

SENATE THIRD READING
SB 1 X1 (Wiener and Gabriel)
As Amended January 10, 2025
Majority vote

SUMMARY

Amends the 2024 Budget Act to allow additional funding to be made available to the Department of Justice for litigation challenges of federal policy that adversely impact the state, its taxpayers, and residents.

Major Provisions

- 1) Allows the Department of Finance to increase funding for the Department of Justice by up to \$25 million for the 2024-25 fiscal year for costs related to defending the state against enforcement and legal actions taken by the federal government, filing affirmative litigation challenging actions taken by the federal government, and taking administrative action authorized under state law to mitigate the impacts of actions taken by the federal government, subject to notification of the Joint Legislative Budget Committee; and
- 2) Requires reporting by the Department of Justice to annually report expenditures of funds provided pursuant to this authority and the creation of an internet website that will include information on litigation filed against the federal government.

COMMENTS

During the first term of the Trump Administration, the federal government enacted policies that adversely impacted California taxpayers, program, funding, and institutions. The State of California, through the Attorney General's office, filed at least 123 lawsuits to defend the State and its residents from illegal and improper federal actions, succeeding in protecting the rights of Californians, preventing potential harm and loss of income, government services, and property from federal action and retaining the State of California's authority and constitutionally protected power.

As the State's lawyer, the Department of Justice's staff is typically funded through reimbursements from the appropriate department that is requesting legal services. However, this funding model did not work well for the nimble and varied unanticipated litigation costs associated with federal action. For this reason, the state budget included a special "D-Cal" fund for work Department of Justice staff performed related to federal action. This amount varied by year but was between \$2.1-\$12.8 million per year, with a total of about \$42 million over the four years of the Trump Administration's first term. The 2024 Budget Act provides about \$2.7 million for D-Cal actives in the current fiscal year.

This bill would allow the Department of Finance to increase the D-Cal funds for the current year in an expedited fashion, to allow the Department of Justice the ability to immediately respond to any potential federal adverse action. With the bill, the Department of Finance has authority to add up to \$25 million in appropriations for this fiscal year, which ends on June 30, 2025. The actual

amount of the increase would reflect the expected workload from this effort, which should be better known over the next few months. Any request for an increase by the Department of Finance would be subject to notification to the Joint Legislative Budget Committee notification, to allow the Legislature to review the amount and resource justification for the request.

In addition to this bill, it is likely the 2025-26 budget act will also include dedicated funding for this purpose for activities next year. This amount for these needs will be subject to discussion in the regular budget process this Spring. This bill includes important reporting language that is designed to allow for continued discussion between the Legislature and the Department of Justice and the administration on the current and ongoing needs for resources related to this important work over the next few years.

According to the Author

This bill provides funding to protect the State of California and its taxpayers and residents from unconstitutional and illegal federal action.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill has a potential General Fund cost of \$25 million.

VOTES

UPDATED

VERSION: January 10, 2025

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