solutions and providing school funding certainty, there are additional items in the Early Action package. These include:

- Extending the Financial Aid form FAFSA deadline to address delays from the federal government.
- Approving the Governor's proposals for various emergency and disaster related costs and to address Fruit Fly containment.
- Various technical fixes and follow-up items.



## SOLUTION DETAILS

(in millions)

#	Department	Subcommittee #1 – Education	CY	BY
1	University of California	<p>Approves Governor's proposed one-time deferrals of \$227.8 million, representing a five-percent resource adjustment that is consistent with the Governor's multi-year compact with UC and \$31 million General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three UC campuses with an equivalent number of California resident undergraduate students.</p> <p>Deferrals would maintain ongoing UC at 2023-24 levels and enable UC to pursue various interim financing to support the planned 2024-25 base support.</p>	\$0	\$258.8
2	University of California	<p>Approves Governor's proposal to forego a \$300 million General Fund investment for a new construction project at UCLA because the project scope shifted to the acquisition and maintenance of an existing facility.</p>	\$0	\$300
3	California State University	<p>Approves Governor's proposal to defer \$240.2 million General Fund one-time. The deferral would maintain ongoing CSU at 2023-24 levels and enable CSU to pursue various interim financing to support the planned 2024-25 base support.</p>	\$0	\$240.2

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4	California State Library	Approves Governor's proposal to pull back \$29 million of the \$35 million General Fund provided in the 2021 Budget Act to expand broadband access to isolated and under-served communities.	\$29.0	\$0
5	Office of Public School Construction	Approves Governor's proposal to reduce the School Facility Program by \$500 million, bringing the total General Fund appropriation since 2022-23 from \$4.1 billion to \$3.6 billion. The General Fund allocation is expected to support the program until funds from a November 2024 bond can be administered.	\$0	\$500
6	Office of Public School Construction	Approves Governor's proposal to delay \$550 million for the Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facility Program. School bond discussions for the November 2024 election include early education facilities.	\$0	\$550

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# General Public Comment

## George, Linda

#	Department	Subcommittee #2 - Resources and Energy	CY	BY
7	Department of Water Resources	Approves Governor's proposal to delay the Investments in Strategic Reliability Assets (Energy Package).  (Maintains \$2.37 billion. This will have minimal programmatic impact.)	\$0	\$55
8	Department of Water Resources	Approves Governor's proposal to delay Oroville Pump Storage (Energy Package). This will have minimal programmatic impact.  (Maintains \$240 million. This will have minimal programmatic impact.)	\$0	\$90
9	Various	Approves Governor's level of fund shifts from General Fund to the Greenhouse Gas Reduction Fund. The specific programs to backfill will be determined through continued discussions with the Governor and Assembly.	\$557	\$1,721
10	Energy Resource Conservation, and Development Commission	Approves Governor's proposal to reduce the Climate Innovation Program.	\$0	\$100
11	Energy Resource Conservation, and Development Commission	Approves Governor's proposal to reduce the Food Production Investment Program (Energy Package).  (Maintains \$46 million.)	\$18.8	\$0
12	Energy Resource Conservation, and Development Commission	Approves Governor's proposal to reduce the Industrial Carbonization Program (Energy Package).  (Maintains \$68 million. Program will leverage \$90 million in federal Department of Energy funds.)	\$22	\$0

# General Public Comment

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13	Energy Resource Conservation, and Development Commission	<p>Approves Governor's proposal to reduce the Hydrogen Grants.</p> <p>(Maintains \$65 million. California recently received more than \$1 billion for hydrogen development through federal ARCHES.)</p>	\$35	\$0
14	Public Utilities Commission	<p>Approves Governor's proposal to delay Residential Solar and Storage (Energy Package).</p> <p>(Maintains \$630 million. This will have minimal programmatic impact.)</p>	\$0	\$75
15	Public Utilities Commission	<p>Approves Governor's proposal to delay Broadband – Last Mile.</p> <p>(Maintains \$2 billion. This will have minimal programmatic impact.)</p>	\$0	\$100
16	Public Utilities Commission	<p>Approves Governor's proposal to reduce the Capacity Building Grant Program (Energy Package).</p> <p>(Maintains \$10 million.)</p>	\$20	\$0
17	Public Utilities Commission	<p>Approves Governor's proposal to reduce Broadband – Loan Loss Reserve.</p> <p>(Maintains \$500 million.)</p>	\$0	\$150
18	State Water Resources Control Board	<p>Approves Governor's proposal to delay \$100 million for water recycling/ groundwater cleanup.</p> <p>(IJA provides more fed funding than normal for SRF programs between 2022-26 [\$1.16 billion for Drinking Water SRF and \$790 million for Clean Water SRF].)</p>	\$100	\$0

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19	State Water Resources Control Board	Approves Governor's proposal to reduce \$174.4 million for water recycling/groundwater cleanup.  (IJA provides more fed funding than normal for SRF programs between 2022-26 [\$1.16 billion for Drinking Water SRF and \$790 million for Clean Water SRF].)	\$174.4	\$0
20	Department of Water Resources	Approves Governor's proposal to reduce \$6.8 million for forecasted informed reservoir operations/improving runoff forecasting/snow.	\$0	\$6.8
21	Office of Planning and Research	Approves Governor's proposal to reduce \$9.8 million for regional climate collaboratives.  (\$10 million remains.)	\$9.8	\$0
22	Office of Planning and Research	Approves Governor's proposal to reduce \$5 million for climate adaptation and resilience planning grants.  (\$10 million of the original \$25 million has been committed to date; this proposal would allow an additional \$10 million to remain uncommitted.)	\$5	\$0
23	Department of Water Resources/ Wildlife Conservation Board	Partially approves half of the Governor's proposal to reduce \$413.3 million for watershed climate resilience, for a total \$206.7 million.  (Possible upcoming bond. Other funding available includes \$43 million (Prop 68 and annual support of \$21 million from Habitat Conservation Fund.)	\$88.3	\$118.4
24	Department of Pesticide Regulation	Approves Governor's proposal to reduce \$2.6 million for pest notification.  (This issue could/will get bundled into overhaul of mill assessment.)	\$2.6	\$0

# General Public Comment

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25	Wildlife Conservation Board	<p>Approves Governor's proposal to reduce \$5 million for resource conservation investment strategies.</p> <p>(Minimal impact to WCB; still has Prop. 68 funding remaining for same purpose.)</p>	\$5	\$0
26	CalRecycle	<p>Approves Governor's proposal to reduce \$6.7 million for the Compost Permitting Pilot Program.</p> <p>(Won't be able to provide grants; but remaining \$1 million will support research contract.)</p>	\$6.7	\$0
27	Various Conservancies	<p>Approves Governor's proposal to reduce \$27.7 million for conservancy project implementation in high-risk wildfire regions.</p> <p>(\$350 million remained for conservancy-led wildfire prevention efforts.)</p>	\$27.7	\$0
28	CalFire	<p>Approves Governor's proposal to reduce \$5.3 million for prescribed fire &amp; hand crews.</p> <p>(Program retains \$129 million and has \$31 million uncommitted GGRF from prior appropriations.)</p>	\$5.3	\$0
29	CalFire	<p>Approves Governor's proposal to reduce \$3.6 million for the Forest Legacy Program.</p> <p>(Retains \$45 million.)</p>	\$3.6	\$0
30	CalFire	<p>Approves Governor's proposal to reduce \$2.9 million for the Interagency Forest Data Hub.</p> <p>(Retains \$7 million.)</p>	\$2.9	\$0



# General Public Comment

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31	Department of Parks & Recreation	Approves Governor's proposal to reduce \$12.3 million for urban waterfront funding.	\$12.3	\$0
32	Department of Parks & Recreation	Approves Governor's proposal to reduce \$25 million for the Outdoor Equity Grants Program.	\$0	\$25
33	State Water Resources Control Board	Approves Governor's proposal to borrow \$200.6 million from the Underground Storage Tank fund as a loan to the General Fund.	\$0	\$200.6

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# General Public Comment

## George, Linda

#	Department	Subcommittee #3 – Health and Human Services	CY	BY
34	Health and Human Services Agency	<u>Health and Human Services (HHS) Innovation Accelerator</u> – Approves Governor's proposal to delay \$74 million for HHS Innovation Accelerator approved in 2023 Budget Act, until 2025-26.	\$42	\$32
35	Health Care Services	<u>Behavioral Health Infrastructure</u> – Approves Governor's proposal to delay \$475.4 million for the final rounds of the Behavioral Health Continuum Infrastructure Program and Behavioral Health Bridge Housing until 2025-26. If the voters approve Proposition 1, the Legislature may consider swapping these General Fund investments in the out-years with the new bond funding approved for this purpose.	\$0	\$375.4
36	Health Care Services	<u>Medi-Cal Drug Rebate Special Fund Reserve</u> – Approves Governor's proposal to sweep the \$162.7 million reserve balance in the Medi-Cal Drug Rebate Special Fund to the General Fund. This special fund is meant to smooth fluctuations in Medi-Cal drug rebate receipts, which are lower this year than expected, so this use of the fund is reasonable.	\$135.1	\$27.6
37	Public Health	<u>Skilled Nursing Facility Staffing Audits Fund Shift</u> – Approves Governor's proposal to shift \$4 million to support staffing audits in skilled nursing facilities from the General Fund to the Licensing and Certification Fund. The Legislature had advocated for this funding shift in last year's budget, but it was ultimately not included.	\$0	\$4

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*Rebates*

# General Public Comment

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38	Public Health	<u>Clinical Dental Rotations Fund Shift</u> – Approves Governor’s proposal to shift \$9.7 million to support clinical dental rotations in underserved areas from the General Fund to the Proposition 56 State Dental Account Fund reserves. According to CDPH, these reserves have built up over time due to prior implementation delays and should not affect the current program funding or operations.	\$9.7	\$0
39	HCAI/DSH	<u>Psychiatry Loan Repayment Program</u> – Approves Governor’s proposal to eliminate \$7 million General Fund and \$7 million Mental Health Services Fund to support loan repayment for psychiatrists who work in a state hospital.	\$7	\$0
40	Public Health	<u>Climate and Health Surveillance Program</u> – Approves Governor’s proposal to reduce \$3.1 million General Fund expenditures for climate and health surveillance, due to program savings.	\$3.1	\$0
41	Public Health	<u>COVID-19 Website Transition and Information Technology Resources</u> – Approves Governor’s proposal to eliminate \$900,000 General Fund authorized in the 2023 Budget Act for the COVID-19 website, and transition the website to CDPH.	\$0.9	\$0.9
42	Health Care Access and Information	<u>HCAI Special Fund Loans</u> – Approves Governor’s proposal to loan the General Fund a total of \$66 million from the following HCAI special funds: 1) Hospital Building Fund (\$50 million), 2) Registered Nurse Education Fund (\$3 million), 3) Vocational Nurse Education Fund (\$1 million), 4) Mental Health Practitioner Fund (\$1 million), and 5) CA Health and Data Planning Fund (\$11 million).	\$0	\$66

# General Public Comment

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43	Managed Health Care	<u>Managed Care Fund Loan</u> – Approves Governor's proposal to loan the General Fund \$22.9 million from the Managed Care Fund.	\$0	\$22.9
44	Health Care Services	<u>Managed Care Organization (MCO) Tax</u> – Approves Governor's proposal to seek federal approval to increase the state's tax on managed care organizations. The enhanced tax will provide additional federal funding for the Medi-Cal program, offsetting existing General Fund expenditures to address the budget shortfall.	\$1,020	\$2,779
45	Health Care Services	<u>Two-Week Fee-for-Service Checkwrite Hold</u> – Approves Governor's proposal to withdraw elimination of the two-week fee-for-service checkwrite hold for Medi-Cal providers. The 2023 Budget Act authorized \$532.5 million to support the elimination of the checkwrite hold in 2024-25. Due to the General Fund shortfall, the Governor proposes to keep the checkwrite hold in place.	\$0	\$532.5
46	Developmental Services	Approves Governor's proposal to delay the Preschool Inclusion Grant program by one additional year.	\$0	\$10
47	Aging	Approves Governor's proposal to cancel the Healthier at Home Pilot Program.	\$11.9	\$0
48	Social Services	Approves Governor's proposal to revert \$336 million from the 2022-23 CalWORKs Single Allocation. This is funding that is projected to be unexpended and should have no programmatic impact.	\$336	\$0

# General Public Comment

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#	Department	Subcommittee #4 – General Government	CY	BY
49	BCSH	Approves Governor’s proposal to delay Supplemental HHAP Round 5 funding. Given grant distribution timelines, this delay should only have a limited practical impact.	\$260	\$0
50	GOBiz	Approves Governor’s proposal to delay funding for economic development and conservation investments associated with decommissioning of Diablo Canyon.	\$0	\$150
51	BCSH	Approves Governor’s proposal to revert HHAP administrative savings.	\$100.6	\$0
52	CRD	Approves Governor’s proposal to cut the final year of funding from the Community Conciliation Unit and a <i>discrimination case enforcement and conciliation initiative</i> .	\$0	\$2.3
53	Office of Planning and Research	Approves Governor’s proposal to revert unspent amounts from Experience Corps. There was limited interest in the program.	\$8.8	\$0
54	Office of Planning and Research	Approves Governor’s proposal to make a reversion and reductions to the Office of Community Partnerships and Strategic Communication Budget.	\$5	\$8
55	Dept. of Food and Agriculture	Approves Governor’s proposal to revert \$8.5 million General Fund in 2023-24 from the Healthy Refrigeration Grant program at CDFA. This program provides grant funding to support purchase of energy efficient refrigeration units in low-income or underserved areas. The program retains \$12 million, which has already been awarded.	\$8.5	\$0

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56	Government Operations Agency	Approves Governor's proposal to revert \$500,000 General Fund from the 2023-24 Budget that was intended to support various leadership initiatives. One of the initiatives is no longer in need of support so this amount is available for reversion.	\$0.5	\$0
57	Government Operations Agency	Approves Governor's proposal to revert \$2.2 million General Fund in the 2023-24 budget from Census operations funding. Because the previous census work has concluded, this funding is available for reversion.	\$2.2	\$0
58	Government Operations Agency	Approves Governor's proposal to revert \$4.6 million General Fund in the 2023-24 budget that was intended to establish a Language Access Pilot program within GovOps to establish a framework to implement interpretive and language access services in public hearings. The pilot program was not implemented and the funding is available for reversion.	\$4.6	\$0
59	Board of State and Community Corrections.	Approves Governor's proposal to shift \$100 million from the BSCC Cannabis Tax Fund Allocation 3 Subaccount to the General Fund via budgetary loan. The budgetary loan would be paid back from the General Fund in 2026-27 and 2027-28 or earlier if the budgetary loan impacts programmatic functions of the subaccount.	\$100	\$0
60	Financial Information System for California (FI\$Cal)	Approves Governor's proposal to revert \$5.5 million General Fund in the 2023-24 budget from the CA State Payroll System Project. Due to delays in the project, this funding that was intended for contracting services in next phases of implementation is not currently needed therefore this funding is available for reversion.	\$5.5	\$0



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61	Joint Expenses	Approves Governor's proposal to shift \$50 million from the Annex Project – State Project Infrastructure fund to the General Fund via budgetary loan. This loan would be paid back in 2025-26.	\$50	\$0
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# General Public Comment

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#	Department	Subcommittee #5 – Public Safety, Transportation, and Labor	CY	BY
62	Various	Approves Governor's proposal to return to payroll accounting that was in place beginning in 2009-10 through 2018-19 budget years.	\$0	\$1,577
63	Various	Approves Governor's proposal to make appropriate reductions associated with vacant positions in 2024-25. Appropriations reduced through this process will revert to full funding levels in future budget years.	\$0	\$762
64	CalPERS	Approves Governor's proposal to apply state plans retirement contribution reductions using Proposition 2 debt repayment funding.	\$0	\$1,296
65	Labor and Workforce Development Agency	Approves Governor's proposal for a one-time loan of \$125 million from the Labor and Workforce Development Fund to the General Fund.	\$0	\$125
66	Labor and Workforce Development Agency	Approves Governor's proposal to extend a repayment date to fiscal year 2027-28 for a one-time loan of \$107 million from the Labor and Workforce Development Fund to the General Fund that was previously included in the 2020 Budget Act.	\$0	\$107
67	Employment Development Department	Approves Governor's proposal to delay \$300 million General Fund for the California Jobs First program (formerly Community Economic Resilience Fund) and instead includes \$100 million for each year between 2024-25 and 2026-27.	\$300	-\$100
68	Employment Development Department	Approves Governor's proposal to support the state's Unemployment Insurance loan interest payment with \$100 million Employment Training Fund	\$0	\$100

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69	Employment Development Department	Approves Governor's proposal to reduce the investment for the Emergency Medical Technician Training program by \$10 million and instead maintain the program at \$30 million over two years.	\$0	\$10
70	Employment Development Department	Approves Governor's proposal to revert \$10 million General Fund and maintain \$30 million for the Displaced Oil and Gas Worker Fund program.	\$10	\$0
71	Employment Development Department	Approves Governor's proposed fund shift for \$3 million each year in 2023-24 and 2024-25 from the General Fund to the Unemployment Compensation Disability Fund. This funding assists with fraud mitigation and improvement of cybersecurity efforts at the Employment Development Department.	\$3.0	\$3.0
72	Department of Industrial Relations	Approves Governor's proposed fund shift for \$650,000 in 2022-23 and ongoing from the General Fund to the Labor Enforcement and Compliance Fund. This funding was for the "Reaching Every Californian" campaign that focuses on educating employees and employers on California labor laws.	\$0.7	\$0.7
73	Department of Industrial Relations	Approves Governor's proposal to delay \$40 million General Fund in 2024-25 for the Apprenticeship Innovation Fund and spread this funding over the 2025-26 and 2026-27 fiscal years.	\$0	\$40
74	California Workforce Development Board	Approves Governor's proposal to delay \$40 million General Fund in 2024-25 for the Goods Movement Workforce Training Campus and spread this funding over the 2025-26 and 2026-27 fiscal years.	\$0	\$40

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75	California Workforce Development Board	Approves Governor's proposal of a \$15 million General Fund reduction for the Low Carbon Economy Program.	\$0	\$15
76	Department of Corrections & Rehabilitation	Approves Governor's proposal to delay the installation of five fixed camera projects costing \$27.2 million General Fund from 2023-24 to 2025-26 and 2026-27. The proposed budget maintains \$50.4 million General Fund in 2023-24 and associated ongoing resources to implement five other projects.	\$27.2	\$0
77	Department of Corrections & Rehabilitation	Approves Governor's proposal to reduce excess appropriation authority related to the closed Deuel Vocation Institution.	\$11.9	\$0
78	Office of Emergency Services	Approves Governor's proposal to revert \$45 million unspent funds from the Community Hardening to Build Disaster Resilient Communities Program, which was originally approved in the 2021 budget at \$100 million.	\$45	\$0
79	Office of Emergency Services	Approves Governor's proposal to revert \$21 million for local gun buyback programs. This was originally included in the 2022 budget, then moved from the Board of State and Community Corrections to Cal OES in 2023. None of the funding has been spent yet.	\$21	\$0
80	Judicial Branch	Approves Governor's proposal to transfer \$5 million from the Trial Court Emergency Fund. The proposal leaves \$5 million in the emergency fund, which is rarely used. Judicial Council had no concerns with this reversions.	\$0	\$5

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81	Department of Corrections & Rehabilitation	Approves Governor's proposal to reduce a contract for parolee urinalysis testing by \$100,000 ongoing General Fund. The Administration noted that contract utilization has declined due to the declining parolee population, and is returning the savings to the General Fund.	\$0.1	\$0.1	<i>↓ drug testing</i>
82	Department of Corrections & Rehabilitation	Approves Governor's proposal to revert \$38.8 million General Fund in 2023-24 intended for COVID-19 prevention, mitigation, and response activities at CDCR but was unspent. The proposal would maintain \$53.8 million for this purpose.	\$38.8	\$0	
83	Department of Corrections & Rehabilitation	Approves Governor's proposal to reduce the funding provided to maintain closed Division of Juvenile Justice facilities by \$909,000 General Fund. The 2023-24 budget included \$1.7 million for facility maintenance at recently-closed DJJ facilities, but the Administration noted that the actual maintenance costs were lower than expected.	\$0	\$0.9	
84	Department of Corrections & Rehabilitation	Approves Governor's proposal to revert \$1.9 million General Fund in 2023-24 and ongoing due to reduced workload related to the implementation of SB 990 (Hueso), Chapter 826, Statutes of 2022. The Administration noted that less funding than anticipated was needed to fulfill the obligations of the bill.	\$1.9	\$1.9	
85	Department of Corrections & Rehabilitation	Approves Governor's proposal to revert \$5 million in 2023-24 and \$9 million in 2024-25 for COVID-19 related workers compensation funding for CDCR.	\$5	\$9	
86	Department of Corrections & Rehabilitation	Approves Governor's proposal to reduce CDCR's baseline administrative budget by \$15 million ongoing.	\$0	\$15	<i>↓ Staff</i>

# General Public Comment

## George, Linda

87	Commission on Peace Officer Standards and Training	Approves Governor's proposal to revert unspent local assistance funding.	\$2.9	\$2.9
88	Commission on Peace Officer Standards and Training	Approves Governor's proposal to revert unspent funding approved for the implementation of SB 2 (Bradford and Atkins), Chapter 409, Statutes of 2021.	\$8	\$0
89	Judicial Branch	Approves Governor's proposal to transfer \$75 million from the unrestricted balance of the Trial Court Trust. The Judicial Council had no concerns with this reversion.	\$0	\$75
90	Department of Corrections & Rehabilitation	Approves Governor's proposal to transfer \$7.3 million of unobligated funds from the now unused <i>Recidivism Reduction Fund to the General Fund.</i>	\$0	\$7.3
91	Department of Justice	Approves Governor's proposal to borrow an additional \$100 million from the Litigation Deposit Fund.	\$0	\$100
92	Transportation Agency	Approves Governor's proposal to delay the Formula Transit and Intercity Rail Program.  (Maintains \$4 billion. This will have minimal programmatic impact.)	\$0	\$1,000
93	Transportation Agency	Approves Governor's proposal to delay the Ports and Freight Infrastructure Program.  (Maintains \$2 billion, This will have minimal programmatic impact.)	\$0	\$100



# General Public Comment

## George, Linda

94	Motor Vehicles	Approves Governor's proposal to shift the Oxnard DMV Field Office Reconfiguration construction costs from General Fund to lease revenue bonds.  (Continues the capital outlay project, as proposed.)	\$14.3	\$0
95	Motor Vehicles	Approves Governor's proposal to shift the El Centro DMV Field Office performance criteria costs from General Fund to lease revenue bonds.  (Continues the capital outlay project, as proposed.)	\$2.5	\$0
96	Highway Patrol	Approves Governor's proposal to shift the performance criteria funding for six area offices from General Fund to lease revenue bonds.  (Continues the capital outlay project, as proposed.)	\$13.1	\$0
97	Transportation Agency	Approves Governor's proposal to reduce Port of Oakland funding.  (Maintains \$184 million.)	\$96	\$0

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