

California State Assembly



Assembly Budget Agenda

Assembly Budget Subcommittee No. 5 on State Administration

Assemblymember Sharon Quirk-Silva, Chair

Tuesday, April 1, 2025

Upon Adjournment of Session – 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.

Non-Presentation Items: Staff have suggested the following items do not receive a formal presentation from the Administration in order to focus time on the most substantial proposals. Members of the Subcommittee may ask questions or make comments on these proposals at the time designated by the Chair of the Subcommittee or request presentation by the Administration at the discretion of the Chair of the Subcommittee. Members of the public are encouraged to provide the public comment on these items at the designated time.

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Items to Be Heard

8955 Department of Veterans Affairs

The California Department of Veterans Affairs (CalVet) honors and serves California's veterans and their families by ensuring our veterans have access to the benefits they have earned to enable them to meet their needs. CalVet promotes and delivers innovative services through efficient, cost-effective programs and collaboration with key stakeholders and partners.

More specifically, CalVet:

- Communicates with California's veterans and their families at all pivotal moments throughout their post-military lives to educate them and connect them to their federal, state, and local benefits.
- Provides California veterans and their families with direct representation in presenting their claims and appeals for benefits before the US Department of Veterans Affairs and the federal Board of Veteran Appeals.
- Provides California veterans the opportunity to achieve the American dream of homeownership through direct low-cost loans to acquire farms and homes.
- Provides the state's aged or disabled veterans with premier rehabilitative, residential, and medical care and services in a home-like environment at the California Veterans Homes.

Issue 1: Overview

This issue will provide an overview of the California Department of Veterans Affairs services provided to eligible California veterans.

Background. CalVet strives to ensure California veterans and their families receive “the state and federal benefits and services they have earned and deserve as a result of selfless and honorable military service.”

California is home to roughly 1.8 million veterans which represents eight percent of the total veterans in the United States. In addition, the Department anticipates it will receive an additional 30,000 discharged members of the armed services each year for the next several years. CalVet is preparing for a sustained spike in services and benefits for a substantial amount of Iraq and Afghanistan discharging veterans under the age of 30, along with an aging Vietnam veteran population that will require greater access to medical and long-term care.

Panel

- Keith Boylan, Undersecretary, Department of Veterans Affairs
- John Spangler, Deputy Secretary, Legislation, Department of Veterans Affairs
- Jessie Romine, Principal Program Budget Analyst, Department of Finance
- Charles LaSalle, Finance Budget Analyst, Department of Finance
- Nick Schroeder, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

The Subcommittee may wish to ask the following:

1. Given the anticipated increase in the aging Vietnam veteran population requiring long-term medical care, will the existing California veterans homes be capable of handling the growing population?

Staff Recommendation: This item was presented for information only.

Issue 2: Veterans Home of California, Yountville – Capital Outlay

The Governor's budget requests the reappropriation of \$38,756,000 one-time General Fund for the construction phase of the Steam Distribution System Renovation project at the Veterans Home of California in Yountville. This proposal is not requesting any new funding.

The reappropriation is necessary due to delays related to code updates to design and technical specifications. This project will renovate the existing steam distribution which provides heating, cooling, and domestic hot water throughout the campus.

Background. The Department provides affordable long-term care to aged and disable veterans as well as their eligible spouses and domestic partners with eight veteran homes throughout the state. These homes can provide four different levels of care:

Independent Living – Housing program for veterans who do not require any daily support. Residents receive housing, meals, activities, and minimal supervision in a stable environment. In addition, residents have access to an onsite clinic for routine medical care.

Assisted Living – The Residential Care Facilities for the Elderly provides assisted living for veterans who require some routine support in a supervised environment. Residents may receive assistance with bathing, grooming, taking medication, and other daily activities.

Skilled Nursing Care – In the Skilled Nursing Facilities, veterans with significant care needs receive around-the-clock support from licensed nurses and certified nursing assistants. Residents receive assistance with their medical and day-to-day needs and often receive physical therapy or other rehabilitative services.

Memory Care – Memory Care units specialize in supporting veterans with dementia, memory loss, or other cognitive impairments. Services are designed to actively engage residents and promote mental well-being in a safe and familiar environment.

Veteran Homes are located in:

- **Redding** (Assisted Living, Skilled Nursing, and Memory Care)
- **Yountville** (Independent Living, Assisted Living, Skilled Nursing, and Memory Care)
- **Fresno** (Assisted Living, Skilled Nursing, and Memory Care)
- **Ventura** (Assisted Living and Memory Care)
- **West Los Angeles** (Assisted Living, Skilled Nursing, and Memory Care)
- **Lancaster** (Assisted Living Care)

- **Barstow** (Skilled Nursing Care)
- **Chula Vista** (Independent Living, Assisted Living, and Skilled Nursing Care)

Veterans Home of California, Yountville Capital Outlay Proposal

The Yountville Veterans Home was built in 1884 and is the first Veterans Home of California – and the third veterans’ home in the nation – to serve Mexican-American War and Civil War veterans. The facility spans 615 acres and has more than 100 buildings, serving up to 876 veterans and their spouses. Given its age, some of the facility’s infrastructure is well beyond normal deferred maintenance repair.

This capital outlay project includes the restoration of the antiquated steam/condensate system by replacing underground lines and piping to the mechanical rooms, manholes, insulation, and valves. The project will also add an additional ten Americans with Disabilities Act parking spaces to the southwest corner of Lincoln Hall. Preliminary plans were completed in January 2012. Working drawings are scheduled to be completed August 2025. Construction is expected to begin September 2025 and scheduled to be completed by September 2027.

The reappropriation of the construction phase is needed because of project delays related to design revisions to incorporate 1) code updates, 2) scope updates due to impacts of new skilled nursing facility building project, 3) PG&E requirements related to gas lines & valves, and 4) technical specifications updates. Currently, working drawings are 80 percent complete.

The Department intends to pursue a grant from the US Department of Veterans Affairs (USDVA) construction grant program for federal reimbursement to offset some of the state’s cost of the project. However, full state funding is needed now to initiate the construction phase.

Panel

- Coby Petersen, Deputy Secretary, Department of Veterans Affairs
- John Spangler, Deputy Secretary, Legislation, Department of Veterans Affairs
- Randall Katz, Deputy Director, Department of Finance
- Isaac Arias, Finance Budget Analyst, Department of Finance
- Nick Schroeder, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

Staff Comments

The Subcommittee may wish to ask the following:

1. What is the status of CalVet's request for federal reimbursement for this Yountville capital outlay project? Given the federal government's pause in providing grants, is there a risk the state may not receive any federal reimbursement?
2. Although not a capital outlay related question, approximately how much does the federal government reimburse the state for providing care and housing for veterans at the Yountville veterans home?
3. Given the age of the Yountville veterans home, are there any other major pending capital outlay projects that CalVet will be requesting funding for in the near future?

Staff Recommendation: Hold Open.

Issue 3: County Veteran Service Offices (CVSO)

County Veteran Service Offices (CVSO) are the primary government agencies providing California's veterans with assistance and connection to benefits and services in local communities throughout the state. They are a critical component in the state's efforts to work directly with individual veterans and their families to ensure they are aware of, apply for, and receive their benefits they earned through their service to our Nation

CalVet's relationship with CVSOs ensures veterans and their families are served and represented by trained and accredited professionals. Together, the CVSOs, through claims initiation and development, and the Department, through claims development and representation with appeals, provide assistance to veterans and their families in preparing and submitting claims and in representing claimants before the federal, state and local agencies providing veterans benefits.

Background. In CalVet's recent annual report on the "Monetary Benefits Attributable to the Assistance of County Veterans Services Offices" for Fiscal Year 2023-24, the Department found that as a result of the direct efforts of CVSOs, California veterans received \$579 million in new or increased federal benefits in the state's economy.

In Fiscal Year 2023-24, 57 of California's 58 counties operated a County Veterans Service Office with total statewide operational cost of \$49.5 million. During Fiscal Year 2023-24, CalVet distributed \$11 million in Subvention funds to CVSOs in support of claim development and preparation, and a variety of other services. CalVet's financial contribution to CVSOs is currently capped at \$11 million.

CVSOs regularly participate in outreach events to educate veterans on benefits they may be eligible for, provide assistance in obtaining those benefits and coordinate referrals from county social services departments when veterans and their families apply for public assistance programs. CVSOs also work closely with congressionally chartered veteran service organizations such as Disabled American Veterans and the American Legion, and other not-for-profit organizations to ensure their veteran population receives benefits earned through their service. However, even with the availability of these free supportive programs to help veterans obtain their earned benefits, some veterans continue to fall prey to third-parties that will offer to help veterans do so for an exorbitant fee.

Panel

- Roberto Herrera, Deputy Secretary, Veterans Services, Department of Veterans Affairs
- John Spangler, Deputy Secretary, Legislation, Department of Veterans Affairs
- Jessie Romine, Principal Program Budget Analyst, Department of Finance
- Charles LaSalle, Finance Budget Analyst, Department of Finance
- Nick Schroeder, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

The Subcommittee may wish to ask the following:

1. How does CalVet and the CVSOs reach out to newly honorably discharged veterans to assist them in obtaining their earned benefits?
2. What is CalVet's outreach strategy for contacting veterans to assist them in transitioning back into the community?
3. What could the state do to protect veterans from being preyed upon by third parties charging huge sums of money to assist veterans access earned benefits?

Staff Recommendation. This item was presented for information only.

1115 Department of Cannabis Control

The Department of Cannabis Control (DCC) licenses and regulates cannabis businesses. This includes the growing of cannabis plants, manufacturing of cannabis products, transportation and tracking of cannabis goods throughout the state, sales of cannabis goods, events where cannabis is sold or used, and the labeling of goods sold at retail.

Issue 4: Overview

This issue will provide an overview of the Department's role in licensing, regulating and protecting the licensed cannabis industry in the state.

Background The duties of the Department of Cannabis Control were originally performed by three separate state agencies. Ultimately, it was decided to merge them all into one entity.

DCC's administrative, licensing, regulatory, and enforcement costs are all covered by licensing fees. Any new obligations placed on DCC will result in higher licensing fees on the cannabis industry. In contrast, the cannabis excise retail tax revenue goes to other state agency regulatory and enforcement activities (Allocation 1); research (Allocation 2); and to youth, environmental and local law enforcement programs (Allocation 3).

The licensed cannabis industry has been struggling to compete with the illicit cannabis market who circumvent the licensing process and tax responsibilities. An estimated 11.4 million pounds of illicit cannabis is produced in California each year. Most of the illicit cannabis is shipped out of state but a significant portion will be illegally sold in California. Between the state cannabis excise tax (15%), sales and use tax (8.75% in Sacramento), and local government cannabis tax (4% in Sacramento), the total tax on legal cannabis products can be at 27.75% (Sacramento) or more.

DCC is responsible for various enforcement activities on the cannabis market. This includes investigating complaints of unlicensed or illegal cannabis activity and preventing unsafe products from entering the legal cannabis market. Although DCC's enforcement division has roughly 80 peace officers, it is the Committee's understanding that there are significant vacancies due to recruitment and retention issues.

Panel

- Christina Dempsey, Deputy Director of Government Affairs, Department of Cannabis Control
- Natalie Sheeran, Budget Officer, Department of Cannabis Control
- Charlene Manning, Principal Program Budget Analyst, Department of Finance
- Drew Soderborg, Deputy Legislative Analyst, Legislative Analyst's Office
- Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

The Subcommittee may wish to ask the following:

1. What is the state's overall strategy for combatting the production and sale of illicit cannabis products?
2. With such a huge illicit cannabis market, is DCC, or more broadly the state, exploring any alternatives to strengthening enforcement to protect the licensed cannabis industry?

Staff Recommendation: This item was presented for information only.

Issue 5: California Cannabis Market 2024 Report

This issue will provide a summary of the key findings and recommendations of the California Cannabis Market 2024 Report, prepared by ERA Economics for the Department of Cannabis Control.

Background In 2022 legislation approved by the Governor (AB 195), DCC was required to produce a report on the health and condition of licensed cannabis market. Recently released, the report found that while the year-to-year number of active licenses in 2024 was down (18%), licensed cannabis production was up (11.8%) and units sold is up (5.2%), however, total retail cannabis sales value was down (4.4%). It is estimated that only about a third of the cannabis consumer in California was purchased from a licensed cannabis retailer.

The report notes a couple of key factors to consider in 2025. Increased eradication and efforts to limit the unlicensed market help support the licensed market. Also, enforcement is critical for limiting the illicit market. Taxes and fees are a substantial share of licensed business costs. Lastly, hemp market integration is important to monitor.

Panel

- Christina Dempsey, Deputy Director of Governmental Affairs, Department of Cannabis Control
- Natalie Sheeran, Budget Officer, Department of Cannabis Control
- Duncan MacEwan, PhD, Principal Economist, ERA Economics LLS
- Charlene Manning, Principal Program Budget Analyst, Department of Finance
- Drew Soderborg, Deputy Legislative Analyst, Legislative Analyst's Office
- Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
- Amy O'Gorman Jenkins, Executive Director, California Cannabis Operators Association

Staff Comments

The Subcommittee may wish to ask the following:

1. In layman's terms, please summarize the findings of the recent health of the cannabis industry. Is the cannabis industry stable and how so?
2. Based on the study's findings, what more should the state do to protect the licensed cannabis industry?

Staff Recommendation: This item was presented for information only.

1111 Department of Consumer Affairs

The Department of Consumer Affairs (DCA) is an umbrella Department responsible for 36 different boards, bureaus, committees, commissions, and programs that license and regulate various occupations and vocations. The DCA entities regulate 280 license types including certificates, registrations, and permits. In general, the Department's Boards and Bureaus provide exams and licensing, enforcement, complaint resolution, and education for consumers. More than three million professionals are impacted by the DCA's oversight and regulation.

Issue 6: 2025 Governor's Budget Proposals

Budget change proposals for the Department of Consumer Affairs and its entities are typically funded through special funds. Revenues for these funds come from various fees levied on licensees or candidates for a license. These fees can include examination fees, license application fees, renewal fees, and more. The Governor's 2025-2026 proposed budget includes eight budget change proposals from the Department of Consumer Affairs. This issue includes five proposals related to addressing increased workload, two proposals addressing associated legislation, and the next issue relates to the DCA's ongoing business modernization IT project.

Below are the five proposals related to addressing increased workload.

- The California Board of Behavioral Sciences requests \$139,000 in FY 2025-26 and \$131,000 ongoing to fund 1.0 Staff Services Analyst to address increasing licensing application workload and processing delays for Licensed Marriage and Family Therapists (LMFTs) and Licensed Clinical Social Workers (LCSWs). The Board's LMFT and LCSW licensure application volumes have increased over the past five fiscal years by approximately 14 percent and are expected to continue to increase each year. Further, delays in processing licenses hinder applicants' clinical exam access and licensure, potentially impacting county associates facing a six-year deadline. Due to growing demand in the mental health profession, increased telehealth licensure applications, and complex supervision documentation requirements, the Board is unable to meet state-mandated processing timelines. Additional staff is critical to ensuring timely application reviews and maintaining regulatory compliance.
- The California Board of Accountancy requests \$253,000 in FY 2025-26 and \$237,000 ongoing to fund 2.0 Program Technician IIs to handle licensing-related phone calls and emails, which are currently managed by the Department of Consumer Affairs' Consumer Information Center (CIC). Due to the Board's separate IT system, CIC staff cannot access necessary licensing data, leading to frequent call redirections that disrupt licensing staff from processing exam, licensure, and renewal applications within the 30-day goal.

Stakeholders, including professional associations and legislators, have voiced concerns over the lack of direct access to Board staff. Additional personnel will improve response times, stakeholder satisfaction, and overall licensing efficiency.

- The California State Board of Pharmacy has two budget requests:
 - The Board requests \$293,000 in FY 2025-26 and \$277,000 ongoing for 1.0 Associate Governmental Program Analyst (AGPA) and 1.0 Office Technician (OT) to address continuing education (CE) audits and increasing complaint intake workload. The Enforcement Division faces a 17-day intake cycle time, exceeding the state's 10-day standard, and a 5% annual increase in complaints. The requested OT will help process complaints and reduce delays. Additionally, CE audit compliance has declined, with non-compliance rising from 25% to 46% since 2022-23, but staffing shortages limit audits to 0.2% of pharmacists. A dedicated AGPA will improve audit investigations, compliance verification, and pharmacist education.
 - The Board requests \$167,000 in FY 2025-26 and \$159,000 ongoing for 1.0 AGPA to handle regulatory rulemaking. The Board regulates pharmacy businesses, drug distribution, and the entire drug supply chain, requiring frequent regulatory updates. Without a dedicated regulatory analyst, senior management has had to manage rulemaking, delaying proposals and increasing processing time to 27 months instead of the target 18 months. Additional staff will improve rulemaking efficiency, compliance with new laws, and consumer protection.
- The Medical Board of California requests an increase in expenditure authority of \$399,000 to its Contingent Fund of the Medical Board of California in 2025-26 and ongoing commensurate with the need to increase the hourly compensation rate for Neurosurgery, Orthopedic Surgery, and Pain Medicine expert reviewers. The Board utilizes roughly the same neurosurgeon and orthopedic surgeon experts each year, indicating the Board's inability to grow its pool of reviewers for both specialties. The Board's current pay for these specialty experts fails to compete with other experts and the Board relies on the same neurosurgeon and orthopedic surgeon experts annually, showing its failure to expand its reviewer pool.
- The Contractors State License Board requests 4.0 positions and an increase in expenditure authority of \$708,000 in fiscal year 2025-26 and \$676,000 in 2026-27 and ongoing to address increased enforcement workload due to a sustained increase in residential solar consumer complaints. Due to a 154% rise in residential solar installation complaints since 2019, a pilot Multiple Offender Unit (MOU) program launched in 2023 consolidated cases against repeat solar offenders. This proposal seeks to make the MOU permanent, adding three Special Investigators and one Supervising SI to improve

efficiency, reduce consumer harm, and facilitate disciplinary actions against violators. Since its inception, MOU has handled a total of 1,359 complaints, with 772 complaints closed and 587 currently pending. This effort has led to 22 licensees being formally disciplined through the filing of accusations. These accusations collectively involved 84 complaints, an average of approximately 4 complaints included in the accusation per licensee. Of the 22 licensees, 5 have had their licenses revoked, underscoring the seriousness of the violations pursued by the unit. In addition to administrative enforcement, 2 licensees have had investigations referred to district attorneys for criminal prosecution, demonstrating MOU's commitment to pursuing the most severe cases through all available channels.

Below are the two Governor's budget proposals related to legislation chaptered in 2024.

- The Contractors State License Board requests 2.0 Special Investigators and \$338,000 in 2025-26 and \$322,000 ongoing to enforce AB 2622 (Chapter 240, Statutes of 2024), which raises the unlicensed construction work threshold from \$500 to \$1,000. This change will increase unlicensed contractor complaints, with previously uninvestigated cases now requiring enforcement. The requested investigators (one in Northern California and one in Southern California) will ensure compliance and handle the increased workload.
- The Board of Registered Nursing requests 1.0 Program Technician II and \$125,000 in 2025-26 and \$117,000 annually thereafter to implement SB 639 (Chapter 336, Statutes of 2024), which mandates Nurse Practitioners (NPs) with 25% of their patients aged 65 or older to complete 20% of their continuing education (CE) in gerontology, dementia, or older adult care. The Board will audit 10% of NP renewals annually to ensure compliance. The requested PT II will handle audits, create training materials, and assist with enforcement of the new CE requirement, complementing existing staff tasked with general CE compliance.

Panel

- Taylor Schick, Chief Fiscal Officer, Department of Consumer Affairs
- Steve Sodergren, Executive Officer
- Deanne Pierce, Assistant Executive Officer, Board of Accountancy
- Julia Ansel, Deputy Executive Officer, Board of Pharmacy
- Jason Piccione, Chief Information Officer Business Modernization Cohort 2
- David Fogt, Registrar, Contractors State License Board
- Loretta Melby, Executive Officer, Board of Registered Nursing
- Reji Varghese, Executive Director, Medical Board
- Marina O'Connor, Deputy Director, Medical Board

- Charlene Manning, Principal Program Budget Analyst, Department of Finance
- Heather Gonzalez, Emergency Services and Business Regulation, Legislative Analyst's Office

Staff Comments

1. Considering the increase in residential solar consumer complaints, while addressing these complaints is important, what proactive measures is the Board implementing to prevent violations as solar installations are expected to continue growing?
2. Given that these proposals are funded through special funds, how is the Department ensuring fiscal sustainability and preventing unnecessary fee increases on licensees?
3. With non-compliance in continuing education audits rising to 46%, how is the Board of Pharmacy ensuring pharmacists are aware of and adhering to CE requirements?

Staff Recommendation: Hold Open.

Issue 7: IT/Business Update on Business Modernization

The Department of Consumer Affairs requests an increase in expenditure authority of \$2.652 million in 2025-26 and ongoing to continue maintenance and operations for the Business Modernization Cohort 2 to maintain the new technology platforms that improves consumer engagement with DCA’s boards and bureaus. The implementation completed in the Spring of 2022 within its baseline budget. The DCA is in the final wave of Business Modernization efforts for the remaining programs and will continue to assess the opportunities to improve services via implementation of low-risk, high-reward complementary technology solutions. This modernization has allowed online application submissions, back office streamlined workflows, online consumer complaint submissions, and real-time application status updates to applicants via email and text messages. Between efforts associated with business modernization and the BreZE system, 34 out of 36 DCA programs are now able to accept online submission and payment for renewal applications.

Background. Between 2021 and 2025, the Governor has requested \$15 million in funding for the business modernization cohort two programs. The Governor’s 2025-26 budget proposes funding divided by boards and bureaus and reflects the necessary appropriation augmentations to cover system integration, software licensing, credit card payment activities, and continued funding of approximately \$966,000 for 5.0 positions in the Department’s Office of Information Services (OIS) to support the project through maintenance and operations. These costs will be distributed among the following Boards: Structural Pest Control Board, California Architects Board, Landscape Architects Technical Committee, Cemetery and Funeral Bureau, and Bureau of Household Goods and Services and will be built into each program’s project costs.

Business Modernization Item	Cost Center
System Integrator Contract	\$1,200,000
Software License Contract	\$210,000
Defect Tracking Software	\$15,000
5.0 OIS Staff	\$996,000
Credit Card Convenience Fees	\$231,000
Total	\$2,652,000

Panel

- Taylor Schick, Chief Fiscal Officer, Department of Consumer Affairs
- Charlene Manning, Principal Program Budget Analyst, Department of Finance
- Heather Gonzalez, Emergency Services and Business Regulation, Legislative Analyst's Office

Staff Comments

The Subcommittee may wish to ask the following:

1. In terms of the business modernization, what are the implementation rates across the boards and bureaus, and is the new system making operations more efficient across these boards and bureaus?
2. Since this is a continued funding request for the 5 OIS staff positions, do you anticipate needing permanent staff for maintenance and operations of BMC II?
3. The reorganization process has primarily focused on improving housing programs, but how will it also be leveraged to enhance consumer services? Additionally, what are DCA's biggest challenges in fulfilling its mission, and how will the proposed reorganization address them?

Staff Recommendation: Hold Open

8820 California Commission on the Status of Women and Girls

The California Commission on the Status of Women and Girls is the leading state agency advancing the interests of women and girls in one of the world's largest economies and the most populous state in the nation. We work inclusively to champion issues impacting women and girls through advocacy, education, and outreach to the Governor, Legislature, other public policymakers, and the public to attain equity and access for all. The 17 member Commission includes three State Senators, three Assemblymembers, the State Labor Commissioner, and ten appointed public members (seven by the Governor, one by the Superintendent of Public Instruction, one by the Senate Committee on Rules and one by the Assembly Speaker).

The Commission has a budget of \$2.28 million (of which \$1.5 million is General Fund) and 14.2 staff positions.

Issue 8: Overview of Commission Projects and Budget

During the pandemic, the Commission administered the Women's Recovery Response Grant Program, distributing \$12.6 million in one-time Local Assistance Funding to over 200 organizations, ultimately benefiting more than 90,000 women and girls over a three-year period. Additionally, the Commission has continued its oversight of the College Student Right to Access Act, expanded the Youth Advisory Council, collaborated with the First Partner's Office on the Equal Pay Program, and launched the Archive Project to document and preserve the history of women's advocacy in California.

Policy Advocacy & Legislative Tracking: Ensures legislation aligns with the Commission's mission to advance gender-responsive policy and equity. Actively tracks and prioritizes bills. Ongoing funding through State Operations Fund, Personnel. There are 2.0 policy and legislative staff members totaling to \$236k, 1.0 AGPA and 1.0 SSMII. As of 4/1/2025, the SSMII Director of Policy position will be vacant. The Commission has prepared the complete hiring package documents required by the Department of General Services and will backfill this role.

Youth Advisory Council: Engages young leaders in policy and legislative initiatives; onboarding a new cohort of 17 members. Ongoing funding through State Operations Fund, Personnel. YAC is primarily supported by 1.0 AGPA and 1.0 SSMII with annual salaries totaling to \$236k. This program is currently being scaled back or radically reconfigured to adapt to the critical staff shortage.

AB 1356 Advisory Committee: Reviews Peace Officer Standards and Training, assesses clinic harassment issues, and makes recommendations to the Legislature and Attorney General. Ongoing funding through State Operations Fund, Personnel. This Committee is supported by 1.0 SSMI, whose annual salary is approximately \$149k. The Commission is working towards allocating 1.0 AGPA to support AB 1356 as well.

Sexual Assault Committee Appointments: Solicits, reviews, and recommends appointments for committees addressing sexual assault policy. Ongoing funding through State Operations Fund, Personnel. This is supported by 1.0 SSMI (S) and 1.0 Commissioners. The annual salary of the supporting SSMI is about \$149k.

California Women Lead Collaboration: Supports outreach and leadership development for underrepresented women, including a joint program for the women of the Capitol Fellows Program. Ongoing funding through State Operations Fund, Personnel.

The Governor's budget proposal includes a request for 3 positions in 2025-26 and ongoing and \$570,000 General Fund in 2026-27 and ongoing to convert 3 limited-term positions to permanent to address significantly increased workload requirements due to program growth, and an increased number of contract obligations, and existing legislative mandates.

Background. The Director of Fiscal and Administration oversees all operations at the Commission, including procurement, personnel management, training, facilities, equipment, internal policies, compliance, and budgeting/financial planning. The Grants and Operations Specialist will be responsible for creating and managing a grant application and management system, overseeing all grant operations, donor relations, fundraising activities, logistical coordination, records management, process improvement, strategic planning, and resource allocation. The Programs and Partnerships Supervisor will manage the daily activities of 1.0 AGPA and 1.0 SSMI, oversee event planning and support, manage all partnerships and programs, establish and nurture new partnerships, support all 33 women's commissions, and handle applicable reporting is essential for the Commission's success. With all 3.0 positions set to expire in June of 2025, competitively hiring for the vacant roles is impractical and would further exacerbate the challenges faced by an understaffed Commission. By converting these positions to permanent, the Commission can optimize its resources and reduce the many inefficiencies related to high staff turnover. This proposal will enable the Commission to offer essential support to the Communications team, Programs and Partnerships efforts, and the Legislation and Policy Director. Additionally, it will help sustain the Girls Youth Advisory Council and Girl's Agenda.

Panel

- Darci Totten, Executive Director, California Commission on the Status of Women and Girls
- Maxwell Macedo, Director of Fiscal and Administration, California Commission on the Status of Women and Girls
- Ann Hollingshead, Principal Fiscal & Policy Analyst,, Legislative Analyst's Office
- Jessie Romine, Principal Program Budget Analyst, Department of Finance

Staff Comments

The Subcommittee may wish to ask:

1. What are the main programs that the Commission is working on in the upcoming year?
2. What steps has the Commission taken to mitigate inefficiencies caused by staff turnover, and how will making these positions permanent address those challenges?
3. What is the vacancy rate at the Commission?
4. How does the Commission measure the impact of its advocacy and outreach efforts on the lives of women and girls in California?
5. Can you share any success stories or examples where the Commission's initiatives have directly resulted in positive changes for women and girls?
6. How is the Commission working with the Governor's office and the Legislature to ensure adequate and sustainable funding for its initiatives?

Staff Recommendation. Hold Open.

8260 California Arts Council

Issue 9: Overview and Staff Resources

The California Arts Council requests \$153,000 General Fund in 2025-26 and ongoing to support one new permanent position to provide critical support for human resources in the Operations Unit. In 2021, CAC hired an Associate Governmental Program Analyst (AGPA) whose responsibilities included being a human resource liaison and budget analyst. However, the human resource liaison responsibilities far exceed the AGPA’s workload and requires a full-time assignment. This new role will enable the existing AGPA, that currently assists with human resources duties part time, to commit to effectively perform budget-related responsibilities, ensuring timely completion of budget related work and allow the Council to complete the full complement of human resource liaison services for staff and to comply with State law and mandates.

Background. Overview of Arts Council 2024-25 Funding Allocation

The 2025-26 Governor's budget proposes \$34.2 million (of which \$31.1 million is General Fund) and 32 staff positions for the California Arts Council. In fiscal year 2024-25, the Council awarded around 800 grants, investing a total of roughly \$27 million in 55 different counties.

2024 Grantees by County

Alameda: 87 grants \$2,716, 371	Marin: 12 grants \$399,428	San Joaquin: 1 grant \$46, 749
Amador: 3 grants \$120,053	Mariposa: 2 grants \$85,643	San Luis Obispo: 5 grants \$162,946
Butte: 1 grant \$62,959	Mendocino: 5 grants \$209,278	San Mateo: 9 grants \$257,804
Calaveras: 1 grant \$56,478	Merced: 1 grant \$62,959	Santa Barbara: 5 grants \$223,426
Colusa: 1 grant \$62,959	Modoc: 1 grant \$56,478	Santa Clara: 17 grants \$469,841
Contra Costa: 19 grants \$635,941	Mono: 2 grants \$72,681	Santa Cruz: 13 grants \$471,595
Del Norte: 1 grant \$69,440	Monterey: 9 grants \$364,589	Shasta: 1 grant \$62,959
El Dorado: 2 grants \$104,623	Napa: 1 grant \$62,959	Sierra: 3 grants \$87,749
Fresno: 5 grants \$193,184	Nevada: 5 grants \$160,176	Siskiyou: 3 grants \$154,688
Humboldt: 6 grants \$217, 545	Orange: 11 grants \$398,161	Solano: 8 grants \$309,878
Imperial: 2 grants \$109,708	Placer: 6 grants \$840,772	Sonoma: 6 grants \$180,591
Inyo: 3 grants \$104,821	Plumas: 1 grant \$69,440	Stanislaus: 2 grants \$101,458

Kern: 5 grants \$178,833	Riverside: 16 grants \$547,949	Tehama: 1 grant \$62,959
Kings: 2 grants \$62,952	Sacramento: 31 grants \$916,996	Trinity: 2 grants \$84,948
Lake: 2 grants \$117,957	San Benito: 3 grants \$132,392	Tulare: 2 grants \$107,939
Lassen: 1 grant \$62,959	San Bernardino: 11 grants \$461,084	Tuolumne: 1 grant \$62,959
Los Angeles: 232 grants \$7,384,193	San Diego: 64 grants \$1,989,504	Ventura: 12 grants \$396,733
Madera: 1 grant \$62,959	San Francisco: 151 grants \$5,247,226	Yolo: 2 grants \$95,364
		Yuba: 1 grants \$138,880

In 2024-25, the California Arts Council offered the following grant programs:

Arts and Cultural Organizations General Operating Support: This program is designed to help sustain California’s cultural vitality by providing direct funding to arts and cultural organizations for ongoing operations. The funds can be used for various operational expenses, such as rent, utilities, and staff salaries, to support a diverse and robust arts workforce and infrastructure.

Impact Projects: Impact Projects grants support collaborations between local artists and community members to address community-defined needs through creative expression. These projects focus on social issues such as systemic marginalization, incarceration, access to education, poverty, health disparities, disability access, housing insecurity, violence, food insecurity, cultural/social justice, intergenerational learning, veterans' issues, and environmental sustainability.

State-Local Partners: This program is designed to offer general operating support and technical assistance to county-designated local arts agencies in California. Its goal is to promote cultural development at the local level through a partnership between the state and counties, involving funding, information exchange, cooperation, and leadership. This partnership helps individuals, organizations, and communities create, present, and preserve arts from all cultures to enrich the quality of life in California. Local arts agencies, which may be government units or nonprofit organizations, provide financial support, services, and programming to arts organizations, artists, and communities.

State-Local Partners Mentorship: This program is designed to facilitate the establishment of county-designated local arts agencies in Alpine, Glenn, Kings, and San Joaquin counties, where such agencies are currently absent. Grant funds will be allocated to four existing State-Local Partners (SLPs) to support the development of new SLPs in these counties. Local arts agencies are responsible for supporting arts and cultural activities across the county, providing financial assistance, services, and programming to artists, arts organizations, and the community. These agencies may be government entities, nonprofit organizations, or hybrid models.

Statewide and Regional Networks: This program is designed to support the health and vitality of California's creative workforce by creating resilient networks of arts service organizations and artists. Eligible applicants are arts service organizations with statewide or regional reach, which are nonprofit or fiscally sponsored groups that support artists and cultural bearers. These organizations enhance the capacity of individual artists and arts organizations, working to strengthen the arts sector across California. Networks consist of individuals or groups with common interests, collaborating to provide professional services and foster the growth of diverse art fields.

Arts Education Exposure: This program is designed to provide students, especially those from priority communities (based on socio-economic status, geographic region, or other factors), with opportunities to attend high-quality performances and exhibits. These experiences may include art exhibits, performances, field trips to arts venues, and in-school assemblies featuring arts and culture practitioners.

Arts Integration Training: This program is designed to support nonprofit arts organizations and teaching artists in providing professional development for teachers and administrators, aiming to enhance equitable student learning through the arts. The program encourages projects that can impact individual classrooms, entire schools, or district-wide arts strategies, with a focus on collaboration between arts organizations, teaching artists, and educational entities, ensuring full commitment from all involved.

Creative Youth Development: This program is designed to provide California's youth, particularly those impacted by the justice system, with meaningful, culturally responsive arts-learning experiences. The program supports youth from infancy to 25 years of age, with a focus on system-engaged, system-impacted, and at-risk youth. Projects can occur during or outside traditional school hours and may take place in various youth-oriented settings. Creative Youth Development prioritizes racial equity, social justice, youth voices, and collective action, fostering environments where young people's stories and creative expressions are valued.

Panel

- Danielle Brazell, Executive Director, California Arts Council
- Charles LaSalle, Finance Budget Analyst, Department of Finance
- Heather Gonzalez, Emergency Services and Business Regulation, Legislative Analyst's Office

Staff Comments

The Subcommittee may wish to ask the following:

1. Given the many competing priorities this year, can you elaborate on the importance of restoring \$5 million to the California Arts Council?
2. How is the Council enhancing accessibility to the grant application process for rural regions with limited capacity?
3. Can you explain the rationale behind having 32 staff members at the CAC and how the organization's staffing structure supports its operational needs?
4. How does the State-Local Partners Mentorship grant create sustainable cultural infrastructure in areas that will yield economic and cultural benefits in the long-term?
5. How will the Council maintain its commitment to diversity in grant making and programming amid the current federal administration's stance on DEI policies?

Staff Recommendation. Hold Open.

Non-Presentation Items

Non-Presentation Items

Non-Presentation Items: Staff have suggested the following items do not receive a formal presentation from the Administration in order to focus time on the most substantial proposals. Members of the Subcommittee may ask questions or make comments on these proposals at the time designated by the Chair of the Subcommittee or request a presentation by the Administration at the discretion of the Chair of the Subcommittee. Members of the public are encouraged to provide public comment on these items at the designated time.

8955 Department of Veterans Affairs

1: Budget Change Proposal: Northern California Veterans Cemetery, Igo: Columbaria Expansion – Reimbursement Authority

The Department request authority to receive a federal grant reimbursement for allowable costs for the construction of the Northern California Veterans Cemetery, Igo: Columbaria Expansion project. The United States Department of Veterans Affairs, by way of the State Cemeteries Grants Program, executed a Memorandum of Agreement on January 5, 2024, approving reimbursement to the state. Approval of this authorization to accept these federal funds will result in a General Fund savings equal to the grant amount.

2: Budget Change Proposal: Administrative Services Staffing

The Department requests two positions and \$285,000 General Fund in 2025-26 and ongoing to augment staffing resources within the Administrative Services Division to meet the increased demands of the Budget Office. These positions will address the increased workload that resulted from the addition of the Redding and Fresno veterans homes.

3: Budget Change Proposal: Veterans Homes Deferred Maintenance

The Department requests \$819,000 General Fund in 2025-26 and ongoing for deferred maintenance for the Veterans Homes of California. The approval of the \$819,000 in 2025-26 and ongoing would increase the ongoing annual budget for deferred maintenance in the Headquarters Homes Division budget from \$681,000 to \$1,500,000.

The Department estimates approximately \$43.3 million in necessary repairs for all the Veterans Homes, as well as an additional 51 other deferred maintenance projects with yet to be determined costs that will likely be in the tens of millions of dollars.

1115 Department of Cannabis Control

4: Budget Change Proposal: Cannabis Operator and Separate Premises License Types (SB 1064)

Pursuant to Chapter 875, Statutes of 2024 (SB 1064, Laird), the budget proposes an increase of \$154,000 Cannabis Control Fund and 1.0 position in 2025-26, and \$146,000 in 2026-27 and ongoing to establish a new Combined Activities License (CAL) type for eligible cannabis licensees. The CAL license authorizes two or more commercial cannabis activities to take place at the same premises, to ease administrative burdens on licensees, and allow for consolidation

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 5 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Genevieve McCloy and Bernie Orozco.