



April 17, 2024

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

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Honorable Anna M. Caballero, Chair  
Senate Appropriations Committee

Honorable Buffy Wicks, Chair  
Assembly Appropriations Committee

**Notification Pursuant to Section 77 of AB 106 (Ch. 9, Stats. 2024)**

Pursuant to Section 77 of AB 106, Chapter 9, Statutes of 2024, the following information is respectfully submitted.

Section 77 of AB 106 requires the following of the Department of Finance:

*“No later than seven days following enactment of the act adding this section, the Director of Finance shall provide to the Joint Legislative Budget Committee a list of adjustments to commitments related to past budget agreements that will no longer be included in baseline budget forecasts and no longer fulfilled under spring 2024 budget agreements that help address significant deficits projected in the 2024–25 fiscal year and future fiscal years.”*

The attachment included in this notification is responsive to the requirement noted above. The Early Action agreement results in total solutions related to previous commitments of \$17.3 billion. Items listed in the attachment represent early legislative agreement to these solutions.

In addition to requesting that the Director of Finance provide this list of adjustments, Section 77 states legislative intent that 2024 May budget forecasts reflect transfers from the Budget Stabilization Account and the Public School System Stabilization Account to the General Fund proposed in the 2024-25 Governor's Budget, as updated in the 2024-25 May Revision, pursuant to Sections 20 and 21 of Article XVI of the California Constitution, which are expected to be made in the Budget Act of 2024 to help address the significant deficit projected in the 2024-25 fiscal year.

If you have any questions or need additional information regarding this matter, please contact Thomas Todd, Program Budget Manager, at [Thomas.Todd@dof.ca.gov](mailto:Thomas.Todd@dof.ca.gov) or (916) 445-5332.

JOE STEPHENSHAW

Director

By:



ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee

**2024-25 Early Action**  
**Joint Legislative Budget Committee Notification Pursuant to Sec. 77 of AB 106**  
**General Fund Solutions included in Early Action**  
(Dollars in Millions)

Issue #	Entity	Department(s)	Title	Amount
1	6350 (OPSC)	Office of Public School Construction	California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program	\$550.0
2	6350 (OPSC)	Office of Public School Construction	School Facilities Aid Program	500.0
3	6440 (UC)	University of California	Defer UC New Compact Investment and Non-Resident Revenue Replacement Funding from 2024-25 to 25-26	258.8
4	6440 (UC)	University of California	Forego Additional Support for the UCLA Institute of Immunology and Immunotherapy Facility Project	300.0
5	6610 (CSU)	California State University	Defer CSU New Compact Investment from 2024-25 to 25-26	240.2
6	9897 (CalPERS Retirement Contributions)	CalPERS Retirement Contributions	State Plans Retirement Contribution Reductions Using Prop 2 Debt Repayment Funding	1,296.0
7	9800 (Statewide Employee Comp)	Statewide Employee Compensation	Vacant Position Savings	762.5
8	9802 Statewide	Statewide Payroll Deferral	Payroll Deferral (June 2025 to July 2025)	1,577.0
9	0130 (Joint Rules)	Joint Expenses	Capital Outlay - Annex Project - Additional loan from State Project Infrastructure Fund	50.0
10	3860 (Department of Water Resources)	Department of Water Resources	Forecasted Informed Reservoir Operations/Improving Runoff Forecasting/Snow (Water and Drought Resilience Packages)	6.8
11	3860 (DWR) and 3640 (Wildlife Conservation Board)	Department of Water Resources / Wildlife Conservation Board	Watershed Climate Resilience (Water and Drought Resilience Packages)	118.4
12	3960 (Dept. of Toxic Substances Control)	Department of Toxic Substances Control	Vulnerable Community Toxic Clean-Up (DTSC Fee Reform Package)	175.0

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13	3940 (Water Board)	State Water Resources Control Board	Underground Storage Tank Fund Loan to General Fund	200.6
14	0521 (Transportation Agency)	Transportation Agency	Formula Transit and Intercity Rail Capital Program	1,000.0
15	0521 (Transportation Agency)	Transportation Agency	Ports and Freight Infrastructure Program	100.0
16	0559 (Labor and Workforce Development Agency)	Labor and Workforce Development Agency	Labor and Workforce Development Fund Loan	125.0
17	0559 (Labor and Workforce Development Agency)	Labor and Workforce Development Agency	Labor and Workforce Development Fund Loan Repayment Extension	107.0
18	2240 (Housing and Community Development)	Housing and Community Development	Foreclosure Intervention Housing Preservation Program	85.0
19	3360 (California Energy Commission)	California Energy Commission	Climate Innovation Program	100.0
20	3360, 3860, 8660, 0540 Various	California Energy Commission	Clean Energy Reliable Investment Plan (SB 486)	100.0
21	3860 (Department of Water Resources)	Department of Water Resources	Investments in Strategic Reliability Assets (Energy Package)	55.0
22	3860 (Department of Water Resources)	Department of Water Resources	Oroville Pump Storage (Energy Package)	90.0
23	7100 (Employment Development Department)	Employment Development Department	Utilize Employment Training Fund for Unemployment Insurance Interest Payment	100.0
24	7100 (Employment Development Department)	Employment Development Department	Targeted Emergency Medical Technician Training	10.0

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25	7100 (Employment Development Department)	Employment Development Department	California Jobs First (formerly CERF) Planned Expenditures Following AB 106 Reversion of \$275 million for the CERF Program	-91.7
26	7100 (Employment Development Department)	Employment Development Department	Cybersecurity Funding	3.0
27	7120 (California Workforce Development Board)	California Workforce Development Board	Goods Movement Workforce Training Campus	40.0
28	7350 (Department of Industrial Relations)	Department of Industrial Relations	Apprenticeship Innovation Fund	40.0
29	7350 (Department of Industrial Relations)	Department of Industrial Relations	Reaching Every Californian Fund Shift	0.7
30	8660 (Public Utilities Commission)	California Public Utilities Commission	Broadband - Last Mile	100.0
31	8660 (Public Utilities Commission)	California Public Utilities Commission	Broadband - Loan Loss Reserve	150.0
32	Various	Various	Diablo Canyon Land Conservation and Economic Development (SB 846)	110.0
33	0530 (Agency)	California Health and Human Services Agency	Health and Human Services Innovator	32.0
34	4140 (HCAI)	Health Care Access and Information	Hospital Building Fund Loan to General Fund	50.0
35	4140 (HCAI)	Health Care Access and Information	Registered Nurse Education Fund Loan to General Fund	3.0
36	4140 (HCAI)	Health Care Access and Information	Vocational Nurse Education Fund Loan to General Fund	1.0

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37	4140 (HCAI)	Health Care Access and Information	Mental Health Practitioner Fund Loan to General Fund	1.0
38	4140 (HCAI)	Health Care Access and Information	California Health and Data Planning Fund Loan to General Fund	11.0
39	4150 (DMHC)	Department of Managed Health Care	Managed Care Fund Loan to General Fund	22.9
40	4260 (DHCS)	Department of Health Care Services	Medi-Cal Drug Rebate Special Fund Reserve	162.7
41	4260 (DHCS)	Department of Health Care Services	Managed Care Organization Tax - represents early agreement to the Governor's Budget savings proposals, including passage of SB 136	3,799.0
42	4260 (DHCS)	Department of Health Care Services	Withdraw Elimination of Two-week Fee-For-Service Checkwrite Hold	532.5
43	4260 (DHCS)	Department of Health Care Services	Behavioral Health Bridge Housing	235.0
44	4260 (DHCS)	Department of Health Care Services	Behavioral Health Continuum Infrastructure Program	140.4
45	4265 (DPH)	Department of Public Health	Skilled Nursing Facilities Staffing Audits	4.0
46	4265 (DPH)	Department of Public Health	COVID-19 Website Transition and Information Technology Resources	0.9
47	4265 (DPH)	Department of Public Health	AIDS Drug Assistance Program Rebate Fund Loan to General Fund with a Commitment to Enhance Program in the Future Beginning in the 2024 Budget Act.	500.0
48	4300 (DDS)	Department of Developmental Services	Preschool Inclusion Grants	10.0

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Issue #	Entity	Department(s)	Title	Amount
49	0250 (Judicial Council)	Judicial Branch	Trial Court Trust Fund Unrestricted Fund Balance	75.0
50	0250 (Judicial Council)	Judicial Branch	Trial Court Trust Fund Emergency Fund for Trial Courts	5.0
51	0650 (Office of Planning and Research)	Office of Planning and Research	Office of Community Partnerships and Strategic Communications (OCPSC)	8.0
52	5225 (CDCR)	California Department of Corrections and Rehabilitation	Division of Adult Parole Operations Urinalysis Contract Funding Reduction	0.1
53	5225 (CDCR)	California Department of Corrections and Rehabilitation	DJJ Warm Shutdown Reduction	0.9
54	5225 (CDCR)	California Department of Corrections and Rehabilitation	2024-25 SB 990 County of Release Legislative BCP – Reversal	1.9
55	5225 (CDCR)	California Department of Corrections and Rehabilitation	COVID-19 Workers Compensation (SB 1159) Reduction	9.0
56	5225 (CDCR)	California Department of Corrections and Rehabilitation	Baseline Administrative Reduction	15.0
57	5227 (BSCC)	Board of State and Community Corrections	Community Corrections Partnership Plan	8.0
58	5227 (BSCC)	Board of State and Community Corrections	Allocation 3 Cannabis Tax Fund Special Fund Loan from Board of State and Community Correction to General Fund	100.0
59	8120 (POST)	Commission on Peace Officer Standards and Training	Local Assistance Funding Reversion	2.9
60	0820 (DOJ)	Department of Justice	Loan from the Unfair Competition Law Fund to the General Fund	100.0

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Issue #	Entity	Department(s)	Title	Amount
61	Various	Various	Governor's Budget Current Year and Budget Year Fund Shifts to the Greenhouse Gas Reduction Fund (GGRF)	1,798.0
62	Various	Various	Other Current Year and Prior Year Early Action Items in AB 106	1,415.5
<b>Total Early Actions</b>				<b>\$17,304.0</b>