

June 7, 2023

Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review  
Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Chris Holden, Chair  
Assembly Appropriations Committee

### **DNA Identification Fund Transfer Authority Augmentation**

Pursuant to Provision 1 of Item 0820-013-0001, 2022 Budget Act, the following request is respectfully submitted.

The Department of Finance has received a request from the Department of Justice (DOJ) to increase the amount available for transfer in Item 0820-013-0001 by \$10 million to backfill the DNA Identification Fund to maintain current service levels within the Bureau of Forensic Services. Provision 1 of Item 0820-013-0001, 2022 Budget Act, authorizes Finance to augment this item if a determination is made that revenues are insufficient to support the Bureau of Forensic Services. In 2022-23, DOJ estimates total expenditures of \$83,035,000 and total revenues of \$40,966,000. Once the current General Fund backfill of \$35,424,000 is factored in, DOJ estimates a current year deficit of \$6,645,000. While DOJ requested a backfill of \$10 million, Finance recommends and requests a backfill of \$7 million based on DOJ's currently projected need. To the extent a backfill of \$10 million is considered, any unspent funds would be retained in the balance for the DNA Identification Fund and be available for expenditure in 2023-24. Given the state's current fiscal condition, Finance recommends providing a backfill to more closely align with the projected current year need.

Finance has completed a review and recommends a reduced backfill amount as explained above. A waiver of the 30-day review period is necessary to allow funds to be dispersed immediately to allow the DOJ to pay for Bureau of Forensic Services expected to be incurred by June 30, 2023.

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:



ERIKA LI

Chief Deputy Director

cc: Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Honorable Mia Bonta, Chair, Assembly Budget Subcommittee No 5. on Public Safety  
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee No. 5  
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  
Chris Ryan, Chief, Division of Operations, Department of Justice  
Michael Fong, Director, Fiscal Services, Department of Justice  
Ashley Harp, Budget Officer, Department of Justice

Attachment

# Memorandum

To : Kevin Clark, Staff Finance Budget Analyst  
**Department of Finance**

Date: May 8, 2023

Telephone: (916) 210-7022  
 E-mail Address: Ashley.Harp@doj.ca.gov

From : Ashley Harp, Budget Officer  
**Department of Justice - Sacramento**

Subject : Request to enact Provision 1 Augmentation to Item 0820-013-0001 of the 2022 Budget Act

Request:

The Department of Justice (DOJ) respectfully requests an augmentation to the General Fund backfill for the DNA Identification Fund pursuant to Provision 1, Item 0820-013-0001, 2022 Budget Act. This augmentation is necessary to maintain program operations and ensure DNA ID Fund solvency in the current year.

Background/Justification:

Since 2016, the DOJ has submitted Budget Change Proposals requesting General Fund backfills to ensure sufficient revenue is available for the Bureau of Forensic Services (BFS) operations. The DOJ has monitored the DNA ID Fund (Fund 3086) closely, and has identified the need to enact the provisional language as revenues continue to be insufficient to meet program costs.

<b>3086 DNA ID FUND CONDITION</b>	<b>2022-23</b>
Starting Balance	\$4,079,000
<i>Projected 2022-23 Revenues including Accruals</i>	\$36,887,000
<b>Total Resources</b>	<b>\$40,966,000</b>
DOJ Expenditures	\$77,675,000
Prorata/Pension Loan Repayment	\$5,360,000
<b>Total Expenditures</b>	<b>\$83,035,000</b>
<i>Less Funding per Item 0820-013-0001</i>	<i>(\$35,424,000)</i>
<b>Fund Balance</b>	<b>(\$6,645,000)</b>
Requested General Fund Backfill Augmentation	\$10,000,000
<b>Fund Balance after Provision 1</b>	<b>\$3,355,000</b>

Enacting Provision 1 of Item 0820-013-0001 by augmenting the backfill amount of \$10 million to support current operations will result in a reserve fund balance of \$3,355,000. This balance is necessary to help mitigate any variances in current year revenue projections, and any remaining balance will be carried over into the Budget Year.

Consequences if this is Denied:

Should this request be denied, the following program areas are likely to be impacted:

- Denial of this request represents a \$10 million budget reduction to BFS which will directly impact critical public safety programs.
- Lab Reagents and Supplies will need to be reduced significantly. The BFS has already depleted its reserves of supplies for critical programs and has been working to build back up as a result of prior budget issues and the pandemic. Reducing supplies will likely mean evaluating programs and areas of analysis to remove from our accreditation scope as there will not be support to maintain them.
- Delays in existing hiring efforts may have an adverse impact on DNA Criminalists, who process sexual assault kits.
- If the necessary backfill to fully support DOJ's current appropriation were to be denied, employee payroll could be at risk due to the severity of the cash shortfall.
- All critical IT refresh and replacement projects will need to be canceled and postponed. These are necessary to ensure the latest hardware and software are available for security and data integrity. Failures can result in data loss in critical case related data as well as vulnerability in security.
- The BFS will postpone all critical facilities projects. There are major projects that need to be completed, such as old boilers and chillers, which are planned to be replaced due to age/failure. If they are not replaced, laboratories (i.e. Santa Rosa and Redding) will likely need to be shut down as temperatures in the Santa Rosa laboratory this winter have approached freezing due to boiler issues and temperatures in the Redding facility have climbed to over 90 degrees Fahrenheit in the summer. We were able to circumvent a closure with portable chillers and space heaters while DGS and DOJ facilities worked to rectify the situation.
- Finally, if the above is not sufficient, BFS will need to revisit the closure of facilities, reductions in service, and cuts to personnel. This will lead to increased backlogs and delays in service that will further impact the criminal justice system.

Should you have any questions regarding this request, please do not hesitate to contact Ashley Harp at (916) 210-7022.