

# California State Assembly



## Informational Hearing Agenda

### Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, March 17, 2025  
2:30 P.M. – State Capitol, Room 447

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**Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.**

## Items To Be Heard

### 0250 – Judicial Branch

### 8830 – Committee on Revision of the Penal Code

#### Issue 1: Proposition 36: Overview, Perspectives from the Judicial Branch, and Proposition 47 Funding for Substance Use Disorder Treatment and Mental Health Programs

This informational item will include an overview of Proposition 36, perspectives from the Judicial Branch, and an update on Proposition 47 funding available for substance use disorder and mental health programs.

#### Panel

- Rick Owen, Senior Staff Counsel, Committee on Revision of the Penal Code
- Francine Byrne, Director Criminal Justice Services, Judicial Council
- The Honorable Lisa Rogan, Presiding Judge San Bernardino Superior Court, Chair of Trial Court Presiding Judges Advisory Committee
- The Honorable Scott Cooper Supervising Judge, Collaborative Courts, Orange County Superior Court
- Darrel Parker, Court Executive Officer Santa Barbara Superior Court, Chair of Court Executives Advisory Committee
- Caitlin O'Neil, Legislative Analyst's Office
- Anita Lee, Legislative Analyst's Office

#### Background

The Committee on Revision of the Penal Code has provided a handout for the Subcommittee that provides an overview of the provisions of Proposition 36 which was passed by voters in November of 2024. The handout is posted for the public on the Assembly Budget website. In addition, the Judicial Council has provided a factsheet (posted on the Assembly Budget website) that provides an overview of existing collaborative courts, including drug courts in the state. Staff notes an omission on the factsheet for Ventura County, where the Ventura County Superior Court's website indicates the county does indeed have an adult drug court.

**State Prison Population Impact.** As discussed in this Subcommittee's hearing on March 3, 2025, the California Department of Corrections and Rehabilitation estimated an increase of 3,300 prisoners and an increase of 360 additional people on parole in 2025-26.<sup>1</sup>

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<sup>1</sup> CDCR will refine its estimates in the spring with updated numbers and to address some of the errors made in calculating these preliminary estimates identified by the LAO.

**Treatment-Mandated Felony.** The Legislative Analyst's Office has provided the following overview of the treatment-mandated felony provision of Proposition 36:

- **Creates Treatment-Mandated Felony.** Proposition 36 allows people who possess illegal drugs to be charged with a treatment-mandated felony instead of a misdemeanor if they: (1) possess certain drugs (such as heroin or cocaine); and (2) have two or more past drug convictions.
- **Requires Substance Abuse and Mental Health Evaluation of Defendants.** With consent of the defendant, Proposition 36 requires courts to order a substance abuse and mental health evaluation of the defendant conducted by a drug addiction expert.
- **Requires Assessment of Eligibility for Relevant Benefits.** Proposition 36 also requires courts to order that a case worker determine whether the defendant is eligible to receive Medi-Cal, Medicare, or any other relevant benefits.
- **Allows Drug Treatment, Mental Health Treatment, Job Training, or Any Other Conditions the Court Finds Appropriate.** Proposition 36 specifies that treatment may include drug treatment, mental health treatment, job training, and any other conditions related to treatment or a successful outcome for the defendant that the court finds appropriate.
- **Specifies BSCC May Allocate Monies from Proposition 47 savings (Safe Neighborhoods and Safe Schools "SNSF") for Such Treatment Programs.** Proposition 36 specifies that BSCC may allocate funds from its share of the SNSF to local governments for treatment-mandated felony programs.

The LAO also notes the following:

- **Most Treatment Historically a County Responsibility.** Proposition 36 allows for any treatment or conditions that courts find appropriate. Accordingly, the actual treatment provided under Proposition 36 will depend on decisions made by courts. However, much of the treatment that seems relevant is historically provided by counties. For example, counties are responsible for providing substance use disorder services for Medi-Cal enrollees.
- **State Not Required to Pay for Increased County Costs.** When ballot measures generate increased costs for local governments, the state is not required to cover them. The state could choose to provide additional funding, such as to help support the behavioral health system. Doing so, however, would likely come at the cost of other existing state programs, given the multiyear deficits facing the state. If it chooses to consider providing funding, the Legislature may want to ask counties how they plan to treat this population and whether sufficient provider capacity exists.

**Proposition 47.** Proposition 47 yielded savings of approximately \$100 million annually that was used to fund certain programs, of which 65% was directed to the Board of State and Community Corrections for substance use disorder treatment and mental health programs. As a result of Proposition 36, the Administration projects the savings to go down to \$30.5 million in 2025-26 and \$24.7 million in 2026-27. The Legislative Analyst’s Office (LAO) estimates savings from Proposition 47 will be reduced by the “low tens of millions annually” and has identified a number of flaws in the Administration’s methodology in estimating the savings and has recommended an updated analysis in the spring. The 2025-26 Governor’s Budget includes \$88.33 million in Proposition 47 savings from 2024-25.

**Staff Recommendation:** This is an informational item.

## 0250 – Judicial Branch

### Issue 2: Trial Court Operations

The Judicial Council will provide an overview of their budget requests related to trial court operations.

### Panel

- Zlatko Theodorovic, Director of Budget Services, Judicial Council
- Shelley Curran, Administrative Director, Judicial Council
- The Honorable Lisa Rogan, Presiding Judge San Bernardino Superior Court, Chair of Trial Court Presiding Judges Advisory Committee
- Darrel Parker, Court Executive Officer Santa Barbara Superior Court, Chair of Court Executives Advisory Committee
- Anita Lee, Legislative Analyst's Office
- Mark Jimenez, Department of Finance
- Henry Ng, Department of Finance

### Background

The following background is provided by the Legislative Analyst's Office:

The judicial branch is responsible for the interpretation of law, the protection of people's rights, the orderly settlement of all disputes, and the adjudication of accusations of legal violations. The branch consists of statewide courts (the Supreme Court and the Courts of Appeal), trial courts in each of the state's 58 counties, and state entities of the judicial branch (Judicial Council, Judicial Council Facility Program, and the Habeas Corpus Resource Center). The branch receives support from several funding sources including the state General Fund, civil filing fees, criminal penalties and fines, county maintenance-of-effort payments, and federal grants.

***Trial Courts Report \$478 Million in Reserves at End of 2023-24.*** Trial courts have a limited ability to keep and carry over any unspent funds (also known as "reserves") from one fiscal year to the next. Specifically, trial courts are only allowed to carry over funds equal to 3 percent of their operating budget from the prior fiscal year under current law. However, certain funds held in the reserve—such as those that are encumbered, designated for statutory purposes, or funds held on a court's behalf by Judicial Council for specific projects—are not subject to this cap, meaning they also can generally be carried over. At the end of 2023-24, trial courts reported having \$478 million in reserves. Of this amount, \$389 million (81 percent) is not subject the cap. This amount consists of funds that are encumbered (\$204 million), statutorily excluded (\$118 million), designated for prepayments or other purposes (\$43 million), or held by Judicial Council on behalf of the trial courts for specific projects (\$24 million). This leaves \$88 million (19 percent) in reserves subject to the cap. This is less than the \$105.9 million the trial courts could have retained under the current 3 percent cap.

**Augmentations to Trial Court Operations Funding Provided in Different Ways.** The state's annual budget typically designates the bulk of funding available to fund trial court operations. In recent years, funding adjustments have generally been provided by the state through the approval of: (1) discretionary (or unallocated) funding increases; (2) funding to support specific cost increases to maintain existing service levels (such as funding for increased trial court health benefit and retirement costs); and (3) budget requests for specific priorities (such as increased funding to implement enacted legislation).

**Trial Courts Generally Have Discretion in How to Use Their Operations Funding.** While a portion of trial court operations funding is provided for specific programs or purposes (such as court interpreters), a significant portion of the funding is provided on a discretionary basis with little to no restrictions on its use. Upon receiving its allocation, each trial court has significant flexibility in determining how its share of discretionary funding from the state is used. This can result in significant difference in the programs or services offered and the level of service provided across trial courts. For example, some trial courts may choose to use a greater proportion of their funding to increase employee compensation, while others might allocate more funding to provide additional services, such as self-help services.

**Judicial Council Generally Determines How to Allocate Operations Funding to Trial Courts.** Absent state direction on the allocation of funding, Judicial Council—the policymaking and governing body of the judicial branch—is responsible for allocating funding to individual trial courts. Judicial Council has developed various methodologies to allocate such funding. One common formula—known as the “workload formula”—is typically used for the allocation of discretionary funding changes. This estimated need is based on each court's workload as measured by various factors, including the number and type of filings the court receives. This amount is known as a court's workload formula identified need. The formula then calculates the level of funding each trial court actually received as a percentage of its workload formula identified need. This amount is known as the court's funding ratio. Each court's funding ratio is then compared to the statewide funding average. Different rules related to the workload formula adopted by Judicial Council are then used to determine the specific allocations of discretionary funding to trial courts. For example, trial courts whose funding ratio is above the statewide funding average—meaning they are comparatively better funded than their fellow courts—may receive a smaller proportion of funding increases or a greater proportion of funding reductions than those below the statewide funding average.

**TCTF Is the Primary Special Fund Supporting Trial Court Operations.** The TCTF is the major special fund supporting trial court operations. It receives revenues from various sources—including the state General Fund, civil filing fees, criminal penalties and fines, as well as county maintenance-of-effort payments—for various purposes. For example, one specific allocation is a General Fund backfill to address declines in fine and fee revenue deposited into the fund in order to maintain trial court funding levels. This backfill has been provided annually since 2014-15. The specific backfill amount varies annually, but is typically calculated by comparing each year's revenue against the amount collected in 2013-14.

**Some Unspent TCTF Funds Are Restricted to Certain Uses.** In some cases, when TCTF funds go unspent, they do not remain in the TCTF fund balance. For example, the budget bill includes specific language directing unspent funds associated with \$30 million General Fund

provided to increase the number of court reporters in family and civil law cases revert to the General Fund. In other cases, certain unspent TCTF funds—such as unspent court interpreter funds—remain in the fund balance, but are restricted to the purpose for which the funds were originally provided.

***Unrestricted TCTF Fund Balance Monies Can Be Used in Various Ways.*** All other unspent funds that remain in the TCTF balance are unrestricted. Examples of such funds include salary savings associated with trial court judges and excess General Fund backfill dollars that are unneeded when fine and fee revenues deposited into the TCTF are higher than originally estimated. Statute generally requires that these funds remain in the TCTF fund balance unless used for the benefit of the trial courts. Additionally, the state can use unrestricted TCTF fund balance monies to benefit the General Fund to a certain extent. For example, the 2024-25 budget package decreased General Fund support for trial court operations by \$100 million on a one-time basis and used unrestricted TCTF fund balance monies to fully offset this reduction.

***2024-25 Enacted Budget Included Reductions to Trial Court Operations Funding.*** The 2024 Budget Act included a \$97 million (or 7.95 percent) ongoing General Fund reduction to trial court operations to be implemented at the judicial branch's discretion. However, unlike the Control Section 4.05 reductions, there was no discretion to adjust the size of the reduction. Additionally, the 2024-25 budget did not include a discretionary funding increase to help address growth in operational costs.

***Governor's Proposal.*** The Governor's budget proposes \$5.5 billion from all fund sources to support the judicial branch. This amount includes \$5.3 billion from all state funds (General Fund and special funds), an increase of \$62 million (1 percent) above the revised amount for 2024-25. This is a net increase of \$254 million (9 percent) from the revised 2024-25 General Fund amount. This net increase reflects various changes—including the expiration of a one-time reduction in General Fund support included in the 2024-25 budget to help address the state's budget problem.

***Provides \$82 Million Discretionary Funding Increase.*** The Governor's 2025-26 budget includes two proposals that increase trial court discretionary funding. The two proposals are as follows:

- ***\$42 Million Ongoing Funding Restoration.*** As noted above, the 2024-25 budget included an ongoing \$97 million reduction in General Fund support for trial court operations. The Governor's 2025-26 budget proposes to provide a \$42 million ongoing funding restoration—beginning in 2024-25—effectively making the ongoing reduction \$55 million. The administration proposes to use unrestricted TCTF fund balance monies to pay for the restoration in 2024-25. The General Fund would then pay for the restoration in 2025-26 and ongoing. These higher costs are not currently reflected in the budget materials submitted to the Legislature—such as the budget bill or the detailed judicial branch budget display. Our understanding is that it will be incorporated during the May Revision.
- ***\$40 Million Ongoing General Fund Discretionary Funding for Increased Costs.*** The Governor's budget proposes a \$40 million ongoing increase in discretionary funding from

the General Fund to help pay for increased trial court operation costs beginning in 2025-26. (This augmentation is reflected in the budget materials submitted by the administration.) Unlike prior years in which such funding was provided, a specified percentage increase (such as a 3.8 percent increase in 2022-23) was not used to determine the amount of this augmentation.

- **Proposes Budget Bill Language for Transfer of Unrestricted TCTF Monies to General Fund.** The Governor’s proposed 2025-26 budget includes budget bill language to authorize DOF to transfer any unrestricted TCTF fund balance monies to the General Fund in consultation with Judicial Council.

### Legislative Analyst’s Office (LAO)

The LAO provides the following analysis and recommendations:

**Restoration Likely to Improve Court Service Levels...** The ongoing \$97 million reduction has been operationalized by trial courts in various ways. These include hiring freezes, furloughs, and reduced phone and public service counter hours, as well as delayed infrastructure and information technology (IT) expenditures. For example, the judicial branch reports that 27 courts are holding an estimated 580 positions vacant and 13 courts have implemented furloughs. While the actions taken by individual trial courts vary broadly, these actions generally reduce service to court users—such as by causing longer wait times, inability to access self-help or other services, and backlogs. As such, a partial restoration of the ongoing reduction would likely improve court service levels. For example, the Riverside Superior Court announced that it plans to cancel limited service or furlough days between February and June 2025—in part due to the proposed partial restoration of funding.

**...But Some Impacts Likely to Remain.** Despite the proposed restoration, court service levels are still likely to be impacted. This is because the trial courts will still need to operationalize an ongoing \$55 million General Fund reduction. While trial courts could use the proposed \$40 million ongoing General Fund augmentation for increased operational costs to further offset this reduction, it would still leave a net reduction of \$15 million. Furthermore, as shown in Figure 3, the trial courts did not receive a discretionary funding increase to address growth in costs in 2024-25 and the amount proposed for 2025-26 is about half of what was provided in prior years. This means that trial courts will need to manage their budgets to address any increased employee compensation, contractual, or other costs. This could constrain the extent to which service levels may be restored. For example, increased employee compensation costs for existing employees could limit a court’s ability to fully restore staffing levels. Such increased costs could also constrain the ability of courts to pay for infrastructure, IT, or other fixed costs that could improve the delivery of court services.



Figure 3

### Ongoing Discretionary Changes to Trial Court Funding by Budget Year Provided

(In Millions)

Fiscal Year	Unallocated Changes <sup>a</sup>	Changes for Increased Costs <sup>b</sup>
2013-14	\$60	—
2014-15	86	—
2015-16	91	—
2016-17	20	—
2017-18	—	—
2018-19	123	—
2019-20	—	—
2020-21	-177	—
2021-22	177	\$72
2022-23	100	84
2023-24	—	74
2024-25	-97	—
2025-26 (proposed)	42	40

<sup>a</sup>Funding in certain years may have been provided for a specific purpose. For example, some funding was designated for promoting fiscal equity among the trial courts. However, the provided funding was unallocated and subject to Judicial Council’s discretion.

<sup>b</sup>Does not include funding provided specifically for increased trial court health and retirement benefits as the state covers such costs in full.

#### **Administration and Judicial Branch Already Implementing 2024-25 Funding Restoration...**

The administration and judicial branch are already in the process of implementing the restoration of \$42 million in trial court operations funding in 2024-25. The restoration initially moved forward as the judicial branch believed that the provisions of Control Section 4.05—namely the ability for state entities to work with DOF to determine the final reduction amount—applied to the trial court reduction. Additionally, the judicial branch wanted to mitigate the impacts of the reductions on court users by distributing the funding as quickly as possible and had sufficient excess TCTF expenditure authority to do so. Its internal committees acted in January to recommend Judicial Council restore the funding by revising the \$97 million reduction downward to a \$55 million reduction. This revised reduction was recommended to be allocated to the trial courts using the workload formula and methodology that was used for the \$97 million reduction. Specifically, trial courts within 4 percent of the statewide funding average would generally be required to take a reduction proportional to their share of overall trial court funding. Trial courts (excluding the state’s smallest trial courts) more than 4 percent above the statewide funding average would take additional reductions; while those more than 4 percent below the statewide funding average would take lesser reductions.

**...Despite Not Receiving Direction From the Legislature.** The 2024-25 budget package did not include budget bill or other language directly providing the administration flexibility to adjust the \$97 million reduction. As such, in our view, any restoration—which would be a change from

the enacted 2024-25 budget package—should require legislative review. Ultimately, the judicial branch and DOF recently submitted a JLBC letter requesting to implement the 2024-25 restoration by increasing the amount available for trial court operations funding using unrestricted TCTF fund balance monies. As discussed above, this is allowed under the different budget bill language permitting DOF to augment the amount available for trial court operations funding by \$42 million with unrestricted TCTF fund balance monies. However, the administration and the judicial branch undertook the process of seeking legislative approval after beginning to implement the change.

***Requires Trade-Off With Other Budget Priorities.*** In total, the Governor’s budget proposes an \$82 million augmentation to ongoing General Fund spending compared to what was agreed upon in the 2024-25 budget agreement. As discussed above, these additional funds would likely help improve court service levels. However, this approach comes with significant trade-offs for other parts of the state budget. Given the state’s current fiscal position—with a budget that is roughly balanced in 2025-26 and notable deficits projected in the out-years—the state does not have capacity for new ongoing commitments. As a result, in future years, this proposed ongoing spending will likely require trade-offs with other areas of spending and potentially require even further budget solutions, such as reduced spending for other existing state programs.

***Provides Judicial Council With Full Allocation Discretion.*** Both components of the Governor’s proposed augmentation provide Judicial Council with complete discretion over: (1) what the funds are used for; and (2) how the funds are allocated to the trial courts. As noted above, it appears that the workload formula will be used to allocate the \$42 million ongoing funding restoration. However, it is unclear at this time how the \$40 million for increased costs will be allocated. Providing Judicial Council with full discretion on the allocation of such funds limits the Legislature’s ability to ensure that the funding is in line with legislative priorities. For example, the Legislature could prioritize using the funding to specifically restore phone or counter hours over filling all vacant positions.

***Proposed Budget Bill Language Is Vague, Limiting Legislative Oversight.*** The proposed budget bill language authorizing the transfer of unrestricted TCTF fund balance monies to the General Fund is a reasonable proposal as such monies would be available for other budget priorities. However, the language is vague as the exact amount would be determined by DOF in consultation with Judicial Council. First, it does not specify what monies are being considered for transfer. For example, it is unclear whether only excess General Fund backfill monies accumulated from prior years would be considered for transfer, or if General Fund savings from judicial salaries or other areas will be considered. This makes it difficult for the Legislature to determine whether it agrees with what monies are being considered for transfer back to the General Fund. Second, the proposed language does not include any requirements for legislative notification. As a result, if a transfer is made (even with more detailed guidance from the Legislature on what should be considered as part of the calculation), the Legislature lacks the opportunity to review how the specific amount was calculated and whether the calculation met its desired parameters. This makes it difficult for the Legislature to ensure that the maximum amount it desires is being transferred back to the General Fund to be used for its budget priorities. The need for such oversight is even more critical given the multiyear deficits facing the state.

## Recommendations

**1. Direct Judicial Branch To Report on Process for Seeking Midyear Adjustments.** While the judicial branch eventually sought legislative input before moving ahead with implementing the restoration of the \$42 million reduction in 2024-25, it is concerning that it had first moved to act without legislative oversight. Accordingly, we recommend the Legislature direct the judicial branch to report at budget hearings on its process for making midyear budget adjustments and how it will ensure the Legislature has had the opportunity to weigh in on them.

**2. Consider Trial Court Augmentations in Context of Broader Budget Challenges.** The proposed \$82 million augmentation comes with significant trade-offs that the Legislature will need to weigh. On the one hand, the increased trial court funding would likely help improve court service levels, which is a notable benefit. On the other hand, the multiyear deficits facing the state in the coming years leave no capacity for new ongoing commitments. This means that any approved ongoing funding would likely require the Legislature to reduce spending on other existing state programs or activities. As such, the Legislature should carefully consider the degree to which it prioritizes this funding over its other budget priorities. For any additional funding that is ultimately provided, the Legislature should also consider whether it has certain priorities for how such funding is used. This is particularly important if any ongoing reduction must still be operationalized. For example, the Legislature could determine that the increased General Fund support should be prioritized for the restoration of phone and counter hours or self-help services. Such priorities could be documented in budget bill language and would ensure that the funding is used consistent with legislative priorities.

**3. Modify Proposed Budget Bill Language Authorizing Transfer of Unrestricted TCTF Monies to General Fund.** We recommend the Legislature modify the proposed budget bill language authorizing the transfer of unrestricted TCTF fund balance monies to the General Fund in two key ways to increase legislative oversight. First, we recommend the Legislature modify the language to provide guidance on which specific unrestricted TCTF fund balance monies it believes should be considered for transfer or how the calculation should be determined. For example, the language could specify that any excess General Fund backfill monies be returned to the General Fund. This would be reasonable as the funding was provided specifically to maintain trial court operation levels if insufficient fine and fee revenue was deposited into the TCTF. Accordingly, if sufficient fine and fee revenue is available, the excess General Fund monies should be immediately available for other legislative priorities. This same rationale could also apply to savings from General Fund provided for specific purposes (such as trial court judge salaries). Second, we recommend the Legislature modify the language to require that notification be provided to JLBC 30-days before a transfer is made and that such notification include information on how the final transfer amount was determined. These changes would enhance legislative oversight and potentially benefit the General Fund, which will be particularly important given the multiyear deficits facing the state.

**Staff Recommendation:** Hold Open.

**Issue 3: Supreme Court and Courts of Appeal Court Appointed Counsel Programs**

The Judicial Council will provide an overview of their proposal related to the Supreme Court and Courts of Appeal Counsel programs.

**Panel**

- Zlatko Theodorovic, Director of Budget Services, Judicial Branch
- Justice Stacy Boulware Eurie, Associate Justice of the Court of Appeal, Third Appellate District, Chair
- Jennifer Peabody, Acting Executive Director, California Appellate Project Los Angeles
- Mark Jimenez, Department of Finance
- Henry Ng, Department of Finance
- Anita Lee, Legislative Analyst's Office

**Background**

**Governor's Proposal.** The Governor's Budget proposes \$6.3 million ongoing General Fund in 2025–26 to support the Supreme Court Capital Court-Appointed Counsel and the Courts of Appeal Court-Appointed Counsel Programs. This request includes: (1) \$4.4 million for an hourly rate increase for appointed counsel; and (2) \$1.9 million for a 7 percent increase in the annual contracts for the project offices. According to the Judicial Council, the current funding level is insufficient to operate the Supreme Court Capital Court-Appointed Counsel and Courts of Appeal Court-Appointed Counsel Programs and maintain their constitutional mandate to provide effective, efficient, and experienced appointed counsel and equal access to justice for appellants with death judgments and indigent defendants on appeals. The available funds for operational costs, salary ranges, and appointment rates are too low to attract and retain project attorneys and court-appointed counsel.

**Staff Comment**

The Subcommittee has received correspondence from stakeholders, including the California Appellate Project Los Angeles, Sixth District Appellate Program, Appellate Defenders, first District Appellate Project, and Central California Appellate Program, stating:

- The appointed counsel system is on the verge of collapse. A shortage of panel attorneys is delaying access to justice for indigent clients. Ten years ago, the panel include 937 attorneys and today, around 640 remain, with many taking fewer than five cases a year.
- The courts of appeal are processing nearly 10,000 cases per year.
- Counsel is appointed in about 4,000 cases a year, but thousands of additional cases are awaiting appointments which can take months to years. Among the types of cases

impacted are juvenile dependency cases in which children are waiting to be reunited with their parents or to be legally freed for adoption.

Currently, court of appeal appointed cases pay between \$110-130 per hour. In comparison, the federal appointed rate is \$175 an hour and various trial courts in California also have higher rates. For example, Alameda County Superior Court has a pay range of \$147-216. Staff notes that approval of the Governor’s proposal would allow for a \$10 per hour increase to approximately \$140 per hour. Stakeholders indicate that while such an increase is in the right direction, it is insufficient in addressing the problem of recruitment and retention among appointed attorneys who can get paid significantly more in other positions. Staff also notes the current growing backlog of 1,500 cases, leaving indigent clients without timely access to counsel, leading to circumstances where people may be unnecessarily incarcerated or detained at a significant cost to the state. Staff also notes the adverse impact on cases involving children whose custody status is in limbo for prolonged periods of time due to these delays in attorney appointments.

**Staff Recommendation:** Hold Open.

**Issue 4: San Joaquin County: New Tracy Courthouse and other Budget Proposals**

The Judicial Council will provide an overview of their proposal to fund the performance criteria phase of the New Tracy Courthouse in San Joaquin County.

**Panel**

- Zlatko Theodorovic, Director of Budget Services, Judicial Council
- Tamer Ahmed, Director of Facilities Services, Judicial Council
- The Honorable Gus Barrera, Presiding Judge San Joaquin Superior Court
- Anita Lee, Legislative Analyst's Office
- Phil Osborn, Department of Finance

**Background**

The following background is provided by the Legislative Analyst's Office:

The judicial branch currently manages around 435 facilities across all 58 counties. Its facility program is responsible for various activities including maintaining these facilities, managing leases, and constructing new courthouses to replace outdated facilities. In a November 2019 assessment of its facilities, the judicial branch identified a need for a total of 80 construction projects—56 new buildings and 24 renovations—totaling \$13.2 billion. These projects were categorized into five groups—and ranked within each group—in the following descending priority order: 18 immediate need projects (\$2.3 billion), 29 critical need projects (\$7.9 billion), 15 high need projects (\$1.3 billion), 9 medium need projects (\$1.6 billion), and 9 low need projects (\$100 million). Additionally, in August 2024, the judicial branch identified 22,673 deferred maintenance projects totaling around \$5.2 billion. Of this estimated cost, the state would be responsible for around \$3.8 billion (74 percent). The remaining amount would generally be the responsibility of counties that share space in court facilities.

State law authorizes Judicial Council to construct trial court facilities and established a state special fund—the State Court Facilities Construction Fund (SCFCF) to support construction and other facility-related expenses. (A second construction account was consolidated into the SCFCF in 2021-22.) The SCFCF is used to support both the construction and maintenance of court facilities and is mainly supported by criminal and civil fines and fees. The amount of revenue deposited into the fund steadily declined over the past years, resulting in expenditures routinely exceeding revenues. The state contributed to this structural fund imbalance by redirecting over \$1.5 billion from the fund to the General Fund or to support trial court operations. This led to the fund becoming insolvent and required various actions be taken—most notably the cancelation and suspension of projects supported by the construction account. Currently, the fund remains insolvent and is estimated to require a General Fund backfill in the tens of millions of dollars annually for at least a decade to maintain existing facility related activities and to pay the debt service for completed construction projects.

Absent any state action, the SCFCF's insolvency halted the judicial branch's construction program. This led the state to shift support for the construction program to the state General

Fund. The 2018-19 budget included \$1.3 billion in lease revenue bond authority backed by the General Fund—rather than the SCFCF—to finance ten previously planned projects. This commitment effectively backfilled the \$1.4 billion transferred from the SCFCF to the General Fund to help address the state’s budget condition between 2009-10 and 2017-18. The 2021-22 budget formally shifted support for the construction of any future courthouses to the General Fund. When proposing new projects, the administration generally follows the ranked project priority list identified in the judicial branch’s 2019 assessment of facility needs. Since 2021-22, the construction or renovation of about a dozen of the highest ranked immediate need projects have commenced.

## Governor’s Proposal

**San Joaquin County: New Tracy Courthouse.** The Governor’s Budget proposes \$2,927,000 General Fund for the Performance Criteria phase of the New Tracy Courthouse in San Joaquin County. The proposed new courthouse project will provide construction of a new, two-courtroom courthouse of approximately 28,000 square feet in the city of Tracy. The project includes secure parking for judicial officers and surface parking spaces with solar power generation capability. The estimated total project cost is \$65,147,000. The project will replace four existing court facilities on the Judicial Council-owned site.

### Legislative Analyst’s Office (LAO)

The LAO provides the following analysis and recommendation:

***Proposed Project Generally Reasonable...*** The selection of the new Tracy courthouse is generally reasonable as it is the next project in line to be funded when following the judicial branch’s 2019 ranked list of facility project needs. This project is an immediate need project (highest-priority category) that would replace four vacant, outdated, and unsafe facilities. Additionally, the identified scope and cost of the project seem reasonable.

***...But Would Expand Service Back to Tracy...*** During the Great Recession, trial courts—along with other state entities—received budget reductions. Trial courts took various actions to operationalize the budget reductions, including closing courtrooms or courthouses as well as reimagining how to deliver services (such as centralizing certain services). The judicial branch indicates that all Tracy branch facilities have been closed since 2011 due to budget constraints from the recession and the poor condition of the existing facilities. Because services are not currently being provided in Tracy, approval of this new construction project would effectively be expanding service back to Tracy. The San Joaquin Superior Court indicates that it estimates \$1.2 million would be needed annually to operate the new courthouse and believes it has the budget capacity to do so. The new courthouse would provide a benefit to people in San Joaquin County by improving court access for those living in Tracy and shifting workload from other courthouses back to Tracy, which could reduce wait times for services in other parts of the county.

***...Rather Than Addressing Needs at Currently In-Use Facilities.*** As noted above, the judicial branch has extensive need for new or renovated trial court facilities as well as for deferred

maintenance projects. Despite the benefits of a new Tracy courthouse, there are no facilities in the immediate needs category that are currently being actively used in San Joaquin County. In contrast, there are still other facilities elsewhere in the state—such as in Kern and Placer Counties—that are being used despite their condition being so poor that they have projects in the immediate needs category. It would be reasonable to consider redirecting this funding to such projects or pressing deferred maintenance needs to address unsafe conditions faced by current staff and court users in such facilities. A new Tracy courthouse could be funded instead at a later date.

**Recommendation**

**Consider Redirecting Funding to Other Trial Court Projects.** The proposed new Tracy courthouse is next in line to be funded according to the judicial branch’s ranked priority list of facility need and would be provide benefits to those in San Joaquin County. However, service is not currently being provided in the area. Given the extensive unmet facility needs elsewhere, the Legislature could consider whether the proposed funding should be redirected to projects that are next in line to be funded and that address needs at facilities that are currently in use—rather than expanding service back to Tracy—or to address pressing deferred maintenance needs. This would focus resources on facilities with the most pressing unsafe conditions for current staff and court users.

<b>Various Proposals</b>	<b>Non-Presentation</b>	<b>Budget</b>
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**1. Butte County: Juvenile Hall Addition and Renovation.** The Governor’s Budget requests \$5,201,000 General Fund for the Working Drawings (\$163,000) and Construction (\$5,038,000) phases of the existing Butte County Juvenile Hall. The project will provide an addition of approximately 600 square feet and renovation of approximately 1,500 square feet of court exclusive space in the existing Butte County Juvenile Hall in the city of Oroville. The project increases the court-exclusive space to approximately 2,100 square feet and improves its security and overall conditions. The joint occupancy agreement with Butte County has been amended in preparation of the project’s construction. The estimated total project cost is \$5,805,000.

**2. Fresno County: New Fresno Courthouse—Performance Criteria and Reappropriation of Acquisition.** The Governor’s Budget proposes \$18,145,000 General Fund for the Performance Criteria phase of the New Fresno Courthouse in Fresno County. The project will provide construction of a new 36-courtroom courthouse of approximately 413,000 square feet in the city of Fresno. The estimated total project cost is \$945,937,000. The project will require acquisition of a site of approximately 2.1 acres. The project includes secure parking for judicial officers. The project will consolidate three facilities and provide two additional courtrooms. The Judicial Council also requests reappropriation of \$11,194,000 from the Acquisition phase in the case acquisition extends past June 30, 2025.

**3. Los Angeles County: New Santa Clarita Courthouse Reappropriation.** The Governor’s Budget proposes a reappropriation of \$34,177,000 General Fund for the land costs in the Acquisition phase of the Los Angeles County: New Santa Clarita Courthouse. The project



consists of the construction of a new 24-courtroom courthouse of approximately 278,000 square feet in the city of Santa Clarita. The project includes secured parking for judicial officers and surface parking spaces. It requires acquisition of a site of approximately 4.5 acres. The project will replace three existing buildings and allow for relocation of dockets from other courthouses. The total estimated project cost is \$675,383,000. The Acquisition phase has been delayed due to an extended site selection process and the approval for the acquisition is anticipated in June 2026.

**4. Plumas County: New Quincy Courthouse Reappropriation.** The Governor's Budget proposes reappropriation of \$1,470,000 from the General Fund for the land costs in the Acquisition phase of the Plumas County: New Quincy Courthouse project. The project consists of the construction of a new, three-courtroom courthouse of approximately 54,000 square feet in the town of Quincy. The project includes secured parking for judicial officers and surface parking spaces. It requires acquisition of a site of approximately 1.9 acres. The total estimated project cost is \$130,421,000. The Acquisition phase has been delayed due to an extended site selection process. Approval of Acquisition is anticipated in June 2026.

**5. San Diego Hall of Justice—Facility Modification.** The Governor's Budget proposes \$9.5 million one-time General Fund in 2025–26, to supplement previously approved funding of \$29.9 million in 2022–23. This additional funding is needed to address cost increases for an in-progress facility modification at the San Diego Hall of Justice. The county-led project has experienced delays and cost escalation, with the project's estimated cost increasing from \$67,335,000 to \$87,335,000. According to the Joint Occupancy Agreement executed with the County of San Diego, the Judicial Council's share of this facility is 40.24 percent. The Judicial Council shared contribution to the project is approximately \$36,700,000. In 2022–23, the Judicial Council received a one-time General Fund appropriation of \$29,700,000 for the project. To accommodate the increased project cost and fulfill its obligations, the Judicial Council is requesting additional one-time funding of \$9,460,000 to support the San Diego Hall of Justice facility modification. The funding includes a \$7,000,000 increase in the Judicial Council's share of the project cost and an additional \$2,460,000 contingency, representing 7 percent of the Judicial Council's total share.

**6. San Luis Obispo County: New San Luis Obispo Courthouse—Performance Criteria and Reappropriation of Acquisition.** The Governor's Budget proposes \$7,853,000 General Fund for the Performance Criteria phase of the New San Luis Obispo Courthouse in San Luis Obispo County. The project will provide construction of a new, 12-courtroom courthouse of approximately 145,000 square feet in the city of San Luis Obispo. The estimated total project cost is \$352,032,000. The project includes secure parking for judicial officers. The project will require acquisition of a site of approximately 2.5 acres. The project will replace the Courthouse Annex and the 1070 Palm Street facility. The Judicial Council also requests reappropriation of \$22,869,000 from the Acquisition phase in the case acquisition extends past June 30, 2025.

**7. Solano County: New Solano Hall of Justice (Fairfield)—Performance Criteria and Reappropriation of Acquisition.** The Governor's Budget proposes \$5,159,000 General Fund for the Performance Criteria phase of the New Solano Hall of Justice (Fairfield) in Solano County. The project will provide construction of a new, 12-courtroom courthouse of approximately

141,000 square feet in the city of Fairfield. The estimated total project cost is \$333,350,000. The project will require acquisition of a site of approximately 3 acres. The project includes secure parking for judicial officers and surface parking spaces with solar power generation capability. The project will replace the court space in the existing Solano County Hall of Justice. The Judicial Council also requests reappropriation of \$12,127,000 from the Acquisition phase in the case acquisition extends past June 30, 2025.

**8. Statewide: Budget Packages and Advanced Planning.** The Governor's Budget proposes \$500,000 ongoing General Fund for statewide planning and studies. The proposed funding will allow the completion of planning studies and budget packages for capital outlay projects. The planning studies will inform and validate scope, schedule, and budget for projects by developing budget packages, assessing the number of courtrooms needed, and supporting preliminary site searches.

**9. CARE Act Process and Proceedings (SB 42).** The Governor's Budget requests \$1 million General Fund in 2025–26 and ongoing to fund new trial court operations costs authorized by Senate Bill 42 which requires changes to the Community Assistance, Recovery, and Empowerment (CARE) Act. SB 42 requires courts to provide ongoing notices, to the original petitioners that are housed with or are family members of the respondent, throughout the CARE proceedings unless the court determines that doing so will be detrimental to the treatment or well-being of the respondent. This creates new workload for the courts to produce and mail the additional notices, which is estimated to cost \$525,000 annually. Cases involving assisted outpatient treatment, misdemeanor proceedings, or specified conservatorship proceedings may now be referred to CARE Act courts. This creates new workload for the courts estimated to cost \$475,000 annually.

**Assembly Appropriations Analysis.** Costs (Trial Court Trust Fund) of an unknown amount to the courts to send the required notices. Judicial Council projects an "unknown, potentially significant impact" to the judicial branch to comply with this bill's requirements. As Judicial Council notes, only a few CARE courts are currently operational, but costs associated with administering the CARE courts, including providing the notices required by this bill, may grow as more courts begin operating and more CARE petitions are filed in coming years. Judicial Council reports that costs are likely absorbable if the courts have the petitioner contact information needed to provide notice to qualifying petitioners electronically, rather than via mail service. The fiscal year 2024-25 budget provided \$47.4 million to the courts to implement the CARE courts.

**10. Treatment Court Program Standards (SB 910).** The Governor's Budget proposes 3.0 positions and \$1.7 million General Fund in 2025–26 and \$1.6 million General Fund in 2026-27 and ongoing to administer treatment court programs and provide support to trial courts through technical assistance, educational training, and consultation with subject matter experts to meet new guidelines outlined in Senate Bill (SB) 910. SB 910 requires "counties and courts that opt to have treatment court programs shall ensure the programs are designed and operated in accordance with state and national guidelines incorporating the 'Adult Treatment Court Best Practice Standards' and 'Family Treatment Court Best Practice Standards' developed by All Rise". State and national guidelines pertaining to the range of treatment courts in California all

require regular training, with many, including All Rise standards, calling specifically for annual training.

***Assembly Appropriations Analysis.*** Costs (Trial Court Trust Fund, General Fund) to Judicial Council, likely in the high hundreds of thousands to low millions of dollars. Judicial Council estimates one-time costs of \$1.52 million and ongoing costs of \$1.46 million to develop and provide annual, regional trainings and technical assistance to help the courts come into compliance with the new best practice standards and update court practices when the best practice standards are updated in the future. Judicial Council reports minor and absorbable workload costs to update its standards of judicial administration, and requests delayed implementation of the bill's court compliance requirements until after the standards of judicial administration are updated.

**Staff Recommendation:** Hold Open.

## 0820 – Department of Justice

### Issue 5: Various Budget Proposals including those to Implement Recently Enacted Legislation

The Department of Justice (DOJ) will provide an overview of their priorities for the 2025-26 fiscal year and any reductions proposed pursuant to the 2024 Budget Act.

#### Panel

- Anita Lee, Legislative Analyst's Office
- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Mark Jimenez, Department of Finance
- Anthony Franzoia, Department of Finance

#### Background

Under the direction of the Attorney General, the DOJ provides legal services to state and local entities, brings lawsuits to enforce public rights, and carries out various law enforcement activities. The DOJ also provides various services to local law enforcement agencies and manages various databases, including the statewide criminal history database. The Governor's Budget proposes \$1.3 billion (of which \$496 million is from the General Fund) to support DOJ operations in 2025-26. The proposed budget would provide DOJ with a total of 6,185 positions in 2025-26.

#### Governor's Budget Proposals

The following five proposals were either: (1) not keyed fiscal; or (2) DOJ did not report any costs.

**1. Juvenile Record Sealing (SB 1161).** The Governor's Budget proposes 1.0 permanent position \$340,000 General Fund in 2025-26, and \$217,000 and 1.0 position in 2026-27 and ongoing to implement the provisions of Chapter 782, Statutes of 2024 (SB 1161). The DOJ states that the California Justice Information Services (CJIS) Division will require a permanent position and temporary help hours in 2025-26 to implement the IT system changes resulting from SB 1161. The bill made changes to statutes that govern sealing of juvenile records to make more juvenile records eligible for sealing.

**Staff Comment.** The DOJ did not report any fiscal impact to the Assembly Appropriations Committee. The Subcommittee may wish to ask why ongoing resources are needed once the current manual system is automated.

**2. Residential Rental Properties, Fees, and Security Deposits (SB 611).** The Governor’s Budget proposes \$116,000 (\$43,000 General Fund and \$73,000 Special Fund) in 2025-26 and \$106,000 (\$35,000 General Fund and \$71,000 Special Fund) and 1.0 position in 2026-27 and ongoing to implement the provisions of Chapter 287, Statutes of 2024 (SB 611). Effective April 1, 2025, Chapter 287, Statutes of 2024 (SB 611) prohibits landlords from charging excessive fees for services such as rental payments, rental agreements, security deposits, and those involving processing and application screenings. Additionally, landlords shall allow a tenant to pay rent through a third party including, but not limited to, the federal housing assistance voucher programs under the public seeking their assistance in resolving their landlord disputes with their landlord and inquiries from landlords regarding compliance regulation.

**Staff Comment.** This bill was keyed as non-fiscal. The Subcommittee may wish to ask why the implementation of this bill requires ongoing resources. This proposal is also discussed under Issue 6 of this agenda.

**3. Chapter 817 of 2024 (AB 2013).** Chapter 817 requires generative artificial intelligence system or service developers publicly post certain information regarding the data used to train the system or service. The Governor’s budget proposes 1 position and \$340,000 UCL Fund in 2025-26—declining to \$329,000 annually beginning in 2026-27—to allow DOJ to investigate and bring enforcement actions against those who do not comply with Chapter 817.

**Staff Comment.** This bill was keyed as non-fiscal. This proposal is also part of the “Implementation of Various Public Rights related Legislation proposal.”

**4. Chapter 513 of 2024 (AB 2426).** Chapter 513 generally prohibits sellers of a digital good from advertising or offering such a good for sale in particular ways to ensure that false or misleading statements are not being made about the product. The Governor’s budget proposes 1 position and \$337,000 Unfair Competition Law (UCL) Fund in 2025-26—declining to \$330,000 annually beginning in 2026-27—to allow DOJ to investigate and bring enforcement actions against those who do not comply with Chapter 513. This bill was keyed as fiscal. However, neither the final Assembly floor analysis (8/8/24) nor the Senate Floor analysis (8/26/24) included a reference to potential DOJ costs in the fiscal section that cited the Senate Appropriations Committee.

**Staff Comment.** While this bill was keyed as fiscal, there were no potential costs to DOJ that were identified. This proposal is also part of the “Implementation of Various Public Rights related Legislation proposal.”

**5. Chapter 742 of 2024 (AB 2780).** Chapter 742 requires certain transportation providers provide advance notice and specific information to local governments regarding the disembarkation of passengers (such as whether there are passengers that arrived in the US within the past 30 days that are likely to require emergency shelter or other immediate services). The Governor’s budget proposes 1 position and \$210,000 UCL Fund in 2025-26—declining to \$203,000 annually beginning in 2026-27—to allow DOJ to investigate

and bring enforcement actions against those who do not comply with Chapter 742. This bill was keyed as fiscal. However, neither the final Assembly floor analysis (8/27/24) nor the Senate Floor analysis (8/18/24) included a reference to potential DOJ costs in the fiscal section that cited the Senate Appropriations Committee.

**Staff Comment.** While this bill was keyed as fiscal, there were no potential costs to DOJ that were identified. This proposal is also part of the “Implementation of Various Public Rights related Legislation.”

**The Subcommittee may wish to ask for additional justification for the resources requested for the following proposal.**

**6. Crimes: Solicitation of a Minor (SB 1414).** The Governor’s Budget proposes \$135,000 General Fund and 1.0 position in 2025-26 and \$125,000 in 2026-27 and ongoing to meet the provisions of Chapter 617, Statutes of 2024 (SB 1414). SB 1414 will require a person who is 18 years of age or older, on or after January 1, 2025, is convicted of, and who has a prior conviction for, soliciting a minor, as specified, to annually register as a sex offender for a term of 10 years if, at the time of the offense, the person was more than 10 years older than the solicited minor. CJIS maintains the California Sex and Arson Registry (CSAR) and will require additional resources to implement the changes to the Sex Offender Registration Act.

***Assembly Appropriations Analysis.*** Costs (General Fund) of an unknown but potentially significant amount to the Department of Justice to process additional sex offender registrations as a result of this bill’s new registration requirement.

**Staff Comment.** SB 1414 requires a subset of those charged of soliciting/engaging in prostitution with a minor (PC 647(b)(3))--those who: (1) solicit a minor who is under age 16 (or 18 if a trafficking victim); (2) are more than 10 years older than the youth; and (3) have been convicted of soliciting a minor under age 16 (or 18 if a trafficking victim) before—to register. DOJ states there were 19 people in the last five years that would have to register after meeting all three criteria. The annual 211 registrations that DOJ cites annually for the justification of resources includes all convictions under PC 647(b), not just the ones that fall under SB 1414. Staff notes that the proposal for ongoing resources is not fully justified based on this information.

<b>Various Proposals</b>	<b>Non-Presentation</b>	<b>Budget</b>
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**1. DNA Identification Fund Backfill.** The Governor’s 2025-26 budget proposes to provide an ongoing General Fund backfill beginning in 2026-27. Specifically, the Governor proposes \$37 million in 2026-27, \$36 million in 2027-28, and \$35 million annually beginning in 2028-29. The 2025-26 budget also maintains the budget bill language allowing DOF to augment the backfill amount. Under this language, the General Fund would be permanently responsible for backfilling the DNA Identification Fund to ensure there is sufficient funding. The 2023 Budget

Act included \$46.1 million in backfill for three years and the last year of funding will expire at the end of 2025-26.

**LAO Recommendations:** Forensic services are important to various agencies in the investigation and prosecution of criminal cases. Accordingly, it is important that BFS receives relatively stable funding to process its workload. This has been challenging in recent years due to the continual decline in revenue in the DNA Identification Fund. The Governor's budget proposes to stabilize funding by providing an ongoing General Fund backfill to the DNA Identification Fund. In contrast, we recommend an alternative approach that minimizes the impact on the General Fund; increases BFS users' roles in the provision of forensic services, consistent with these services being essential to their law enforcement and prosecutorial responsibilities; and results in such users having incentive to prioritize the workload that is submitted. Specifically, we recommend the Legislature reject the Governor's proposed ongoing General Fund backfill beginning in 2026-27. We also recommend the Legislature require (1) users of BFS services to partially support BFS beginning in 2026-27 and (2) DOJ to develop a plan for calculating each agency's share of the BFS services it uses. We discuss each of our recommendations in greater detail below.

**1. Reject Governor's Proposal.** We recommend the Legislature reject the Governor's proposal to provide an ongoing General Fund backfill to the DNA Identification Fund to support BFS beginning in 2026-27. As noted above, the \$46.1 million backfill provided for 2025-26 remains unchanged. As such, BFS already has sufficient resources to maintain its service levels in the coming year while a new funding structure (which we describe below) is implemented.

**2. Require Local Users of Forensic Services to Partially Support BFS Beginning in 2026-27.** We recommend the Legislature require local governments to partially support BFS beginning in 2026-27. Agencies that receive services from BFS would be required to pay for a portion of the services they receive, consistent with this being essential to their law enforcement and prosecutorial responsibilities. Additionally, this would provide them with greater incentive to prioritize what workload they send to DOJ. Delaying this change to 2026-27 provides time for the implementation of a new funding structure and to allow agencies to adapt to the new funding framework.

**3. Require Nonlocal Users of Forensic Services to Partially Support BFS Beginning in 2026-27.** Similarly, we recommend the Legislature require nonlocal government agencies to partially support BFS by paying for a portion of the services they receive from their operational budgets beginning in 2026-27. For example, CDCR could be directed to pay for its share of BFS services from its operational budget. This is consistent with these services being important to CDCR's law enforcement mission. It would also provide CDCR with incentive to consider what evidence, and the amount of evidence, that is submitted. (We note that this would be similar to the DOJ Legal Division billing state agencies for the costs of providing legal advice and service.) Alternatively, the Legislature could designate specific portions of the General Fund it provides to BFS as being exclusively to provide services for each entity—effectively capping the amount of service the entity would receive. Because this amount would be limited, it would similarly provide

an incentive for these entities to consider what evidence is submitted and why it is submitted. We note that adopting this recommendation could require some level of increased resources for state agencies that receive BFS services, such as CHP and CDCR. However, this would come at no net General Fund cost as it would correspondingly reduce the General Fund backfill needed to support BFS.

**4. Require DOJ to Develop Plan for Calculating User Share of BFS Support.** To support the alternative funding structure identified above, we recommend the Legislature direct DOJ to submit a plan for calculating each agency's share of the BFS services it uses—including operating and facility costs—and report on this plan no later than October 1, 2025 to allow for its consideration as part of the 2026-27 budget. We also recommend the Legislature provide DOJ with direction on how much of BFS operation revenues should come from local, state, and other agencies (such as one-third or one-half), as well as whether the Legislature plans to directly appropriate a specific General Fund amount to support a certain level of services for state agencies. While the Legislature would determine the amount of revenue DOJ should aim for, we recommend giving DOJ flexibility in calculating each agency's cost share of BFS services—including operation and facility costs—based on consultation with stakeholders and after considering various factors (including equity concerns). For example, DOJ could require agencies pay more or less based on various factors—such as the specific type of forensic service sought, the speed of the service, or the size of the agency. We acknowledge that developing such a plan may be difficult. However, we believe that the effort is well-merited as it would result in notable benefits by minimizing impact on the state General Fund and permanently addressing the key weaknesses with the existing system by increasing BFS users' roles in the provision and use of such services in a cost-effective manner.

**2. Unflavored Tobacco List (AB 3218).** The Governor's Budget proposes 4.0 positions and \$872,000 California Unflavored Tobacco List Fund in 2025-26 and \$786,000 and 4.0 positions in 2026-27 and ongoing to support the implementation and enforcement of Chapter 849, Statutes of 2024 (AB 3218). Additionally, DOJ requests a one-year loan of \$872,000 from the Public Rights Law Enforcement Special Fund to support the 2025-26 expenditures. Among its provisions, AB 3218 requires the Attorney General, no later than December 31, 2025, to establish and maintain on the Attorney General's website, a list of tobacco product brand styles that lack a characterizing flavor, to be known as the Unflavored Tobacco List (UTL), requires each manufacturer or importer of tobacco products to submit to the Attorney General a list of all brand styles, as defined, of tobacco products that they manufacture or import for sale or distribution in or into California, authorizes the Attorney General to charge a fee for each submission and renewal of a brand style, authorizes the Attorney General to assess civil penalties against distributors, wholesalers, and delivery sellers who sell tobacco products not appearing on the unflavored list, authorizes the Attorney General to seek injunctive relief and a civil penalty not to exceed \$50,000 and recover reasonable attorney's fees, investigation costs, and expert fees against an entity or individual that certifies to the Attorney General that a brand style lacks a characterizing flavor when the certifying entity or individual had no reasonable basis to believe the certification was true.



**Assembly Appropriations Analysis.** The DOJ estimates General Fund costs of \$189,000 in fiscal year 2024-25, and \$547,000 per year in 2025-26 and ongoing for three staff positions to prepare emergency regulations and forms; make determinations of eligibility for the UTL; coordinate with industry stakeholders on compliance and determinations; coordinate with other state agencies regarding the Unflavored Tobacco List; receive and process applications for listing on the Unflavored Tobacco List; and track administrative fees and costs. DOJ noted that after the UTL is established, revenues for the following funds will likely decrease by an unknown amount: Cigarette and Tobacco Products Tax Funds, California Electronic Cigarette Excise Tax Fund, and General Fund.

**3. Disaggregating Criminal Statistical Data (AB 2695).** The Governor's Budget proposes \$138,000 General Fund and 1.0 position in 2025-26, \$142,000 in 2026-27, \$129,000 in 2027-28, and \$115,000 ongoing in order to meet the provisions of Chapter 662, Statutes of 2024 (AB 2695). CJIS will require 1.0 permanent position and temporary help hours to meet the mandates of AB 2695. AB 2695 requires specified data collected by law enforcement agencies to be reported to DOJ and disaggregated to determine whether an incident occurred in Indian country.

**Assembly Appropriations Analysis.** Costs (General Fund) to DOJ of an unknown amount to advise reporting agencies on data collection and reporting, and, potentially, update its data systems to reflect additional information reported to the department.

**4. Background Investigations Unit Workload.** The Governor's Budget proposes \$1,003,000 (\$213,000 General Fund, \$790,000 Special Fund) in 2025-26 and \$931,000 (\$197,000 General Fund, \$734,000 Special Fund) and 6.0 positions in 2026-27 and ongoing to maintain the ongoing workload for the Division of Law Enforcement (DLE), Background Investigations Unit (BIU). BIU is responsible for conducting comprehensive background investigations for all DLE positions, including sworn personnel, non-sworn personnel, and professional staff across all DLE bureaus. Periodically, law enforcement agencies also request BIU services to conduct background investigations of high-ranking officials, or if they do not have the resources required to conduct background investigations of their own personnel.

**5. Bureau of Criminal Information and Analysis Unit Workload.** The Governor's Budget proposes \$3,998,000 Fingerprint Fees Account in 2025-26 and \$3,741,000 and 32.0 positions in 2026-27 and ongoing to address increased workloads in various programs in Bureau of Criminal Information and Analysis. The DOJ is mandated by Penal Code section 11105 to function as the criminal record repository for the State of California and must provide criminal offender record information to authorized agencies for persons seeking employment, licensure, or certification. In addition, the statutes allow individuals to request copies of their own record and submit a request to challenge incomplete or incorrect criminal history information. DOJ states that the annual volume of fingerprints submitted for criminal background check requests has been increasing and continue to do so with statutory changes.

**6. Fingerprint Fees Account Authority Increase.** The Governor's Budget proposes an increase in Fingerprint Fees Account (FFA) expenditure authority of \$5,208,000 in 2025-26 and ongoing for processing federal level fingerprint background checks. DOJ is mandated by Penal Code section 11105 to function as the criminal record repository for the State of California and to serve as the single point of contact for the Federal Bureau of Investigation (FBI) to provide criminal offender record information to authorized agencies for persons seeking employment, licensure, or certification. DOJ states that the annual volume of fingerprints submitted to DOJ for criminal background check requests has been increasing. Fingerprint submissions and associated federal level fees requesting federal level of service background checks are collected through the DOJ and passed on to the FBI for processing to determine the existence of criminal history. The DOJ receives monthly invoices from the FBI for services rendered.

**7. License 2000 System Replacement Project.** The Governor's Budget proposes \$1,933,000 in 2025-26 and \$1,901,000 and 3.0 positions in 2026-27 and ongoing from the Gambling Control Fund and the Indian gaming Special Distribution Fund to continue the License 2000 System Replacement Project. Additional ongoing resources are required to support annual software renewals, perform daily ongoing support and maintenance activities for system functions, user access, and changes to address problem resolution/process changes driven by changes to policies. The DOJ states that the resources will allow the project to transition and support the ongoing maintenance and operations phase.

**8. Office of General Counsel Information Security Workload.** The Governor's Budget proposes a net-zero technical restructuring of the existing program funding for the Office of General Counsel (OGC). Under the proposed funding conversion, the existing General Fund appropriation would transition to the indirect distributed administration model, while the \$360,000 Fingerprint Fees Account appropriation would remain as a special fund appropriation. This will result in a reduction in OGC's existing General Fund appropriation with an equivalent increase in various special fund spending authority for a net zero impact.

**9. Office of General Counsel Legal and Executive Workload.** The Governor's Budget proposes a net-zero technical restructuring of the existing program funding for the Office of General Counsel (OGC). The Office of General Counsel (OGC) was established as a new division in 2023-24 through a net-zero transfer of funds. Currently, OGC's Legal Unit is supported by General Fund and Legal Services Revolving Fund monies. This proposal seeks to convert existing GF resources to the indirect model and spread the costs to all Departmental fund sources. This will reduce the pressure on the state's General Fund resources, and appropriately align costs to all programs based on the distributed administration model.

**10. California Consumer Privacy Act Enforcement Workload.** The Governor's Budget proposes \$350,000 Consumer Privacy Fund in 2025-26 and 2026-27 to support consumer privacy enforcement workload. The California Privacy Protection Agency has a related proposal – Enforcement Division Technical Infrastructure. There is also a request for trailer bill related to the California Consumer Privacy Act that will be heard in Assembly Budget Subcommittee No. 5 on State Administration.

**11. Implementation of Various Public Rights-Related Legislation.** The Governor’s Budget requests 9.0 positions and \$2,244,000 in 2025-26 and \$2,185,000 in 2026-27 and ongoing to address increased workload associated with the implementation of Senate Bills (SB) 976, SB 942, and SB 1061, and Assembly Bills (AB) 1780, AB 2013, AB 2426, AB 2655, and AB 2780.

**Staff Recommendation:** Hold Open.

**Issue 6: Firearm Related Budget Proposals**

The Department of Justice will provide an overview of their firearm related budget proposals.

**Panel**

- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Allison Mendoza, Bureau Chief, Bureau of Firearms, Department of Justice
- Anita Lee, Legislative Analyst's Office
- Mark Jimenez, Department of Finance
- Anthony Franzoia, Department of Finance

**Background**

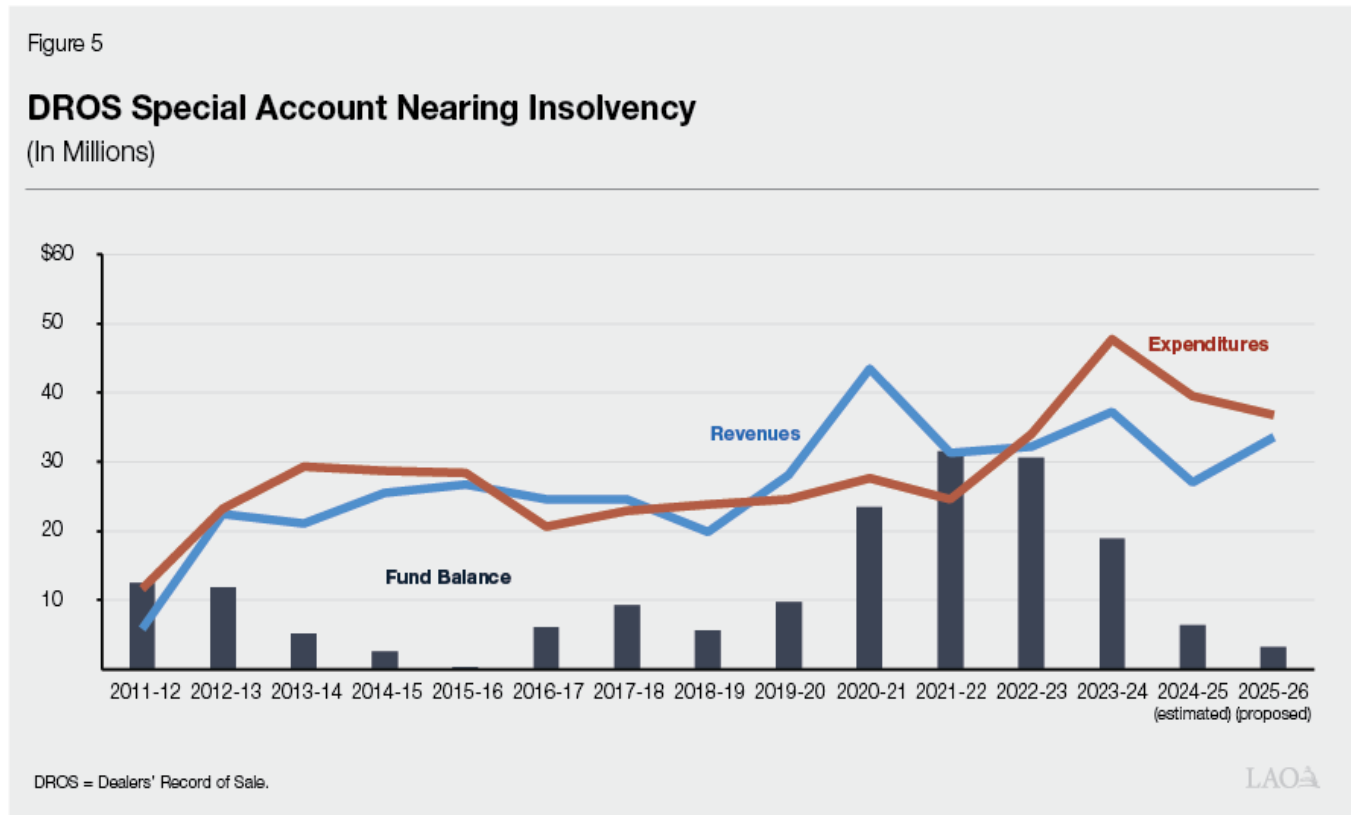
The following background is provided by the Legislative Analyst's Office:

**Bureau of Firearms (BOF) Primarily Responsible for Regulating and Enforcing State's Firearm and Ammunition Laws.** DOJ's BOF is primarily responsible for the regulation and enforcement of the state's firearm and ammunition laws. This includes conducting background checks for individuals seeking to purchase firearms and ammunition, licensing firearm and ammunition vendors, conducting vendor compliance investigations, ensuring lawful possession of firearms and ammunition, and administering various other firearm and ammunition programs. Support for BOF has increased over the past decade from \$30.2 million in 2015-16 to \$62.1 million in 2024-25. During this period, BOF also shifted from being fully supported by various special funds and began receiving General Fund support in 2019-20 (2024-25: 39% General Fund and 61% from special funds).

**Five Firearm or Ammunition Related Special Funds Support BOF Workload.** Separate from the General Fund, five firearm and ammunition-related special funds support BOF workload. These five funds include: (1) Dealers' Record of Sale (DROS) Special Account; (2) Firearms Safety and Enforcement Special Fund; (3) Firearm Safety Account; (4) Ammunition Safety and Enforcement Special Fund; and (5) Ammunition Vendors Special Account. State law authorizes DOJ to charge various fees related to firearms and ammunition that are deposited into these funds to support BOF programs and activities. For example, an individual purchasing a firearm currently pays fees totaling \$37.19—a \$31.19 fee deposited into the DROS Special Account (the "DROS fee"), a \$5 fee into the Firearm Safety and Enforcement Special Fund, and a \$1 fee into the Firearm Safety Account. State law also authorizes DOJ to administratively increase some of these fees to account for inflation as long as the fee does not exceed DOJ's regulatory and enforcement costs. State law authorizes revenues deposited into each of these special funds to be used for various purposes.

**DROS Special Account Is the Primary Special Fund Supporting BOF.** The DROS Special Account is the primary special fund supporting BOF activities. This is because it receives the most fee revenue and, the statutorily permissible uses of the fund are broad. Specifically, the

DROS Special Account may generally be used to offset DOJ’s reasonable costs of firearm-related regulatory and enforcement activities pertaining to the sale, purchase, manufacturing, lawful or unlawful possession, loan, or transfer of firearms. As shown in Figure 5, DROS Special Account revenues often fluctuate from year to year, generally reflecting changes in fee levels and the number of firearms sold. DROS Special Account expenditures routinely exceeded revenues prior to 2019-20—resulting in the decline of the fund balance. The Governor’s budget estimates \$33.5 million in DROS Special Account revenues in 2025-26 and expenditures of \$36.7 million, resulting in a fund balance of \$3.2 million at the end of the year.



### Governor’s Proposal

The Governor’s budget proposes \$19.2 million in 2025-26 (\$18.6 million General Fund and \$640,000 from various special funds)—declining to \$6.4 million ongoing (\$5.8 million General Fund and \$519,000 from the Fingerprint Fees Account) in 2027-28—to support DOJ firearm workload. The proposed funding would support 11 budget proposals—including eight related to workload resulting from recently enacted legislation, as summarized in the following table.

## Summary of Governor’s Firearm Workload Proposals

Workload	Proposed Resources	Description
<b>Recently Enacted Legislation</b>		
Chapter 527 of 2024 (AB 2629, Haney)	\$198,000 General Fund in 2025-26.	Prohibits people found mentally incompetent to stand trial in a post release community supervision or parole revocation hearings from possessing or receiving a firearm. DOJ seeks additional resources to update its existing databases to reflect such requirements.
Chapter 529 of 2024 (AB 1252, Wicks)	5 positions and \$1 million General Fund in 2025-26, declining to \$952,000 annually in 2026-27.	Establishes the Office of Gun Violence Prevention within DOJ, which advises the Attorney General on gun violence prevention-related issues. By July 2026, the office is required to issue a public report on achieving sustained gun violence reduction.
Chapter 538 of 2024 (AB 2907, Zbur)	\$165,000 General Fund in 2025-26.	Requires the courts and law enforcement take additional actions to ensure that a person subject to a protective order relinquishes any firearm in their possession. These include querying a DOJ database, and providing a copy of the results to prosecutors. DOJ seeks resources to increase the number of results displayed for each query.
Chapter 539 of 2024 (AB 2917, Zbur)	1 position and \$138,000 General Fund in 2025-26, declining to \$125,000 annually in 2026-27.	Expands factors a court must consider when determining whether to issue a gun violence restraining order. DOJ seeks additional workload this will generate for its Armed Prohibited Person System.
Chapter 540 of 2024 (AB 3064, Maienschein)	\$489,000 (\$398,000 General Fund and \$91,000 FSA) in 2025-26 and \$156,000 (\$78,000 General Fund and \$78,000 FSA) in 2026-27.	Authorizes DOJ charge fees, beginning January 2026, to cover certain costs related to approving devices for its firearm safety devices roster and requires DOJ to manage the roster.
Chapter 542 of 2024 (SB 53, Portantino)	\$212,000 (\$181,000 General Fund; \$16,000 Gambling Control Fund; \$15,000 Indian Gaming Special Distribution Fund) in 2025-26 and \$80,000 (\$67,000 General Fund; \$7,000 Gambling	Adds gun storage requirements and requires DOJ to (1) inform the public of the requirements and (2) comply with the requirements itself.

Workload	Proposed Resources	Description
	Control Fund; \$6,000 Indian Gaming Special Distribution Fund) in 2026-27.	
Chapter 544 of 2024 (SB 899, Skinner)	\$43,000 General Fund in 2025-26.	Extends firearm and ammunition relinquishment procedures that currently apply to domestic violence restraining orders to various restraining or court protective orders. Requires DOJ to add ammunition relinquishment language to some of these orders.
Chapter 546 of 2024 (SB 965, Min)	1 position and \$180,000 General Fund in 2025-26, declining to \$161,000 annually in 2026-27.	Requires DOJ to annually report on staffing levels for conducting firearm dealer and ammunition vendor inspections, information about each inspection conducted, and specified information about the roster of handguns DOJ maintains.
FITSM	17 positions and \$11.4 million General Fund in 2025-26.	Resources to continue development of FITSM, including solution planning, development, procurement, evaluation, and selection for the project which replaces 17 existing firearm and ammunition databases and systems.
Carry Concealed Weapon Program	26 positions and \$3.2 million (\$2.7 million General Fund and \$519,000 FFA) annually beginning in 2025-26.	Permanent funding to address increased carry concealed weapon license workload from the elimination by the federal courts of the requirement to show good cause for such a license.
Firearms Clearance Section Workload	14 positions and \$2.2 million General Fund in 2025-26, declining to \$1.9 million annually in 2026-27.	Resources to ensure the timely completion of firearm and ammunition eligibility check workload.
DOJ = Department of Justice; FSA = Firearms Safety Account; FITSM = Firearms IT Systems Modernization Project; and FFA = Fingerprint Fees Account.		

**LAO Comments**

The Legislative Analyst’s Office (LAO) provides the following assessment and recommendations.

**Proposals Reasonable, but Some Could Statutorily Be Funded by Special Funds...** We generally find the requested budget proposals to be reasonable as they support increased workload and the implementation of new legislation. However, a majority of these

proposals that are requesting full or partial General Fund support could statutorily be funded by DOJ's firearm and ammunition special funds—most notably the DROS Special Account as it has the broadest statutorily permissible uses. This is because they generally pertain to DOJ regulatory or enforcement actions to ensure the lawful ownership or possession of firearms.

**...While Some Could Not.** At least three budget proposals could not statutorily be funded by these special funds and are appropriately seeking General Fund resources. One of these proposals is Chapter 529 of 2024 (AB 1252, Wicks), which would create a new Office of Gun Violence Prevention that focuses on gun violence prevention rather than regulatory or enforcement issues, meaning the activities are generally outside the permissible activities for funding by the five special funds. Another proposal is Chapter 539 of 2024 (AB 2917, Zbur), which seeks additional resources for the APPS System—for which support was previously shifted to the General Fund, as mentioned above. Finally, the third proposal is Chapter 546 of 2024 (SB 965, Min), which seeks additional resources for data reporting. The required reporting generally appears to fall outside of the regulatory or enforcement activities that can be supported by the five special funds.

**Special Funds Currently Unlikely to Be Able to Support All Permissible Costs.** While a number of the budget proposals could *statutorily* be supported by the five firearm and ammunition special funds, these special funds are unlikely to *fiscally* be able to support all of the permissible costs. If all permissible General Fund costs in these requests were shifted from the General Fund to these special funds, more than \$15 million would be shifted in 2025-26—with at least \$5 million shifted on an ongoing basis. The DROS Special Account (assuming approval of the Governor's proposals and no additional changes) faces potential insolvency in 2027-28, even without shifting the allowable cost of these proposals to the fund. The four other special funds similarly would be unable to support all of these costs. This is because they face structural shortfalls in which expenditures exceed revenues, generally receive less revenue, or can only be used for a relatively narrow number of activities.

**State Typically Set Fees to Support Regulatory or Enforcement Activities...** The state typically establishes fees to fully support state entity costs to license, regulate, and enforce laws within a particular industry. A key example is the state's licensing and regulatory activities for various professions—such as lawyers, doctors, and accountants—overseen by the Department of Consumer Affairs (DCA). Nearly the entire \$753 million 2024-25 budget for DCA is supported by fees charged to each profession. Such fees are regularly adjusted or approved by the Legislature as needed to cover increased workload and costs.

**...But Recent U.S. Supreme Court Comment on Firearm Regulatory Fees Raises Questions About This Approach.** In June 2022, the U.S. Supreme Court issued a decision in the *New York State Rifle & Pistol Association v. Bruen* case that found laws requiring individuals provide “good cause” to carry a concealed weapon to be unconstitutional. As a result, states that want to regulate an individual's ability to carry concealed weapons (including California) must have “shall-issue” regulatory regimes, meaning such states are required to issue carry concealed permits to individuals seeking them if the individuals meet nondiscretionary criteria. The decision included the following footnote: “Because any permitting scheme can be put towards abusive ends, we do not rule out constitutional challenges to shall-issue regimes where,



for example, lengthy wait times in processing license applications or exorbitant fees deny ordinary citizens their right to public carry.” This footnote suggests that there may be a point where firearm regulatory fees become unconstitutionally high.

***Concerns With DROS Special Account Insolvency Led to Greater Use of General Fund...*** Support for BOF followed a fee-based funding structure through 2018-19, with all BOF costs supported by special funds. This changed in 2019-20 when the state decided to shift full support for the APPS Program from the special funds to the General Fund, in part to address the solvency of the firearm special funds. With the passage of Chapter 736 to increase the fee deposited into the DROS Special Account, the Legislature took steps to shift more of the cost of BOF back onto special funds. Despite that action, DOJ firearm-related costs stemming from increased workload, newly enacted legislation, and the Firearms Information Technology Systems Modernization (FITSM) project continued to push the fund toward insolvency. (FITSM is a technology project currently in progress that would replace 17 existing firearm and ammunition databases and systems.) The looming insolvency of the DROS Special Account has led to DOJ increasingly requesting General Fund resources to support firearm-related workload that can statutorily be supported by the special funds. In 2025-26, the Governor’s budget projects that 51 percent of support for BOF will come from the General Fund.

***...Leading to Inconsistencies in How Workload Is Funded...*** The increasing provision of General Fund has led to some inconsistency in what is funded by the General Fund versus the firearm special funds. For example, the 2023-24 budget package included \$19.3 million in 2023-24 (decreasing to \$6 million annually beginning in 2026-27)—mostly from the DROS Special Account—for the implementation of five pieces of enacted legislation, increased or new baseline workload, and the continuation FITSM. In contrast, the 2024-25 budget package included \$16.2 million in 2024-25 (decreasing to \$11.9 million annually in 2028-29)—mostly from the General Fund—for the implementation of five pieces of enacted legislation and the continuation of FITSM. Both budget packages included some budget requests to fund similar types of workload but this workload was supported with different fund sources in each budget act. For example, FITSM was funded by the DROS Special Account in 2023-24 and the General Fund in 2024-25. The Governor’s budget proposes General Fund support for FITSM in 2025-26.

***...Suggesting State May Want to Examine Its Regulatory Fee Structure, Particularly Given Limited General Fund Capacity for Ongoing Commitments.*** The inconsistencies in how the state supports current firearm workload and the changing legal landscape suggests the state may want to examine its regulatory fee structure to more consistently determine what regulatory and enforcement activities should be supported by regulatory fees versus the General Fund. This would then help the Legislature determine the appropriate fee levels for existing and future costs. This is especially critical given the multiyear deficits facing the state that leave no capacity for new ongoing commitments, meaning any additional General Fund provided for firearms regulation would likely require reduced spending for other existing state programs. For example, FITSM will require significant resources—potentially in the hundreds of millions of dollars—in the coming years to be completed. To the extent that fees are available to support BOF activities, it would minimize the need for General Fund resources. To the extent fee revenues are not available to support DOJ’s firearm-related workload, General Fund could be necessary—but would come at the cost of other budget priorities.

## Recommendations

We raise no concerns with the Governor's request to fund 11 firearm and ammunition budget proposals as they implement legislative proposals or address increased workload. However, we have broader concerns with how the state supports firearm-related workload in the future—specifically what portion of such workload is supported by regulatory fees versus the General Fund. This is particularly important given the multiyear deficits facing the state which mean that any additional General Fund spending would require reductions in other state programs. We discuss our two recommendations to address this broader concern below.

**1. Direct DOJ Provide a Framework for Determining What Workload Should Be Funded by Fee Revenues.** We recommend the Legislature direct DOJ to provide the Legislature with a potential framework by January 10, 2026 for determining what firearm and ammunition workload should be funded by special fund fee revenues. In developing this framework, DOJ can evaluate its entire workload, the potential impact of FITSM and other actions that can help improve efficiency, and existing federal and state statute and case law. The framework should provide clear explanations for how the identified workload should be funded, the calculation of appropriate fee levels and how such calculations were reached, recommendations for how frequently the fees should be adjusted and the process by which they should be adjusted, and any recommendations for statutory changes specifying the allowable uses for the special fund revenues. Such a report could help inform legislative decision-making on how such workload could be supported in the future.

**2. Use Framework to Inform Future Actions.** The Legislature could use the DOJ framework to inform its future actions. This could include appropriately aligning firearm and ammunition-related workload with the appropriate fund source. This would then allow the Legislature to determine what fee levels it is comfortable with—which could be higher or lower than those recommended by DOJ. If the fee levels are lower than current or projected costs, the Legislature would be better equipped to assess: (1) how much of this workload needs to be supported from the General Fund at the cost of other budget priorities; or (2) whether the cost of the workload needs to be reduced—such as through statutory or other changes—to avoid such budgetary trade-offs.

**Staff Recommendation:** Hold Open.

**Issue 7: Update on Efforts related to Missing and Murdered Indigenous People (MMIP)**

The Department of Justice will provide an update on the efforts related to MMIP.

**Panel**

- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Isaac Bojorquez, Acting Director, Office of Native American Affairs, Department of Justice
- Mark Jimenez, Department of Finance
- Anthony Franzoia, Department of Finance
- Anita Lee, Legislative Analyst's Office

**Background**

Within the Department of Justice (DOJ) is the Office of Native American Affairs, which was first established in 2000. In recent years, state investments have been prioritized to address the MMIP crisis in the state, including grants administered by the Board of State and Community Corrections to tribal nations and a statewide study on the issue. Most recently, the 2024 Budget Act included \$5 million to the DOJ which required the following:

\$5 million shall be made available for support or local assistance and shall be used by the Department of Justice to coordinate and provide technical assistance to local and tribal enforcement agencies in their efforts to identify and investigate missing and murdered indigenous individuals, and act as a liaison between tribal governments, families, and other law enforcement agencies. A portion of these funds may also be used to provide grants to local law enforcement agencies to support these investigatory activities as determined by the department. For any grants provided, within the discretion of the department, grant recipients shall provide a report to the Department of Justice regarding how grant funds were used, including a summary of any progress made in their investigations. These reports shall be made available to the Legislature. These funds shall be available for encumbrance or expenditure until June 30, 2029.

**Staff Recommendation:** This is an informational item.

## Various Departments

### Issue 8: Budget Proposals from the California Committee on Revision of the Penal Code, Board of State and Community Corrections, and the Office of the State Public Defender

The Department of Finance is available to answer any questions from the Subcommittee on any of the following non-presentation budget proposals.

**1. Data and Research Funding.** The Governor's Budget proposes \$900,000 in reimbursements in 2025-26 from the Office of the Legislative Counsel (with an offsetting one-time General Fund augmentation to that office's budget) to fund one year of contract research activities, including secure data hosting, with the California Policy Lab (a University of California program). The 2022 Budget Act included funding for three years for the Committee on Revision of the Penal Code and California Policy Lab's research activities. This request is to continue that support at similar rates for another year.

**2. Reappropriation of Mobile Probation Service Centers Grant Funding.** The Governor's Budget proposes a reappropriation of \$12.8 million in Mobile Probation Service Center grant funds administered by the Board of State and Community Corrections, originally authorized as part of the 2022 Budget Act, to extend the reversion date to June 30, 2026. The 2022 Budget Act appropriated \$20 million General Fund to fund a competitive grant program for county probation departments to establish mobile probation service centers. The grants allow departments to purchase vehicles, equipment, telecommunications, and other technology to operate mobile probation service centers to assist probationers, particularly those individuals who are unhoused and struggling with meeting probation requirements.

**3. Public Resources Act Workload.** The Governor's Budget proposes \$148,000 General Fund and position in 2025-26, and \$141,000 in 2026-27 and ongoing to help address an increase in workload related to Public Records Act requests. The Office of the State Public Defender (OSPD) has seen an exponential growth in California Public Records Acts (CPRA) requests since 2020-21. The growth largely stems from incarcerated individuals making requests related to the Racial Justice Act (RJA; Chapter 317, Statutes of 2020 (AB 2542), and Chapter 739, Statutes of 2022 (AB 256)), including requests for information within large data sets. These requests take additional time to process because communication must take place by mail and documents must be compiled, printed, and mailed according to California Department of Corrections and Rehabilitation (CDCR) regulations. In 2020-21, OSPD received three CPRA requests, and, in 2023-24, OSPD received 15 requests. However, in 2024-25, OSPD is on track to receive close to 160 requests, with 85 received in the first half of the year. As additional groups of incarcerated individuals become eligible for the RJA, OSPD anticipates an increase in the number and complexity of these requests.

**Staff Recommendation:** Hold Open.