



APR 1 2004

Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Amendment to Budget Bill Items 7100-001-0514, 7100-001-0870, and Reimbursements, and Deletion of Item 7100-015-0001, Support, Employment Development Department; Amendment to Items 5180-101-0001 and 5180-101-0514, Local Assistance, Department of Social Services, and Addition of Control Section 6.60, Workers' Compensation Survey

It is requested that Items 7100-001-0514 and 7100-001-0870 be revised by amending associated provisional budget bill language to specify that the Director of Finance may increase funding for the Employment Training Panel if funds are available for allocation. It is requested that Item 7100-015-0001 be deleted as a conforming action. It is requested that reimbursements to Program 50 of Item 7100-001-0870 also be deleted as a conforming action.

It is also requested that Item 7100-001-0514 be revised by eliminating Provision 2 of that item, which requires \$2,126,000 to be made available for an interagency agreement with the Business, Transportation, and Housing Agency for the Manufacturing Technology Program.

It is requested that Items 5180-101-0001 and 5180-101-0514 be revised by adding provisional budget bill language specifying that up to \$40.0 million General Fund may be used to augment the CalWORKs employment services program in lieu of resources appropriated from the Employment Training Fund to the extent that funds are available pursuant to Control Section 6.60.

Finally, it is requested that Control Section 6.60 be added to specify that the Department of Finance shall complete a survey of State departments to determine if, between fiscal years 2003-04 and 2004-05, there are any savings related to workers' compensation costs. Additionally, the control section states that, to the extent that savings are available, those funds shall be transferred to the General Fund. Up to \$40.0 million of those savings may be used to fund the CalWORKs employment services program in lieu of resources from the Employment Training Fund.

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

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If you have any questions or need additional information regarding this matter, please call Jennifer Osborn, Principal Program Budget Analyst, at 445-8913.

DONNA ARDUIN
Director
By:



for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: Honorable Dede Alpert, Chair, Senate Appropriations Committee
Attention: Ms. Anne Maitland, Staff Director
Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Jeff Bell, Fiscal Director
Honorable Judy Chu, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Attention: Mr. Peter Schaafsma, Staff Director
Honorable Wesley Chesbro, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Honorable John Dutra, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (4)
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Ms. Victoria Bradshaw, Undersecretary, Labor and Workforce Development Agency
Ms. Marisa Duek, Associate Secretary, Fiscal Policy and Administration, Labor and
Workforce Development Agency
Mr. Herb K. Schultz, Acting Director, Employment Development Department
Ms. Ada Carillo, Acting Assistant Director, Employment Training Panel
Ms. Laura Anderson, Fiscal Programs Division, Employment Development Department

EMPLOYMENT DEVELOPMENT DEPARTMENT PROPOSED BUDGET BILL

Item 7100-001-0514

Provisions:

"4. Provision 3 of Item 7100-001-0870 also applies to *the amount appropriated in this item.*"

Item 7100-001-0870

Provisions:

"3. Upon certification that funds are available for allocation to this program, the Director of Finance may increase the amount scheduled for Program 50, Employment Training Panel, in this item, by up to \$40,000,000. shall not be available for expenditure until the Director of Finance certifies that funds are available for allocation to this program."

Control Section 6.60

The Department of Finance shall complete a survey of State departments to determine if, between fiscal years 2003-04 and 2004-05, there are any savings related to workers' compensation costs. To the extent that savings are available, those funds shall be transferred to the General Fund. Up to \$40,000,000 of these savings shall be appropriated to Item 5180-101-0001 in lieu of up to \$40,000,000 of the amount appropriated in Item 5180-101-0514.

Item 5180-101-0514

Provisions:

1. The amount appropriated in this item shall be reduced by an amount equal to the augmentation to Item 5180-101-0001 pursuant to Provision 9 of that item and shall not exceed \$40,000,000.

Item 5180-101-0001

Provisions:

9. Upon certification that funds are available pursuant to Control Section 6.60, the Director of Finance may augment this item by up to \$40,000,000. Any augmentation to this item shall be in lieu of funds appropriated in Item 5180-101-0514, for CalWORKs employment services.



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Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

Addition of Budget Bill Item 7350-490, Reappropriation, Department of Industrial Relations

It is requested that Item 7350-490 be added to the Budget Bill to provide a reappropriation of Item 7350-001-0001, Budget Act of 2003. This item would reappropriate up to \$960,000 to reflect the revised timetable for the Division of Labor Standards Enforcement's centralized Case Management System.

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 Jennifer Osborn, Principal Program Budget Analyst, at 445-8913.

DONNA ARDUIN
Director
By:

for MICHAEL C. GENEST
Chief Deputy Director

Attachment

cc: On following page

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Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Julie Sauls, Chief Consultant, Assembly Republican Leader's Office
Ms. Victoria Bradshaw, Undersecretary, Labor and Workforce Development Agency
Mr. John Rea, Acting Director, Department of Industrial Relations

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**DEPARTMENT OF INDUSTRIAL RELATIONS
PROPOSED BUDGET BILL LANGUAGE**

7350-490—Reappropriation, Department of Industrial Relations. Up to \$960,000 of the funds appropriated pursuant to Item 1760-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), are reappropriated and shall be available for expenditure through June 30, 2005.