

Senate Budget and Fiscal Review—John Laird, Chair

SUBCOMMITTEE NO. 5

Agenda

Senator Laura Richardson, Chair
Senator María Elena Durazo
Senator Kelly Seyarto



Thursday, May 28, 2026
State Capitol – Room 112
Upon Adjournment of Session

Consultant: Diego Emilio J. Lopez
Part A – Labor & Public Employment

Vote-Only Calendar

<u>Item</u>	<u>Department</u>	<u>Page</u>
0559	Labor and Workforce Development Agency	3
4120	Emergency Medical Services Authority	3
4140	Department of Health Case Access and Information	3
4150	Department of Managed Health Case	3
4260	Department of Healthcare Services	3
6100	Department of Education	3
7100	Employment Development Department	3

7120	California Workforce Development Board	3
7300	Agricultural Labor relations Board	3
7320	Public Employment Relations Board	3
7350	Department of Industrial Relations (DIR)	3
7501	Department of Human Resources (CalHR)	3
7600	Department of Tax and Fee Administration	3
7900	Public Employees’ Retirement System (CalPERS).....	3
7920	State Teachers’ Retirement System (CalSTRS).....	3
8660	California Public Utilities Commission	3
9650	Health and Dental Benefits for Annuitants.....	3
9800	Augmentation for Employee Compensation	3
9897	Control Section 3.60.....	3
	Issue 1-59: Various Proposals	4

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

Vote-Only Calendar

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY
4120 EMERGENCY MEDICAL SERVICES AUTHORITY
4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
4150 DEPARTMENT OF MANAGED HEALTH CARE
4260 DEPARTMENT OF HEALTHCARE SERVICES
6100 DEPARTMENT OF EDUCATION
7100 EMPLOYMENT DEVELOPMENT DEPARTMENT
7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD
7300 AGRICULTURAL LABOR RELATIONS BOARD
7320 PUBLIC EMPLOYMENT RELATIONS BOARD
7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)
7501 DEPARTMENT OF HUMAN RESOURCES (CALHR)
7600 DEPARTMENT OF TAX AND FEE ADMINISTRATION
7900 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)
7920 STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS)
8660 CALIFORNIA PUBLIC UTILITIES COMMISSION
9650 HEALTH AND DENTAL BENEFITS FOR ANNUITANTS
9800 AUGMENTATION FOR EMPLOYEE COMPENSATION
9897 CONTROL SECTION 3.60

Issue 1-59: Various Proposals

1	Governor's Budget	0559	Labor and Workforce Development Secy	Jobs First Administrative Resources Reappropriation	The Governor's budget proposes a reappropriation from previous Budget Acts to extend the encumbrance periods from two appropriations. The extended encumbrance period will allow the Governor's Office of Business & Economic Development (GO-Biz), Employment Development Department, and the Labor and Workforce Development Agency to expend administrative resources for Jobs First program aligning with the lifecycle of the program which is operable until June 30, 2030.	Approve as Budgeted
2	Governor's Budget	7100	Employment Development Department (EDD)	EDDNext Modernization	The Governor's budget requests \$145.5 million (\$60.9 million General Fund and \$84.6 million) in 2026-27 to continue the EDDNext modernization project. The resources requested in this proposal are intended to continue supporting the modernization of benefits systems and services through the next phase of the EDDNext life cycle. This request also includes reversion of \$70.6 million General Fund from previously appropriated funds for the EDDNext project.	Approve as Budgeted

3	Governor's Budget	7100	Employment Development Department (EDD)	Paid Family Leave (SB 590)	The Governor's budget proposes \$532,000 Unemployment Compensation Disability (DI) Fund in 2026-27, \$1,483,000 DI Fund in 2027-28, and \$342,000 DI Fund in 2028-29 and ongoing, for EDD to implement the changes required by SB 590 (Durazo), Chapter 772, Statutes of 2025, that was recently chaptered. The requested amounts include costs for staffing and contract services.	Approve as Budgeted
4	May Revision	7100	Employment Development Department	EDDNext Modernization - Document Management System Spring Update	The May Revision includes \$10 million one-time General Fund and \$10 million one-time Unemployment Compensation Disability Fund and provisional language to support continued implementation of the EDDNext Document Management System.	Approve May Revision
5	May Revision	7100	Employment Development Department	Emergency Medical Technician Training Reappropriation	The May Revision includes technical changes to reappropriate \$883,000 General Fund included in the 2022 Budget Act for targeted emergency medical technician training to make funds available for encumbrance or expenditure for one additional year, until June 30, 2027.	Approve May Revision

6	May Revision	7100	Employment Development Department	Unemployment Insurance Loan Interest Payment.	The May Revision includes \$6.1 million one-time to reflect an updated unemployment insurance loan interest payment estimate. In conjunction with the amount proposed at the 2026-27 Governor’s Budget, this will be used to fund the estimated interest payment of \$668,291,000.	Approve May Revision
7	May Revision	7100	Employment Development Department	Disability Insurance Program Benefits and Administration Adjustments.	The May Revision includes \$2.3 billion ongoing Unemployment Compensation Disability Fund to align with updated projections for disability insurance program benefit payments. Additionally, it includes \$1.3 billion one-time Unemployment Compensation Disability Fund in 2025-26 to align with estimated current year increases in disability program benefit payments. Finally, it includes \$4.3 million ongoing Unemployment Compensation Disability Fund to align with updated estimates for disability program administration needs.	Approve May Revision

8	May Revision	7100	Employment Development Department	Workforce Innovation and Opportunity Act Allocations.	The May Revision includes \$74,325,000 ongoing Consolidated Work Program Fund and \$74.3 million Federal Trust Fund \$95.6 million ongoing Consolidated Work Program Fund and \$95.6 million ongoing Federal Trust Fund to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.	Approve May Revision
9	May Revision	7100	Employment Development Department	Unemployment Insurance Program Benefits and Administration Adjustments.	The May Revision includes \$65.7 million ongoing Unemployment Fund and \$65.7 million ongoing Federal Trust Fund to align with updated projections for unemployment insurance program benefit payments. Additionally, a decrease of \$308 million in 2025-26 to align with an estimated current year increase in unemployment insurance program benefit payments.	Approve May Revision

10	Governor's Budget/April Finance Letter	7120	California Workforce Development Board	Additional Operational Resources	<p>The Governor’s budget requests additional resources to support the operations of the California Workforce Development Board. The requested resources are as follows: \$15.1 million (\$5.6 million General Fund and \$9.6 million other funds) in 2026-27, \$13.9 million (\$3.9 million General Fund and \$10 million other funds) in 2027-28, \$4.9 million (\$2.4 million General Fund and \$2.5 million other funds) in 2028-29, \$3.3 million (\$755,000 General Fund and \$2.6 million other funds) in 2029-30; and \$1.9 million other funds ongoing.</p> <p>Spring Adjustment. The California Workforce Development Board (CWDB) requests various adjustments of the reimbursement authority included in this proposal, including an increase in reimbursement authority of \$7.5 million one-time in 2026-27 and a decrease in reimbursement authority of \$500,000 one-time in 2028-29 and \$1 million in 2029-30. This will align the amounts included in the BCP to the interagency agreement with the Department of Transportation (Caltrans) for the High Road Construction Career (HRCC) Program.</p>	Approve as Budgeted
----	--	------	--	----------------------------------	--	---------------------

11	Governor's Budget	7120	California Workforce Development Board	Trailer Bill Language: Streamlining Reporting Requirements	The Governor's budget proposes trailer bill language that would align the reporting requirement timelines relating to various grant programs, including requiring the California Workforce Development Board to produce and submit a report to the Legislature evaluating those grant programs by October 1 of every odd-numbered year. The bill would also establish new reporting requirements for the Breaking Barriers to Employment Initiative and the Prison to Employment program if additional grant funds are appropriated for the purpose of those programs.	Adopt Placeholder Trailer Bill Language
12	Governor's Budget	7300	Agricultural Labor Relations Board	Operations Resources for Information Technology and Human Resources	The Governor's budget proposes \$1.3 million and four positions in 2026-27 and \$1.2 million and four positions in 2027-28 and ongoing from the Labor and Workforce Development Fund for the Agricultural Labor Relations Board to dispense its Information Technology and Human Resource responsibilities, and create the essential level of service, oversight, and monitoring necessary for the organization.	Approve as Budgeted

13	Governor's Budget	7320	Public Employment Relations Board	Attorney Classification Realignment and OE&E Cost Increases	The Governor's budget proposes \$378,000 General Fund in 2026-27 and ongoing to align operating expenditures with current costs.	Approve as Budgeted
14	Governor's Budget	7320	Public Employment Relations Board	Transportation Network Company Drivers Labor Relations Act (AB 1340)	The Governor's budget proposes \$2.2 million General Fund and eight positions in 2026-27 and ongoing plus an additional \$800,000 in one-time funds for PERB to implement the requirements of AB 1340 (Wicks), Chapter 335, Statutes of 2025.	Approve as Budgeted
15	Governor's Budget/May Revision	7320	Public Employment Relations Board	Unfair Labor Practices (AB 288) & Spring Update	The May Revision includes a decrease of \$5 million one-time General Fund and 22 positions in 2026-27, \$6.5 million one-time and 31 positions in 2027-28, and 31 positions ongoing. This adjustment will reduce the amount included in the 2026-27 Governor's budget for implementation of AB 288 (McKinnor), Chapter 139, Statutes of 2025 to a total of \$500,000 one-time in 2026-27 and 2027-28 for the Public Employment Relations Board to support current legal workload associated with the implementation of AB 288.	Approve May Revision

16	May Revision	7320	Public Employment Relations Board	Implementation of the Legislature Employer-Employee Relations Act (AB 1, 2023)	The May Revision includes \$165,000 General Fund and one position ongoing for implementation of AB 1 (McKinnor), Chapter 313, Statutes of 2023, the Legislative Employer-Employee Relations Act, which will become operative on July 1, 2026.	Approve as Budgeted
17	May Revision	7350	Department of Industrial Relations	Trailer Bill Language: Assessment Payment Via Electronic Funds Transfer	The May Revision includes proposed trailer bill language to require payment of the annual employer assessment by electronic funds transfer (EFT). According to the Administration, this language is modeled after EFT requirements in statute for the Franchise Tax Board and the California Department of Tax and Fee Administration. The proposed trailer bill language is intended to create efficiencies for DIR related to payment processing through EFT as compared to paper checks. The department Director has discretion to reduce or waive the penalty.	Adopt Placeholder Trailer Bill Language
18	Governor's Budget	7350	Department of Industrial Relations	Trailer Bill Language: Workers' Compensation Appeals Board (WCAB) – Remove Sunset for Appeal Timeline Provisions	The Governor's budget requests trailer bill language to repeal the sunset date and make permanent a change to Labor Code 5909 provisions governing how the WCAB's time to act on petitions for reconsideration is calculated.	Adopt Placeholder Trailer Bill Language

19	Governor's Budget	7350	Department of Industrial Relations	Apprentice Training Grant Augmentation	The Governor's budget requests \$18.2 million in 2026-27, \$18.1 million in 2027-28, and \$17.8 million in 2028-29 and 2029-30 from the Apprenticeship Training Contribution Fund, for the Department of Industrial Relations, to increase grant distributions to approved apprenticeship programs in the building and construction trades by \$17 million annually from 2026-27 to 2029-30 and support related operational costs.	Approve as Budgeted
20	Governor's Budget	7350	Department of Industrial Relations	Bureau of Investigation Resources	The Governor's budget proposes 14 positions and \$2.3 million in 2026-27 and \$2 million in 2027-28 and ongoing from the Occupational Safety and Health Fund, for DIR, to address case backlog and statutory compliance within the Division of Occupational Safety and Health, Bureau of Investigation (BOI).	Approve as Budgeted
21	Governor's Budget	7350	Department of Industrial Relations	Cal/OSHA Centralized Complaint and Report Intake Unit	The Governor's budget proposes 35 positions and \$5.9 million in 2026-27 and 35 positions and \$5.3 million ongoing from the Occupational Safety and Health Fund for DIR to create a centralized complaint and report intake unit to help address the number of complaints, accidents, fatalities, and referrals the Division of Occupational Safety and Health receives.	Approve as Budgeted

22	Governor's Budget	7350	Department of Industrial Relations	Construction Trucking Employer Amnesty Program (SB 809)	The Governor's budget requests \$195,000 in 2026-27, \$177,000 in 2027-28 and 2028-29, and 0.5 position and \$98,000 in 2029-30 and ongoing from the Labor Enforcement and Compliance Fund for DIR to meet the statutory requirements of SB 809 (Durazo), Chapter 659, Statutes of 2025.	Approve as Budgeted
23	Governor's Budget	7350	Department of Industrial Relations	Contracts in Restraint of Trade (AB 692)	The Governor's budget requests one position and \$335,000 in 2026-27 and one position and \$317,000 ongoing from the Labor Enforcement and Compliance Fund for DIR to meet the requirements of AB 692 (Kalra), Chapter 703, Statutes of 2025.	Approve as Budgeted
24	Governor's Budget	7350	Department of Industrial Relations	Division of Workers' Compensation Security Services	The Governor's budget requests \$6.5 million in 2026-27 and ongoing from the Workers' Compensation Administration Revolving Fund for DIR to pay for increased costs for security services provided by the California Highway Patrol.	Approve as Budgeted
25	Governor's Budget	7350	Department of Industrial Relations	Extreme Heat and Agricultural Enforcement Task Force and Outreach	The Governor's budget requests 34 positions and \$7.7 million in 2026-27, and 34 positions and \$7.1 million in 2027-28 and ongoing, from the Occupational Safety and Health Fund to continue addressing extreme heat workload and agricultural enforcement and outreach efforts.	Approve as Budgeted

26	Governor's Budget	7350	Department of Industrial Relations	Firefighter Personal Protective Equipment (AB 1181)	The Governor's budget requests \$530,000 in 2026-27, \$504,000 in 2027-28, and \$454,00 in 2028-29 from the Occupational Safety and Health Fund to conduct rulemaking related to AB 1181 (Haney), Chapter 392, Statutes of 2025, and one position and \$296,000 in 2029-30 and \$278,000 ongoing from the Occupational Safety and Health Fund for enforcement of the new standards.	Approve as Budgeted
27	Governor's Budget	7350	Department of Industrial Relations	Foreign Labor Contractor Registration Expansion (AB 1362)	The Governor's budget requests two positions and \$1.1 million in 2026-27, four positions and \$1.9 million in 2027-28, with a total of four positions and \$859,000 ongoing from the Labor Enforcement and Compliance Fund to meet the requirements of AB 1362 (Kalra), Chapter 190, Statutes of 2025.	Approve as Budgeted
28	Governor's Budget	7350	Department of Industrial Relations	Increased Support for Judgment Enforcement	The Governor's budget proposes seven positions and \$1.3 million in 2026-27, 14 positions and \$2.3 million in 2027-28, and 14 positions and \$2.2 million in 2028-29 and ongoing from the Labor Enforcement and Compliance Fund to increase the number of judgment referrals enforced by the Labor Commissioner's Office.	Approve as Budgeted

29	Governor's Budget	7350	Department of Industrial Relations	Payment of Wages (SB 642)	The Governor's budget requests one position and \$195,000 in 2026-27 and \$177,000 in 2027-28 and ongoing from the Labor Enforcement and Compliance Fund for DIR to implement the requirements of SB 642 (Limón), Chapter 468, Statutes of 2025.	Approve as Budgeted
30	Governor's Budget	7350	Department of Industrial Relations	Pre-Apprenticeship Support	The Governor's budget proposes two positions and \$336,000 in 2026-27 and two positions and \$300,000 in 2027-28 and ongoing from the Apprenticeship Training Contribution Fund to support pre-apprenticeship programs for the building trades sectors.	Approve as Budgeted
31	Governor's Budget	7350	Department of Industrial Relations	Public Works Information Technology System Enhancements	The Governor's budget requests \$8.9 million in 2026-27 from the Labor and Workforce Development Fund to provide system maintenance and operations to DIR's public works data systems as well as to support and educate the public on new prevailing wage portal features and manage the increased volume of wage data.	Approve as Budgeted

32	Governor's Budget	7350	Department of Industrial Relations	Silicosis Training Attestation and Case Report Intake (SB 20)	The Governor's budget requests three positions and \$470,000 in 2026-27 and three positions and \$416,000 in 2027-28 and ongoing from the Occupational Safety and Health Fund to provide resources for the Division of Occupational Safety and Health to implement requirements of SB 20 (Menjivar), Chapter 734, Statutes of 2025.	Approve as Budgeted
33	Governor's Budget	7350	Department of Industrial Relations	Software Licensing and Support	The Governor's budget requests \$5 million in 2026-27 and ongoing from various special funds for DIR to support increased licensing and network upgrade costs related to automation and infrastructure.	Approve as Budgeted
34	Governor's Budget	7350	Department of Industrial Relations	Support for Occupational Safety and Health Workload	The Governor's budget requests eight positions and \$1.6 million for 2026-27 and eight positions and \$1.5 million ongoing from the Occupational Safety and Health Fund to address increased workload and mandated activities within the Division of Occupational Safety and Health (Cal/OSHA).	Approve as Budgeted

35	Governor's Budget	7350	Department of Industrial Relations	Support for Subsequent Injuries Benefits Trust Fund Workload	The Governor's budget requests \$12.7 million and 57 positions in 2026-27, \$20.1 million and 96 positions in 2027-28, \$27.4 million and 133 positions in 2028-29, \$32.7 million and 159 positions in 2029-30, and \$36.5 million and 177 positions in 2030-31 and ongoing from the Workers' Compensation Administration Revolving Fund.	Modify to approve positions and funding in 2026-27. Direct the Department to annually request additional positions based on workload.
36	Governor's Budget	7350	Department of Industrial Relations	The Workplace Know Your Rights Act (SB 294)	The Governor's budget requests two positions and \$390,000 in 2026-27 with \$354,000 in 2027-28 and ongoing from the Labor Enforcement and Compliance Fund for to meet the requirements of SB 294 (Reyes), Chapter 667, Statutes of 2025.	Approve as Budgeted
37	May Revision	7350	Department of Industrial Relations	Cal/OSHA Data Modernization Project	The May Revision includes \$28.4 million Labor and Workforce Development Fund in 2026-27 to continue the development of the Division of Occupational Safety and Health's information technology system to meet federal and state-mandated requirements, consolidate information into a central database/repository, interface to other DIR systems, automate manual processes across its units and support the training, and post go-live assistance needs.	Approve May Revision

38	May Revision	7350	Department of Industrial Relations	California Opportunity Youth Apprenticeship (COYA) Reappropriation	The May Revision includes an extension of \$2.3 million General Fund of existing funds from the 2024 Budget Act with provisional language to extend the encumbrance/expenditure date to align with the liquidation/reversion date of June 30, 2028.	Approve May Revision
39	May Revision	7350	Department of Industrial Relations	Electronic Adjudication Management System Modernization	The May Revision includes \$44.1 million one-time in 2026-27 from the Labor and Workforce Development Fund to continue the replacement of the Division of Workers' Compensation's (DWC) aging Electronic Adjudication Management System (EAMS) whose 17-year technology is nearing its end of life. Additionally, DIR requests a reappropriation to extend the encumbrance availability of the unencumbered balance of the amount included in the 2025 Budget Act for the EAMS Project by an additional year, through June 30, 2027, to support project activities.	Approve May Revision

40	May Revision	7350	Department of Industrial Relations	Emerging Technologies Unit	The May Revision includes five positions and \$1.8 million in 2026-27 and \$1.2 million ongoing from the Occupational Safety and Health Fund to research, evaluate, and develop regulations and industry guidance related to rapidly developing workplace technologies, as well as work with employers on experimental variance applications for emerging equipment and technology.	Approve May Revision
41	May Revision	7350	Department of Industrial Relations	Office of the Director Legal Unit Reclassifications	The May Revision includes \$388,000 in 2026-27 and ongoing from various special funds to support the reclassification of eight existing positions in the Office of the Director, Legal Unit, to increase management and support capacity and establish a new office in Southern California to align with workload needs.	Approve May Revision

42	May Revision	7350	Department of Industrial Relations	Trailer Bill Language: Division of Workers' Compensation Administrative Director Salary Amendment	The May Revision includes proposed trailer bill language to remove the salary cap for the Administrative Director of the Division of Workers' Compensation (DWC) within DIR. According to the Administration, this is intended to establish parity among leadership in the compensation structures for the DWC and DIR, and to support recruitment and retention following the retirement of DWC's prior Administrative Director. The current monthly salary of \$16,015.47, per statute, is below other executive leadership positions in DWC and DIR.	Adopt Placeholder Trailer Bill Language
43	Senate	7350	Department of Industrial Relations	Workers' Rights Enforcement Grant Program	The Senate Plan includes \$9 million Labor and Workforce Development Fund in 2026-27 and ongoing to support the statewide Workers' Rights Enforcement Grant Program administered by the Labor Commissioner's Office in the Department of Industrial Relations.	Approve as Proposed
44	Senate	7350	Department of Industrial Relations	California Workplace Outreach Project (CWOP)	The Senate Plan includes \$30 million Labor Workforce Development Fund annually, beginning in 2026-27 through 2030-31 to support the California Workplace Outreach Project.	Approve as Proposed

45	Governor's Budget	7350	Department of Industrial Relations	Trailer Bill Language: Subsequent Injuries Benefits Trust Fund Reforms	The Governor's Budget includes trailer bill language that proposes substantive reforms to the Subsequent Injuries Benefits Trust Fund program.	Adopt Placeholder Trailer Bill Language
46	Governor's Budget	7350	Department of Industrial Relations	Vacant Position Eliminations	The Governor's budget assumes on-going savings associated with the permanent elimination of 6,002.4 vacant positions across all state agencies and departments including 202 FTEs at DIR.	Modify the Governor's proposal and reject the elimination of 118 FTEs and \$11,598,000 Special Funds at DIR including positions that support activities related to wage claims, the backlog of wage claims, retaliation complaints, complaints of workplace safety, and lost wage cases for undocumented workers.

47	Governor's Budget	Various Depts: 4120 4140 4150 4260 6100 7600 8660	Emergency Medical Services Authority, Dept. of Health Care Access and Information, ept. Of Managed Health Care, Dept. of Healthcare Services, CA Dept. of Education, CA Dept. of Tax and Fee Administration, CA Public Utilities Commission	Vacant Position Eliminations	The Governor's budget assumes on-going savings associated with the permanent elimination of 6,002.4 vacant positions across all state agencies and departments including positions authorized pursuant to a BCP for the implementation of various pieces of legislation approved in 2022 and 2023.	Modify the Governor's proposal and reject the elimination of 53 FTEs at seven departments (EMSA, HCAI, DMHC, DHCS, CDE, CDTFA, CPUC) and \$8,498,000 (\$3,310,000 General Fund) approved as part of BCPs for the implementation of legislation approved in 2022 and 2023.
48	Governor's Budget	7501	Department of Human Resources	Information Security Workload	The Governor's budget requests one position and \$214,000 (\$86,000 General Fund, \$84,000 Reimbursements, \$28,000 Central Service Cost Recovery Fund, \$2,000 FlexElect Benefit Fund, and \$14,000 Deferred Compensation Fund) in 2026-27 and ongoing for CalHR to strengthen infrastructure and cloud information security monitoring and operations.	Approve as Budgeted

49	May Revision	7501	Department of Human Resources	Employee Assistance Program (EAP)	The May Revision includes one permanent position and \$12.3 million in reimbursement authority in 2026-27 and \$12.3 million in reimbursement authority in 2027-28 and ongoing to transition to a new EAP service provider with a more robust and comprehensive model, and to establish a dedicated program manager focused on supporting first responders and their support staff, including employees within California Highway Patrol, the California Department of Forestry and Fire Protection, the California Department of Corrections and Rehabilitation, the California Department of Parks and Recreation, and other public safety departments.	Approve May Revision
50	May Revision	7900	CalPERS	Trailer Bill Language: Proposition 2 Supplemental Pension Payment		Adopt Placeholder Trailer Bill Language

51	May Revision	7900	California Public Employees' Retirement System (CalPERS)	Operational Budget	The May Revision includes changes to the 2026-27 operational budget of the California Public Employees' Retirement System (CalPERS) that was approved by the CalPERS Board on April 14, 2026. The budget proposed by CalPERS reflects a net increase of \$482,473,000, primarily attributed to increased administrative and investment operating costs, investment external management fees, and third-party administrator fees.	Approve May Revision
52	Governor's Budget	7920	California State Teachers Retirement System (CalSTRS)	Enterprisewide Strategic Support	The Governor's budget requests \$15.3 million in permanent funding for Enterprisewide strategic support resources. This includes \$5.3 million to establish 31 permanently authorized positions and \$10 million for various information technology (IT) and innovation service contracts.	Approve as Budgeted

53	Governor's Budget	7920	State Teachers Retirement System	Investment Portfolio Management	The Governor's budget requests \$5.7 million in permanent funding to establish 25 authorized positions for the Investments Branch to enhance CalSTRS' ability to prudently manage our investment portfolio and create value through expanded internal expertise.	Approve as Budgeted
54	May Revision	7920	State Teachers Retirement System	State Contributions to CalSTRS	The May Revision includes \$6.5 million ongoing to reflect an increase in the state's contributions to the CalSTRS' Defined Benefit Program and Supplemental Benefit Maintenance Account.	Approve May Revision
55	May Revision	7920	State Teachers Retirement System	Benefit Payment Revisions	The May Revision includes \$1 million one-time, to reflect the state's share of benefit overpayments identified by CalSTRS from the prior fiscal year as required by Education Code Section 24616.2. The adjustment results in an increase of \$1 million as compared to \$0 in the Governor's budget.	Approve May Revision

56	May Revision	9650	Health and Dental Benefits for Annuitants	Revised Estimates for Health and Dental Benefits for Annuitants	The May Revision includes an increase of \$17.6 million ongoing to reflect increases in health and dental premiums for annuitants.	Approve May Revision
57	May Revision	9800	Augmentation for Employee Compensation	Augmentation for Employee Compensation	The May Revision includes increases of \$15.2 million, \$17.4 million, and \$7.9 million in 2026-27, and ongoing, to reflect changes in estimated health and dental premiums.	Approve May Revision
58	Senate	Various	Various	Prohibit Use of Public Funds for Automation that Replace Current Direct Jobs	The Senate's actions include a proposal for trailer bill language that "state public funds awarded within the corrections, health, judiciary, public safety, film, and transportation industries shall not be used for the purchase of fully automated equipment, nor for infrastructure that would replace current "manned" direct jobs."	Adopt placeholder trailer bill language.

59	May Revision	9897	Control Section 3.60 Retirement Rate Adjustments	Revised Control Section 3.60 Retirement Rate Adjustments	<p>The May Revision includes a request for Control Section 3.60 to be decreased by \$2.6 billion ongoing from the \$2.8 billion included in the Governor’s Budget. This decrease reflects the following adjustments:</p> <ul style="list-style-type: none"> - A decrease of \$107.2 million ongoing to reflect the changes in state retirement contribution rates (see Attachment 1) for members of California Public Employees’ Retirement System (CalPERS), as adopted by the CalPERS’ Board of Administration in April 2026. This \$107.2 million decrease consists of a \$66.8 million decrease in General Fund, a \$42.2 million decrease in special funds, and a \$1.8 million increase in other non-governmental cost funds. -A decrease of \$2.5 billion in 2026-27 as a technical adjustment to reconcile the set-aside for retirement contribution estimates. This \$2.5 billion decrease consists of a \$1.6 billion decrease in General Fund, a \$600 million decrease in special funds, and a \$317.6 million decrease in other non-governmental cost funds. 	Approve May Revision
----	--------------	------	--	--	---	----------------------