

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

Early Action Related Spending Adjustments

Pursuant to Section 74 of AB 106, Chapter 9, Stats. of 2024, which amends Section 21 of the Budget Act of 2023, the Department of Finance may suspend the authority to expend any one-time funding provided in Section 2.00 of the Budget Acts of 2021, 2022, or 2023, not sooner than 10 days after notification in writing to the Joint Legislative Budget Committee. Finance is hereby notifying the legislature of its intent to issue guidance to departments to begin suspending further expenditure of various one-time appropriations provided in Section 2.00 of the Budget Acts of 2021, 2022, and 2023.

Specifically, departments that received such appropriations shall be instructed to immediately suspend spending or encumbering these resources, if the appropriation(s) meets all the following criteria:

- The appropriation is from the General Fund;
- The appropriation is not part of the Proposition 98 Guarantee;
- The appropriation is not for a specified state capital outlay project, or an emergency-related expenditure;
- There are remaining funds that are unallocated or unencumbered from the appropriation; and
- The total value of unallocated or unencumbered funds is greater than \$1 million (not including state administrative overhead costs).

Departments with appropriations meeting the above criteria shall be directed to immediately suspend spending or encumbering these resources. Additionally, affected departments will be directed to contact Finance to assess remaining funds and impacts. Statewide Constitutional Officers will be strongly encouraged to comply with the provisions of this direction as well.

Finance intends to issue this direction to departments as soon as possible. As such, Finance respectfully requests expedited review of the submission and a waiver of the 10-day notification requirement.

Any savings resulting from this communication may be included as part of the May Revision.

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 or (916) 445-5332.

JOE STEPHENSHAW

Director

By:



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Chief Deputy Director

cc: Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
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