

**Assembly Budget Committee**  
JESSE GABRIEL, CHAIR



**SUBCOMMITTEE REPORT**  
**2025-2026 BUDGET**

**June 9, 2025**

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## OVERVIEW

The California Legislature's budget plan includes \$232 billion of spending from the state's General Fund in 2025-26, an estimated \$89 billion of special fund spending, and \$4 billion of spending from bond accounts. In addition, as of the May Revision, \$174 billion of federal funds spending was projected to flow through the state treasury, but that amount may change significantly based on upcoming actions by Congress and the White House.

The Legislature's 2025-26 budget bill and forthcoming budget package respond to the broad uncertainty of the current moment by:

- Reducing or delaying some severe proposed cuts in safety net programs to make sure these vital investments are not slashed prematurely.
- Funding public schools as required by the Constitution, expanding the number of child care slots, and avoiding ongoing cuts to California's university systems.
- Using part of the state's rainy day fund and other reserves, while also making difficult choices that begin to reduce Medi-Cal and other state costs.
- Helping advance Los Angeles wildfire recovery and boosting personnel resources to prevent and fight future wildfires.
- Avoiding new taxes on individuals, families, and small businesses, while prioritizing affordable housing funding and advancing the strongest ever reforms of the California Environmental Quality Act to promote housing in environmentally responsible locations.

### A Time of Uncertainty

The uncertainty of the present moment affects almost every aspect of the state budget.

A reckless federal government threatens funding for research institutions that drive the economy and innovation, as well as vital services that support families and communities.

Recovery from devastating wildfires continues in Los Angeles. Billions of dollars in taxes from Los Angeles County are delayed until October.

Wildly fluctuating presidential dictates on tariffs threaten the stability of the economy and investment markets. This, in turn, threatens tax revenue generated by California's progressive, voter-approved income tax system.

Economic experts warn of possible recession, which could further weaken state revenues over the next year or two. At the same time, stock market gains since the Governor prepared his May Revision suggest that state revenues may beat projections by billions in the coming months.

Rising health care, pharmaceutical, and other costs are affecting families, governments, and businesses across the country. Local governments feel the pinch, as does the State of California, whose Medi-Cal Program—a joint effort of federal and state government—covers 15 million

people, more than one-third of California's population. Rising costs across several parts of the Medi-Cal Program have become a significant fiscal issue for the state.

Even before potentially significant upcoming reductions in federal funding, California faces future annual deficits projected by both the Department of Finance and the Legislative Analyst's Office at \$10 billion to \$20 billion per year through 2028-29, assuming the Legislature adopts ongoing spending reductions at the level the Governor proposed in his May Revision. After 2030, taxes on higher-income Californians--approved by voters in Proposition 30 (2012) and Proposition 55 (2016)—expire, which could add billions more to future deficits.

### **The Legislative Budget Package's Key Themes**

The 2025-26 legislative budget bill and forthcoming budget package respond to all the uncertainty by:

- Making reductions to selected health and social services programs and efforts supported by the state's Greenhouse Gas Reduction Fund in order to balance the budget.
- Rejecting, delaying, or downsizing some of the most challenging gubernatorial cut proposals given the uncertainty of the moment, including the possibility that tax revenues will exceed projections in the coming months.
- Protecting key funding for family planning and women's health proposed for cuts by the Governor.
- Advancing the strongest ever statutory reforms of the California Environmental Quality Act to promote housing in environmentally responsible locations, boost economic development and employment, and advance the state's climate goals.
- Investing carefully to promote affordable housing, fund over 12,000 new child care slots, aid victims of crime, minimize state budget harm to universities facing federal cuts, and boost firefighting personnel.
- Providing \$110 million of General Fund resources in 2025-26 as part of the shared state-local effort to implement Proposition 36 (2024). This comes on top of \$29 million budgeted at the California Department of Corrections and Rehabilitation (CDCR) for increased Proposition 36 prison commitments, \$127 million of Board of State and Community Corrections grants released in April that can be used for Proposition 36 substance abuse and mental health treatment, and another \$89 million of such grants expected in 2025-26.
- Growing Proposition 98 funding to over \$25,000 per student, with a 2.3% cost-of-living adjustment for public schools, thereby protecting recent progress in increasing school funding and preparing for potentially bumpy fiscal times ahead.

- Rejecting the proposed 3 percent ongoing cut to the University of California and California State University systems, but deferring some payments to the university systems with an anticipated cash flow facility from the state to remediate the effect of the deferral.
- Expanding the annual size of the California Film and Television Tax Credit, cutting taxes on military retirement income, removing tax liability from various settlements related to recent and future wildfire disasters, and conforming taxation of financial institutions to apportionment rules similar to those used by other big companies.
- Providing assistance to Los Angeles County local governments for wildfire recovery, as well as transit entities in the San Francisco Bay Area facing significant fiscal challenges.
- Funding a seventh round of the key state aid for local government homelessness efforts, the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, with \$500 million available after Round 6 HHAP funds are distributed (likely in 2026-27) and benefiting from the Legislature's accountability improvements to the program in recent years.
- Insisting on good faith bargaining by the executive branch with state employees concerning wages and terms of employment and funding initial implementation of the In-Home Supportive Services (IHSS) Employer-Employee Relations Act, which passed the Assembly on May 29.
- Accepting the administration's proposal to close an additional state prison (to be named later) in 2026, for an estimated \$150 million of annual ongoing savings. The legislative proposal also approves more than \$300 million of annual administrative savings at CDCR, in addition to savings in the Governor's proposal. Rehabilitative Investment Grants for Healing and Transformation (RIGHT Grants) are funded at \$20 million.
- Adding \$15 million of funding to support the transgender, gender-nonconforming, and intersex (TGI) community, including cultural competency training for medical providers, mental health services, youth programs, and resettlement for TGI refugees.
- Promoting legislative oversight in approving a major new government efficiency effort to be led by the Department of Finance between now and the end of 2026, including new requirements for state departments' artificial intelligence projects to be reviewed publicly and approved by the Legislature.
- Reducing the Governor's proposed use of Proposition 4 climate bond moneys to offset General Fund costs by \$140 million.

- Using \$7.1 billion (about 40% of the remaining balance) of rainy day fund moneys and about \$6.5 billion from the state's other cash reserves to help balance the budget and preserve key programs during uncertain times. This preserves \$11.2 billion in the state's main rainy day fund, about \$2 billion in the General Fund's basic reserve (the Special Fund for Economic Uncertainties), up to \$650 million in the Proposition 98 rainy day fund, and tens of billions of dollars in other state accounts.
- Deferring to the legislative policy bill process the Governor's proposal to streamline administrative processes for the Delta Conveyance ("Tunnel") Project.

### **Disposition of Selected Health and IHSS Issues**

The Governor's May Revision proposals to reduce state costs in health and IHSS programs continue to be a key focus of the legislative budget process, understandably prompting concern from many Californians. The legislative budget package reflects the following decisions on selected proposals:

- Rejects Governor's proposal to reduce IHSS overtime hours.
- Rejects Governor's proposal to reduce Proposition 56 family planning and women's health supplemental payments, with this funding restored by various reductions to discretionary spending proposals made by the Governor.
- Rejects Governor's proposals to eliminate IHSS and long-term care services for individuals classified as having "unsatisfactory immigration status" under federal law, otherwise known as UIS.
- Freezes new Medi-Cal enrollment of UIS adults, age 19 and over, effective in January 2026, with a six-month period to re-enroll for those who lose eligibility for the program.
- Institutes Medi-Cal premiums for UIS adults, age 19 to 59, at \$30 per month (not \$100 per month as the Governor proposed), effective two years from now in July 1, 2027.
- Eliminates Medi-Cal coverage for specialty drugs for weight loss.
- Reinstates an asset test for Medi-Cal eligibility at \$130,000 for individuals and \$195,000 for couples, a more realistic level of assets than in the Governor's proposal (\$2,000 per individual and \$3,000 per couple).
- Approves Governor's proposal for \$1.5 billion of Proposition 35 funds to support Medi-Cal base rate increases across the 2025-26 and 2026-27 fiscal years.

- Delays implementation of Governor's proposal to eliminate Prospective Payment System Payments to federally qualified health centers and rural health clinics to July 2027.
- Delays implementation of Governor's proposals to reduce Proposition 56 supplemental payments to dental providers and to eliminate dental coverage for UIS adults, age 19 and over, on Medi-Cal to July 2027.
- Delays for two years, until July 1, 2027, the Governor's proposal to reduce payments by \$30 million per year to the Program of All-Inclusive Care for the Elderly (PACE).

### **How Does the Legislative Plan Compare with the Governor's Proposal?**

***Use of Rainy Day Fund Same as Governor's Plan.*** The legislative plan, like the Governor's May Revision proposal, relies on a \$7.1 billion withdrawal from the state's main rainy day fund, the Budget Stabilization Account. (This is about 40% of the rainy day fund's current balance, leaving \$11.2 billion in the fund.)

***"Internal Borrowing" from Other State Reserves.*** In addition to using the rainy day fund, the legislative plan expands the use of "internal borrowing" from other state accounts' reserves, a common practice the state has used in various forms for decades to help balance budgets. The Governor's May Revision proposal included about \$4.0 billion of proposed internal borrowing (excluding Proposition 98 settle up), including a \$3.4 billion borrowing related to this year's Medi-Cal cost overruns. The legislative plan increases that total to about \$6.5 billion, including a \$1 billion increase in the Medi-Cal borrowing and \$1.5 billion more from general state cash balances. The state's other accounts, outside of the rainy day fund, currently hold tens of billions of dollars on hand. The General Fund eventually will have to repay other accounts in the state treasury—in many cases, with interest—but case law gives the state flexibility in determining the pace of those repayments. This is an important form of flexibility to avoid the state budget having to make hasty cuts, as it did in 2009 and 2010, when minimal reserves were available.

***Rejects, Reduces, and Delays Some Proposed Cuts.*** While the legislative plan accepts many gubernatorial cost reduction proposals, it rejects some (especially in the IHSS Program), modifies several (typically reducing savings), and delays some proposed health cuts up to two years (such as the Medi-Cal premium proposal). As a result, cost reductions in the legislative plan are about \$3.6 billion in 2025-26, compared to about \$5.0 billion in the Governor's proposal. By 2028-29, cost reductions in the legislative plan grow to roughly \$12 billion, compared to around \$15 billion in the Governor's proposal. Cuts in the Legislature's budget include rejections of a few hundred million dollars of the Governor's discretionary spending proposals and prior appropriations.

**More Limited “Shift” of Cap and Trade Funds.** The Governor proposed using a substantial portion of Greenhouse Gas Reduction Fund (GGRF), or cap and trade, moneys to support what otherwise would be General Fund costs for the Department of Forestry and Fire Protection (Cal Fire). Specifically, the Governor proposed using \$1.5 billion from the GGRF for this purpose in 2025-26, growing to \$1.9 billion in 2028-29. The legislative plan approves only \$500 million in 2025-26 and \$500 million in 2026-27 for this purpose. In 2027-28 and 2028-29, the Legislature’s rejection of the Governor’s ongoing GGRF “fund shift” proposal is a major difference between the legislative plan and the May Revision. Proposition 4 and the remaining GGRF appropriations are expected in later 2025-26 budget bills. The legislative budget plan leaves cap and trade reauthorization to the Legislature’s “policy bill” process.

**Additional Legislative Augmentations.** The legislative plan augments the Governor’s proposals in several key areas. A \$500 million new allocation to the Low Income Housing Tax Credit and a \$120 million addition to the Multifamily Housing Program, for example, are in the plan, as is a \$100 million expenditure to backfill the federal Victims of Crime Act. Child care slots are added. Seasonal firefighters begin to be transitioned to permanent full-time staff, at about a \$200 million cost per year. Ongoing cuts to the University of California and the California State University systems are avoided, with payment deferrals to the systems offset by an anticipated short-term cash loan facility provided by the state.

**No New Taxes on Individuals, Families, and Small Businesses.** The legislative budget includes no new taxes on individuals, families, and most businesses. In fact, the budget plan reduces taxes on some categories of income for military retirees and wildfire victims, and the plan conforms the tax treatment of financial institutions to that of other multinational corporations, resulting in an estimated net revenue increase of \$330 million in 2025-26. The size of the current and projected deficits have prompted some discussions about potential future revenue options, including opportunities to close tax loopholes and require large multinational corporations to pay their fair share while also lowering taxes on middle class and working families.

**Lending to Local Governments.** Following up from the unprecedented fire emergency aid facility for Los Angeles County local governments in AB 100 (Gabriel), passed in April, the legislative budget plan includes a new \$1 billion state lending program for Los Angeles County local governments recovering from wildfires. It also includes a new \$750 million lending program for specified transit districts in the Bay Area that need assistance in the short term to cover operating costs. Details of the lending mechanisms will be developed in the next round of budget negotiations with the Governor. Consistent with the way the state treasury books some loans and investments, these local government loans result in no net current expense to the General Fund in budgetary accounting, as they will have a statutory repayment mechanism. The Legislature’s budget plan reaffirms prior wildfire aid appropriations from earlier this year.

**Smaller, But Sufficient, “Basic Reserve” in Legislative Plan.** The Governor’s May Revision included about \$12 billion of budget-balancing actions for 2025-26, including \$4.5 billion of such actions to keep the balance of the General Fund’s basic reserve, the Special Fund for Economic

Uncertainties (SFEU), at \$4.5 billion. In total, the Legislature's plan includes about \$9.5 billion of budget-balancing actions for 2025-26, which results in a \$2 billion SFEU. The state's constitutional balanced budget requirement only requires an SFEU of \$0 or greater. The \$2 billion SFEU balance is sufficient to address many unexpected needs. In emergency situations, other state cash resources are available. In particular, the Governor has broad emergency fiscal powers, including those in Section 8645 of the Government Code (California Emergency Services Act). Section 13.40 of the legislative budget bill also authorizes internal borrowing, if needed, for unexpected state needs. The remaining rainy day fund balance of \$11.2 billion also is available to address future deficits, consistent with the provisions of Proposition 2 (2014).

### **What Comes Next?**

If the Legislature approves the legislative budget bill and then presents it to the Governor on Sunday, June 15, 2025, the Governor's deadline to sign, veto, or line-item veto the bill will be Friday, June 27, 2025. Well before that date, the Senate and Assembly's leaders will begin negotiations with Governor Newsom to reach a final agreement on the budget.

Typically, up to a few dozen trailer bills—statutory measures authored by the budget committees to implement provisions of the budget—emerge and begin to be considered in budget committees and each house of the Legislature later in June. Most of the content that will be amended into trailer bills—sometimes with modifications—is already online at the Department of Finance's trailer bill website. Like other legislative bills, budget and trailer bills are online in their final form at least 72 hours before passage in each house of the Legislature.

More budget legislation likely will be considered in August and September 2025 during the closing weeks of this year's legislative session, which concludes on or before Friday, September 12. These measures may be clean-up bills or budget-related bills unable to be completed before the July legislative recess begins on or before Friday, July 18 (assuming, of course, that the state budget bill has been passed before that date).

At some point in the coming months, the U.S. Congress is expected to pass and President Trump is expected to sign major federal budget and tax legislation. That legislation could significantly alter the landscape of California communities by cutting health care and social services funding, slashing federal funding for universities and research, and making other damaging changes to federal policy. Even before Congress passes the legislation, the Trump Administration is threatening key funding streams that benefit Californians. August and September budget legislation might be required to deal with those federal actions. Alternatively, a special legislative session this fall may be convened or budgetary action may need to be expedited when the Legislature returns to Sacramento on January 5, 2026.

California again may face significant projected deficits in the coming years. Legislators, Governor Newsom, and their successors may face more difficult decisions in the years ahead.



# **Subcommittee No. 1 on Health**

**Assemblymember Dawn Addis, Chair**

## HEALTH

### Department of Health Care Services

- Freezes enrollment in Medi-Cal for individuals with Unsatisfactory Immigration Status, ages 19 and older, beginning January 1, 2026. Includes a six-month re-enrollment grace period. Clarifies that an individual cannot "age-out" of the program.
- Implements a \$30 per-month Medi-Cal premium, effective July 1, 2027, for individuals with Unsatisfactory Immigration Status, ages 19 to 59.
- Delays elimination of full-scope, state-only dental coverage for Medi-Cal enrollees with Unsatisfactory Immigration Status, ages 19 and older, to July 1, 2027.
- Rejects the proposal to eliminate long-term care benefits for Medi-Cal enrollees with Unsatisfactory Immigration Status.
- Implements a pharmacy rebate aggregator to secure state rebates for individuals with Unsatisfactory Immigration Status. Estimated General Fund savings are \$300 million in 2025-26 and \$362 million ongoing.
- Increases the minimum rebate for HIV/AIDS and cancer drugs. Estimated savings of \$75 million in 2025-26 and \$150 million ongoing.
- Delays elimination of Prospective Payment System rates for state-only-funded services provided to individuals with Unsatisfactory Immigration Status to July 1, 2027.
- Eliminates Medi-Cal pharmacy coverage of certain drug classes, including COVID-19 antigen tests, over-the-counter vitamins, and certain antihistamines including dry eye products. Estimated General Fund savings are \$3 million in 2025-26 and \$6 million in 2026-27 and ongoing.
- Eliminates Medi-Cal pharmacy coverage for Glucagon-Like Peptide-1 (GLP-1) agonists for weight loss, beginning January 1, 2026. GLP-1 agonist drugs would continue to be covered for diabetes and obesity. Estimated General Fund savings are \$85 million in 2025-26 and increasing to \$680 million annually by 2028-29.
- Implements pre-authorization policies to obtain drugs removed from the Department of Health Care Services' contracted drug list. Adopts modified trailer bill language regarding noticing requirements. Estimated General Fund savings are \$62.5 million in 2025-26 and \$125 million in 2026-27 and ongoing.

- Implements utilization management and prior authorization for prescription drugs. Estimated General Fund savings of \$25 million in 2025-26 and \$50 million in 2026-27 and ongoing.
- Implements step therapy protocols for utilization management and for added control on prescription drug costs. Estimated General Fund savings of \$87.5 million in 2025-26 and \$175 million ongoing.
- Reinstates the Medi-Cal Asset Limit at \$130,000 for individuals and \$195,000 for couples.
- Rejects the proposal to eliminate acupuncture as a Medi-Cal benefit.
- Delays the implementation of prior authorization requirements for hospice services in Medi-Cal to July 1, 2026.
- Includes \$1.3 billion in General Fund savings in 2025-26 and \$264 million in 2026-27 from Proposition 35. Reflects \$804 million in 2024-25, \$2.8 billion in 2025-26, and \$2.4 billion in 2026-27 for the MCO Tax and Proposition 35 expenditure plan. This includes \$1.6 billion across 2025-26 and 2026-27 to support increases in managed care base rates relative to calendar year 2024 for primary care, specialty care, ground emergency medical transportation, and hospital outpatient procedures.
- Delays elimination of supplemental Medi-Cal provider payments for dental services supported by Proposition 56 tobacco tax revenue to July 1, 2027.
- Rejects elimination of supplemental Medi-Cal provider payments for family planning services supported by Proposition 56 tobacco tax revenue.
- Rejects elimination of supplemental Medi-Cal provider payments for women's health services supported by Proposition 56 tobacco tax revenue.
- Suspends the final cohort of the physician and dentist loan repayment program supported by Proposition 56 tax revenue. Estimated General Fund savings of \$26 million in 2025-26.
- Limits payments to programs for all-inclusive care for the elderly (PACE) to the midpoint of actuarial ranges beginning July 1, 2027.
- Provides \$6,269,000 in 2025-26 only for 33 permanent staff positions to support DHCS ability to meet federal and state requirements related to the administration, operation, and monitoring and oversight of Program of All-Inclusive Care for the Elderly (PACE)

programs. The funding would be split between the PACE Oversight Fund and matching federal funds and no state General Fund.

- Proposes placeholder trailer bill language related to PACE programs to 1) authorize maintenance and operations fee of no more than 0.25 percent for one year, 2) require the fee, consistent with actuarial soundness, to be built into capitation rates, 3) exempt PACE organizations that cannot have the fee built into their capitation rates from payment of the fee and 4) requires the Department of Health Care Services to conduct a stakeholder process to propose an updated maintenance and operations fee structure.
- Adopts placeholder trailer bill to expand the definition of “contractors” subject to sanctions to include Waiver Agencies and PACE Organizations.
- Rejects the proposal to increase the minimum medical loss ratio for managed care plans.
- Eliminates the Workforce and Quality Incentive Program (WQIP) for Skilled Nursing Facilities.
- Suspends indefinitely the requirement for Skilled Nursing Facilities to maintain a backup power system for no fewer than 96 hours. Adopt placeholder trailer bill language to implement the policy.
- Rejects proposal to use the Behavioral Health Services Fund to offset General Fund costs for the Behavioral Health Bridge Housing program, and redirects Behavioral Health Services Fund for the following: 1) \$10M additional for Mental Health Wellness Act resources at the Commission for Behavioral Health, of which \$5M will support substance-use disorder youth programs; 2) \$15M augmentation for the CalHOPE Warm Line; 3) \$5M for the Warm Line Orange County; 4) \$3M for the Parents Anonymous Warm Line; 5) \$20M for the Adverse Childhood Experiences (ACEs) Aware initiative, and 6) \$30M for other legislative priorities.
- Approves estimated savings related to operational improvements at the Department.
- Accepts the Governor’s proposal for \$3.4 billion of financing for Medi-Cal via the Medical Providers Interim Payment Loan mechanism across fiscal years 2024-25 and 2025-26. Increases the financing by \$1 billion and begins repayment of the loan in 2027-28.
- Allocates \$2,897,000 2025-26 and \$2,771,000 in 2026-27 and ongoing (split between the Long-Term Care Quality Assurance Fund and federal funds) and 14 staff positions to implement and provide program integrity for the Workforce Standards Program and the

Accountability Sanctions Program, two new Skilled Nursing Facility financing programs authorized by AB 186 (Committee on Budget, Chapter 46, Statutes of 2022).

- Provides \$1.39 million (\$1.05 million General Fund, remaining Federal Fund) in ongoing funding and 4 staff positions to ensure Medicaid-funded care providers are compliant with the 21st Century Cures Act federal requirement on quarterly reporting of key performance indicators. This proposal is a multidepartment proposal involving Health Care Services, Public Health, Developmental Services, and Department of Aging.
- Includes \$1,973,000 in 2025-26 and \$1,865,000 in 2026-27 and ongoing (split between the General Fund and federal funds) and 12 staff positions to support increased workload for the Civil Rights Compliance program housed in DHCS' Office of Civil Rights. As an example, the Office of Civil Rights notes that it continues to experience an increase in the total complaints/grievances received from Managed Care Plans and counties, with the OCR workload increasing to almost 300 percent from complaints and grievances alone.
- Provides resources from the General Fund coupled with federal funds to implement statutory requirements for legislation chaptered in 2024. The following bills are being implemented: SB 1120 on Utilization Review (Becker, Chapter 879, Statutes of 2024), AB 3275 on Claim Reimbursement (Soria, Chapter 763, Statutes of 2024), SB 1184 on Antipsychotic Medication (Eggman, Chapter 643, Statutes of 2024), SB 1131 on Family Planning (Gonzalez, Chapter 880, Statutes of 2024), SB 1289 on Call Centers Standards and Data (Roth, Chapter 792, Statutes of 2024) and SB 1238 on Health Facilities (Eggman, Chapter 644 Statutes of 2024)
- Allocates \$798,000 in 2025-26 and \$753,000 in 2026-27 and ongoing (split between General Fund and Federal Funds) and 5 staff positions for local administrative expenses related to the implementation of the Justice-Involved Initiative in CalAIM, which establishes a targeted set of Medi-Cal services to youth and adults in state prisons, county jails, and youth correctional facilities for up to 90 days prior to release
- Appropriates \$7,878,000 in 2025-26 and \$7,772,000 in 2026-27 and ongoing (split between the General Fund, the Long-Term Care Quality Assurance Fund and federal funds) and 27 staff positions to maintain ongoing workloads. Staffing requests are for the California's Money Follows the Person Rebalancing Demonstration, Administrative positions, and develop a Comprehensive Value Strategy for Skilled Nursing Facilities (SNF) Services. Proposes budget bill language to make \$1.5 million LTC-QAF available for DHCS to develop a Comprehensive Value Strategy for Skilled Nursing Facility Services, to inform the reauthorization of the Medi-Cal Long-Term Care Reimbursement Act for dates of service on or after January 1, 2027.

- Provides \$11,276,000 in 2025-26, \$11,015,000 in 2026-27 through FY 2028-29, and \$8,015,000 in 2029-30 and ongoing and 29 permanent staff positions to develop, implement, and sustain a comprehensive value strategy for state-directed payments to hospitals in the Medi-Cal program's managed care delivery system. The funding is split between the California Health Planning and Data Fund, Reimbursements, and Federal Funds.
- Adopts modified placeholder trailer bill language that would require DHCS to consider, by means of a comprehensive value strategy developed in consultation with hospital stakeholders, factors such as sustainability, financial incentives for care delivery, health outcomes and quality, and efficiency when implementing increases to Medi-Cal managed care directed payments for public and nonpublic hospitals, and would provide DHCS with funds needed to perform the additional workload resulting from such increases. Switches funding for the proposal from the Hospital Quality Assurance Revenue Fund to the California Health Planning and Data Fund.
- Adopts placeholder trailer language that would establish a permanent MediCal Anti-Fraud Special Deposit Fund in order to appropriately house withheld Medi-Cal payments while a fraud investigation is in progress.
- Adopts placeholder trailer bill language that would remove the training and biannual reporting requirement currently funded by the HCBS Spending Plan Dementia Care Aware initiative.
- Provides \$5 million from the Behavioral Health Services Fund (BHSF) to support the continuation of the CalHOPE Warm Line in 2025-26 and beyond. Additional funding is provided to this program under the Behavioral Health Services Fund General Fund Offset line item.
- Includes \$2.9 million total funds (\$1.46 million Behavioral Health Services Fund and \$1.46 million federal funds) in 2025-26 to support additional ACEs provider trainings. Additional funding is provided to this program under the Behavioral Health Services Fund General Fund Offset line item.
- Defers proposed trailer bill that would eliminate various legislative reporting requirements.
- Adopts placeholder trailer bill language related to Nondesignated Public Hospital Supplemental Fund and Intergovernmental Transfer Programs.
- Decreases General Fund investment by \$24.9 million in 2025-26 and \$3.5 million in 2026-26 and ongoing. Provides a corresponding \$24.9 million in 2025-26 from the Health Care

Services Plan Fines and Penalties Fund to reflect the offset of General Fund to support health care services in the Medi-Cal Program.

- Provides \$13,522,000 in 2025-26 through 2028-29 and \$3,522,000 in 2029-30 and ongoing for the Behavioral Health Infrastructure Fund to support 22 positions and one-time contracting resources. The additional resources will support the Department of Health Care Services in implementing and administering the Behavioral Health Infrastructure Bond Act.
- Redirects \$20 million Opioid Settlements Fund from the Naloxone Distribution Project to support the budget change proposal “Behavioral Health Transformation: Behavioral Health Services Act Continued Implementation,” then redirect \$20 million Behavioral Health Services Fund ongoing from this proposal to support the Mental Health Wellness program at the Commission on Behavioral Health.
- Appropriates \$194,000 in 2025-26 and \$270,000 in 2026-27 and ongoing from the General Fund and allocates \$909,000 in 2025-26 and \$811,000 in 2026-27 and ongoing in federal funding for contracting resources and 8 positions to support the implementation of federal rules.
- Provides \$350,000 one-time General Fund and \$350,000 one-time federal funding to support the development of a Federally Qualified Health Center Reimbursement Policy Guide. Includes provisional budget bill language.
- Rejects \$1,831,000 in 2025-26 and \$1,382,000 in 2026-27 and ongoing from the General Fund, and \$1,829,000 in 2025-26 and \$1,381,000 in 2026-27 and ongoing in federal funding to support contracting resources and 3 positions for the HR+ Modernization project.
- Appropriates \$1.1 million in 2025-26 and \$1,782,000 and 2 positions in 2026-27 and ongoing in federal funding to support the implementation of a maternal health initiative.
- Provides \$1,369,000 one-time federal funding and \$1,247,000 one-time from the Long-Term Care Quality Assurance Fund to support contracting resources and 8 positions for the implementation of a federal rule.
- Adds \$3,908,000 one-time from the General Fund and \$3,908,000 one-time in federal funding for 47 positions to support implementation of federal rules related to Medicaid Managed Care, Access, and Eligibility. Includes corresponding provisional budget bill language and placeholder trailer bill language.

- Decreases the Breast Cancer Control Account by \$1,762,000 in 2025-26 and ongoing to align with updated revenue projections.
- Approves the balance of the technical adjustments to the Medi-Cal Local Assistance Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.
- Approve the balance of the technical adjustments to the Family Health Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.
- Allocates \$72.9 million in federal funding for community mental health services and substance use disorder treatment and prevention services.
- Provides \$69.3 million in 2025-26 and ongoing to reflect the addition of the new Behavioral Health Services Schoolsite Fee Schedule Administration Fund outlined in the Medi-Cal Estimate. Modifies proposal to authorize payments to support the third-party administrator that do not exceed fifteen percent of claims paid in a given year.
- Provides \$17,500,000 one-time 988 State Suicide and Behavioral Health Crisis Services Fund to support 988 Crisis Center operations in 2025-26 in addition to the existing ongoing authority of \$12,500,000 988 Fund.
- Eliminates a budget line item related to the Mental Health Block Grant to reflect a technical adjustment because the language is already included in Section 18, Chapter 2, Statutes of 2025.
- Rejects proposal to use Opioid Settlement Fund resources for the Naloxone Distribution Project.
- Reappropriates \$19.8 million in General Fund, originally authorized in the 2021 Budget Act, to continue support for the department's Population Health Management service, known as Medi-Cal Connect.
- Eliminates \$130,000,000 in 2025-26 and ongoing funding for the Behavioral Health Virtual Services Platform under the Children and Youth Behavioral Health Initiative.
- Provides \$15,000,000 one-time in 2025-26 to backfill the loss of Title X federal funding.



**Behavioral Health Services Oversight and Accountability Commission**

- Includes provisional budget bill language to extend the liquidation deadline of up to \$7,768,000 one-time from the Behavioral Health Services Fund from the Budget Act of 2021, through June 30, 2027. The liquidation deadline extension will support grants for EmPATH Units delivering psychiatric care to individuals with behavioral health conditions pursuant to Chapter 47, Statutes of 2022 (SB 184)
- Includes provisional budget bill language to extend the liquidation deadline of up to \$430,000 one-time from the Behavioral Health Services Fund from the Budget Act of 2019, through June 30, 2026. The liquidation deadline extension will support evidence-based early psychosis and mood disorder detection through the EPI Plus Program pursuant to Chapter 414, Statutes of 2017 (AB 1315).
- Rejects the elimination of \$20 million from the Behavioral Health Services Fund supporting the Mental Health Wellness Act.

**California Health Facilities Financing Authority**

- Reappropriates \$20.6 million General Fund, originally approved in the 2021 Budget Act, to be available for encumbrance or expenditure until June 30, 2028. If approved, this reappropriation would allow completion of existing projects awarded under the Community Services Infrastructure (CSI) Grant Program.
- Delays the CHHFA hospital loan repayment date for Palomar Health by two years.

**Department of Health Care Access and Information**

- Allocates 3 permanent staff position to implement portions of AB 112 (Committee on Budget, Chapter 6, Statutes of 2023) related to hospitals reporting balance sheet data and authorizing HCAI to make additions or deletions of data on the quarterly financial and utilization report on an emergency basis.
- Shift funding from HCAI to DSS in the amount of \$7.4 million General fund for 2025-26 only, retaining \$12.5 million General Fund at HCAI for 2026-27. The 2025-26 funding will be used at DSS for 11 specified organizations for diaper and wipe distribution to low-income families with infants or toddlers. The 2026-27 funding will be used at HCAI to contract for less expensive diapers, which will be distributed through the food and diaper bank network.

- Provides \$209,000 in 2025-26 and ongoing from the Health Data and Planning Fund and 1 staff position to respond to increased workload from new state and federal cybersecurity, patient privacy, data laws and policies affecting HCAI.
- Provides \$2,565,000 in 2025-26, \$2,420,000 in 2026-27, \$2,420,000 in 2027-28, and \$2,170,000 in 2028-29 and ongoing from the Hospital Building Fund and 10 staff positions to implement legislation related to building standards and seismic safety for health care facilities. The bills implemented are AB 869 (Wood, Chapter 801, Statutes of 2024), SB 1382 (Glazer, Chapter 796, Statutes of 2024), and SB 1447 (Durazo, Chapter 896, Statutes of 2024).
- Appropriates \$170,000 in 2025-26 and ongoing funding from the Health Data and Planning Fund to implement AB 1577 (Low, Chapter 680, Statutes of 2024) to develop and support a program that will track, receive and post written justifications from health facilities and clinics regarding nursing clinical placement opportunities, and other compliance activities.
- Provides \$6 million General Fund to be reappropriated to the Health Care Payments Data Fund (HPDF), \$2.2 million in reimbursement authority to the HPDF, \$4.9 million transferred to the HPDF from the Managed Care Administrative Fines and Penalties Fund, and \$4.9 million transferred to the HPDF from the California Health Data and Planning Fund and 47 positions to support the operation of the Healthcare Payments Data program.
- Adopts trailer bill language to establish the position of "certified wellness coach" a new category of behavioral health provider trained specifically to help address the unmet mental health and substance use needs of children and youth and clarifies supervision requirements for this position.
- Withdraws the Governor's Budget proposal for resources to move to the May Lee State Office complex.
- Provides \$597,000 one-time from the California Health Data and Planning Fund and 3 positions to implement new healthcare data reporting requirements related to the federal Centers for Medicare and Medicaid Services Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting Final Rule.
- Appropriates \$6,209,000 one-time in 2025-26 from the Pharmacy Benefit Managers Fund and 6 positions to implement proposed statutory changes to Pharmacy Benefit Manager licensure and data reporting requirements. Includes provisional language authorizing

expenditure of funds upon the approval of the post-implementation evaluation report by the Department of Technology.

- Includes \$190,200,000 (\$66,600,000 General Fund; \$80,900,000 Reimbursements; \$28,500,000 Behavioral Health Services Fund) in 2025-26 and \$427,500,000 (\$185,250,000 General Fund; \$181,700,000 Reimbursements; \$28,500,000 BHSF) from 2026-27 through 2029-30 and 57 permanent staff positions. These resources will implement and administer the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Workforce Initiative pursuant to Senate Bill 326 (Chapter 790, Statutes of 2023) and Proposition 1. Adopt placeholder supplemental reporting language to require reporting of expenditures and other programmatic details for workforce development programs.
- Decreases CalRx Initiative funding by \$45 million in 2025-26 to adjust needed resources.
- Adopts placeholder trailer bill language authorizing the California Health and Human Services Agency to partner with both generic and brand name drug manufacturers in cases of emerging health needs, including the ability to secure, stockpile and distribute essential medication.
- Makes various special fund adjustments from the Hospital Building Fund, ranging between \$89,000 and \$470,000, to align expenditure authority with estimated costs of implementing chaptered legislation, AB 869 (Wood, 2024), SB 1382 (Glazer, 2024), and SB 1447 (Durazo, 2024).
- Rejects proposal authorizing HCAI to contract for specified components of the BH-CONNECT Workforce Initiative through the term of the waiver.
- Defers provisional budget bill language and trailer bill related to Community Health Workers certification.
- Includes provisional budget bill language reappropriating \$5.6 million in unspent fund to use for “emergent needs” in reproductive health care.
- Allocates \$75 million in calendar years 2025 and 2026 to support Medi-Cal workforce development programs, per Proposition 35. In addition, HCAI will receive \$75 million in federal matching funds through the Department of Health Care Services, as this program will support Medi-Cal beneficiaries.

- Adopts placeholder trailer bill language to reallocate and require DHCS to support reimbursement rate increases for abortion and family planning services in the Medi-Cal program as outlined in Proposition 35.

### **Department of Managed Health Care**

- Appropriates \$1,157,000 in one-time funding from the Managed Care Fund to initiate the planning phase to modernize the consumer and provider complaint Customer Relationship Management (CRM) system in the DMHC's Help Center to meet mandated timeframes for reviewing consumer and provider complaints.
- Provides \$4,568,000 in 2025-26, \$5,385,000 in 2026-27, \$5,381,000 in 2027-28, \$5,425,000 in 2028-29, \$5,477,000 in 2029-30 and from the Managed Care Fund to implement AB 3275 (Soria, Chapter 763, Statutes of 2024) to initiate the planning phase to implement an Electronic Filing and Analysis of Claims Settlement (eFACS) data solution. The bill requires health plans to reimburse a claim within 30 calendar days after receipt of the claim, or if a claim is contested or denied, notifying the claimant in writing within 30 calendar days.
- Issues \$508,000 in one-time funding from the Managed Care Fund to implement AB 2072 (Weber, Chapter 374, Statutes of 2024) and AB 2434 (Grayson, Chapter 398, Statutes of 2024) requiring an analysis of the impact of health plans and health insurers offering large group contracts and policies to small employers through multiple employer welfare arrangements. Funding will be used for consulting funding to conduct the analysis.
- Provides \$357,000 in 2025-26, \$421,000 in 2026-27, \$423,000 in 2027-28, \$425,000 in 2028-29, \$427,000 in 2029-30 an ongoing from the Managed Care Fund and 1 staff positions to implement SB 1180 (Ashby, Chapter 884, Statutes of 2024) which requires health plans to establish a process to reimburse for services provided by a community paramedicine program, triage to alternate destination program, or mobile integrated health program.
- Appropriates \$64,000 in 2025-26 and \$133,000 in 2026-27 and ongoing from the Managed Care Fund to implement AB 1842 (Reyes, Chapter 633, Statutes of 2024) which requires group or individual health plans to cover at least one drug in specified opioid use disorder treatment categories without prior authorization, step therapy, or utilization review. Funding will be used by the Department for specialized consulting for clinical and statistical consultants to develop survey methodology and provide clinical review during health plan surveys.

- Includes \$691,000 in 2025-26, \$2,030,000 in 2026-27, \$2,125,000 in 2027-28 and ongoing from the Managed Care Fund and 7 staff positions to implement SB 729 (Menjivar, Chapter 930, Statutes of 2024) requiring a large group health plan contract to provide coverage for the diagnosis and treatment of infertility and fertility services and removed the exclusion of IVF from coverage. Funding will be used to develop compliance assessment tools, conduct file reviews, provide statistical consultation for surveys, provide clinical review, and conduct enforcement investigations.
- Adopts placeholder trailer bill language that would delay the date by which small and large group commercial health plans (except for CalPERS plans) must cover the diagnosis and treatment of infertility and fertility services from July 1, 2025, to January 1, 2026, to provide time for DMHC to issue related guidance.
- Allocates \$761,000 in 2025-26, \$740,000 in 2026-27 and ongoing from the Managed Care Fund to implement SB 1120 (Becker, Chapter 879, Statutes of 2024) requiring plans that use artificial intelligence to comply with specific requirements as well as prohibiting AI, algorithms, or other software tools from making a decision to deny, delay or modify health care services based, in whole or in part, on medical necessity. Funding will be used to revise survey methodology to assess compliance, review health plan processes, review health plan filings, and review health plan documents to ensure only licensed physicians are making adverse utilization management decisions.
- Provides \$64,000 in 2025-26 and \$133,000 in 2026-27 and ongoing from the Managed Care Fund to implement AB 3059 (Weber, Chapter 975, Statutes of 2024) related to the provision of medically necessary pasteurized donor human milk obtained from a licensed tissue bank.
- Allocates \$187,000 in one-time funding from the Managed Care Fund to implement the planning stage of a project to provide IDAM solution. Currently, DMHC is maintaining 11,000 external users accounts across six different datasets for public-facing web portals. An individual can have multiple accounts within one portal or across multiple portals depending on the number of organizations the person represents – creating a problem for DMHC who must process about 200 password-related support requests per year in a high-risk cybersecurity environment. Funding will be used to begin implementing single-sign-on capability, application user role, and user account management for application security, user access and management of digital identities.
- Appropriates \$2,569,000 in 2025-26, \$2,339,000 in 2026-27, \$2,451,000 in 2027-28, \$2,475,000 in 2028-29, and \$2,501,000 in 2029-30 and ongoing from the Managed Care Fund to modernize information technology (updating equipment, implement security

measures, improving online access, procure new software) and cover ongoing consultant costs related to increased volume of consumer complaints and mandated caseload.

- Appropriates \$178,000 yearly for two years from the Managed Care Fund to implement AB 2063 (Maienschein Chapter 818, Statutes of 2024) which granted a two-year extension for the pilot programs related to Voluntary Employees' Beneficiary Association. Funding will be used to provide review of clinical patient outcomes and report pilot program findings to the Legislature by 2029.
- Provides \$344,000 in 2025-26, and \$212,000 in 2026-27 from the Managed Care Fund to replace the existing WASP enterprise service management system. This system, which is used to manage IT incidents, change requests and asset management as requested by DMHC users and employees, is reaching its end of life and, according to the Department, requires replacement.
- Provides \$2,279,000 and 6 position in 2025-26 to implement the Pharmacy Benefit Manager licensure and data reporting requirements.
- Adopts placeholder trailer bill language for Pharmacy Benefit Managers Licensure and Data Reporting.
- Includes \$194,000 and 1 position in 2025-26, and \$188,000 and 1 position in 2026-27 through 2029-30 from the Managed Care Fund to investigate county complaints about managed care health plans' compliance with Chapter 790, Statutes of 2023 (SB 326) and Proposition 1.
- Appropriates \$2,778,000 from the Managed Care Fund from the 2024 Budget Act to align with information technology implementation due to delays in receiving final approval in the project approval lifecycle process.

### **Department of Public Health**

- Provides up to \$3,000,000 in ongoing funding from the Infant Botulism Treatment and Prevention Fund and 2 staff positions to meet the increased manufacturing and regulatory costs associated with the production of licensed orphan drug BabyBIG (Human Botulism Immune Globulin Intravenous; BIG-IV), used for the treatment of infant botulism.
- Shifts \$425,000 in ongoing General Fund funding from CDPH to the Department of Toxic Substances Control to replace the current interagency agreement requiring CDPH to provide laboratory testing services for the California Environmental Contaminant Biomonitoring Program. The Administration explains that the renewal process for the

interagency agreement has created administrative delays in DTSC's implementation of Biomonitoring California deliverables and prevents DTSC from hiring permanent positions for this work due to the funding renewal cycles of the interagency agreement – and that permanent fund transfer would be more effective.

- Provides \$5,100,000 in 2025-26 one-time from the General Fund to be used for upgrading California Immunization Registry. The General Fund request will enable federal matching funds to be used for CAIR, upgrading its capabilities to support future large scale vaccination event. CAIR is the statewide Immunization Information System used to capture, store, track, and consolidate vaccination data. This tool enables CDPH to prevent and control vaccine preventable diseases and increase and sustain vaccination coverage rates.
- Allocates \$3.1 million in 2025-26 one-time from the Internal Departmental Quality Improvement Account to support planning and implementation cost for the Centralized Application Branch (CAB) Online Licensing Application Project. This project aims to refresh and expand the technology of CAB's original automated license application submission system to enable all 35 healthcare facility provider types to submit applications electronically and have the technological flexibility to add new facility types in the future.
- Provides \$1.1 million in 2025-26 and ongoing from the Public Health Licensing and Certification Program Fund and 7 positions to support the expansion of the Public Policy and Legislative Branch. The Administration notes this expansion is needed as the Department does not have enough staff to complete regulation development in a timely fashion.
- Rejects reappropriation of \$2.5 million in General Fund for the Governor's Advisory Council on Physical Fitness and Mental Well-Being Council. Redirects funds to the Transgender, Gender Nonconforming and Intersex Wellness and Equity Fund.
- Provides \$672,000 in 2025-26 and ongoing from the Public Health Licensing and Certification Program Fund and 3 positions to implement AB 3030 (Calderon, Chapter 848, Statutes of 2024) which requires health care services providers that use artificial intelligence to provide patient communications to include a disclaimer and instructions describing how a patient may contact a human health care provider or other appropriate person.
- Shifts \$381,000 in ongoing General Fund funding from CDPH to CalHHS to replace the current interagency agreement for two positions that work on IT Capital planning, prioritization, and IT enterprise portfolio management. The current agreement ends June

30, 2025, and CDPH requests to permanently transfer funding for the two authorized positions to CalHHS.

- Allocates \$307,000 in 2025-26 and ongoing from the Public Health Licensing and Certification Program Fund for 1 position to implement SB 1354 (Wahab, Chapter 339, Statutes of 2024) related to the administration of agreements between residents and providers' operations of their facilities and informing residents of their possible eligibility for Long-Term Care Medi-Cal benefits and requiring all skilled nursing facilities to make their current daily resident census and nurse staffing data available to the public. The single position requested is for a Health Facilities Evaluator Nurse, with other existing staff able to absorb associated workload.
- Appropriates \$18 million in 2025-26 one-time from the General Fund for maintenance and operations for the California Confidential Network for Contact Tracing (CalCONNECT) system. CalCONNECT enables Local Health Jurisdictions to conduct disease investigation, contact tracing, outbreak investigation, symptom monitoring, and other public health outreach.
- Allocates \$27,000,000 in 2025-26, \$20,400,000 in 2026-27, and \$16,300,000 in 2027-28 and ongoing from the General Fund and 27 positions for maintenance and operations to support the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) System. SaPHIRE enables CDPH to manage large volume of laboratory data and conduct disease surveillance and monitoring.
- Allocates \$463,000 in 2025-26 and \$232,000 in 2026-27 from the Behavioral Health Services Act Fund for developing and submitting a report to the Legislature on a statewide strategy to address the mental health risks linked to the use of social media in children and youth as required by AB 1282 (Lowenthal, Chapter 807, Statutes of 2024). The May Revision enacts a net-zero shift of resources in the Behavioral Health Services Fund to move proposed funds from local assistance to state operations.
- Eliminates \$4,989,000 from the Lead-Related Construction Fund to reflect withdrawal of resources proposed in the Governor's Budget. Provides \$2,196,000 one-time General Fund to support the development of an online accreditation and application system for firms and individuals who perform lead renovation, repair, and painting work as required by Chapter 507, Statutes of 2022 (SB 1076). Includes provisional language be added to extend encumbrance or expenditure authority through June 30, 2027, and authorize expenditure of up to \$1,760,000 upon approval by the California Department of Technology through the Project Approval Lifecycle.



- Converts of 4 sub-funds into special funds for inclusion in the Budget Act and enable tracking revenues, expenditures, and fund balance. The sub-funds are the Internal Departmental Quality Improvement Account; the Skilled Nursing Facility Minimum Staffing Penalty Account; the State Health Facilities Citation Penalties Account; and the Federal Health Facilities Citation Penalties Account. Adopts placeholder trailer bill language.
- Appropriates \$183,000 in 2025-26 and ongoing from the General Fund to implement AB 1775 (Haney, Chapter 1004, Statutes of 2024) which requires that employees at cannabis consumption sites are provided written guidance from CDPH on secondhand cannabis smoke. In addition, employers should include an assessment of secondhand smoke when assessing occupational hazards for their injury and illness prevention programs.
- Rejects reductions to the Overdose Prevention and Harm Reduction Initiative.
- Provides \$13.5 million from the General Fund to support efforts related to the bird flu and the Marburg virus.
- Adopts placeholder trailer bill language that would set fees in statutes for the Genetic Counselor License Fees and the Laboratory Field Science Fees.
- Adopts placeholder trailer bill language that would allow the TGI Wellness and Equity Fund program to be administered in accordance with ADAP funding requirements, including adding “prevention” based services, eliminating services that are not evidence-based, clarifying that the program should be run by CDPH instead of the Office of Health Equity, and updating the period of expenditure authority.
- Provides a decrease of \$55 million total funds to reduce state operations expenditures.
- Provides a decrease of 300 positions and \$29.6 million total funds associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26.
- Includes \$538,000 ongoing from the General Fund and 3 positions to support the collection of self-identified sexual orientation, gender identity, and sex characteristics and intersex demographic data and preparation of an annual report as required by Chapter 868, Statutes of 2024 (SB 957)
- Includes \$758,000 one-time from the General Fund to support compliance enforcement of industrial hemp manufacturing and sales as required by Chapter 576, Statutes of 2021 (AB 45).

- Allocates \$492,000 in fiscal year 2025-26 and 2026-27 from the Health Statistics Special Fund to meet the requirements of Chapter 492, Statutes of 2024 (SB 1511), which increases the number of entities eligible to receive death data indices and files for the purposes of preventing fraud.
- Provides \$31,451,000 one-time from the General Fund to support the maintenance and operations of multiple information technology systems that support statewide vaccine distribution, appointment scheduling, vaccine clinic management, and vaccination records management and sharing.
- Provides \$288,000 and 1 position in 2025-26 and \$200,000 and 1 position ongoing from the General Fund to analyze and post xylazine overdose data gathered by coroners to the California Overdose Surveillance Dashboard as required by Chapter 684, Statutes of 2024 (AB 1859)
- Reappropriates \$2.5 million from the Opioid Settlement Fund from the 2022 Budget Act and extends encumbrance or expenditure authority through June 30, 2028, to launch the California Syndromic Surveillance Program, respond to the state's overdose epidemic by tracking early symptoms data on opioid overdoses statewide, and enable general acute care hospitals with emergency departments to meet specified data reporting requirements. Includes conforming budget bill language.
- Includes \$3,249,000 one-time from the General Fund to support a statewide wastewater surveillance program of routine wastewater testing for detection of infectious diseases.
- Appropriates \$1,112,000 one-time from the Public Health Licensing and Certification Program Fund to support implementation of Chapter 757, Statutes of 2024 (AB 3161), which requires health care facilities to update their reporting system for patient safety events to evaluate the impact of discrimination, and requires facilities to submit their patient safety plans beginning January 1, 2026, and biannually thereafter. Includes provisional budget bill language authorizing funds upon approval of a Project Delegation Request or the Project Approval Lifecycle by the Department of Technology.
- Adds \$1,499,000 from the Public Health Licensing and Certification Program Fund and 8 positions ongoing for the Center for Health Care Quality to update their health privacy violations investigative database and increase operational capacity.
- Rejects \$8 million one-time from the Internal Departmental Quality Improvement Account to support development of a generative artificial intelligence Minimum Viable Product to improve the efficiency and accuracy of data collection, data analysis and report development for annual health facilities inspections.

- Reappropriates \$7,213,000 from the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund from the 2022 Budget Act and extends encumbrance or expenditure authority through June 30, 2028 to support existing gender health equity programs, grant agreements, and contracts related to trans-inclusive health care for individuals who identify as transgender, gender nonconforming, or intersex. Includes budget bill language authorizing exemption from Public Contract Code.
- Reappropriates funding for expiring programs in the Office of Health Equity, Gender Health Equity Section, including Reproductive Health, LGBTQ+ Foster Youth, and LBQ Women's Health.
- Includes \$2,408,000 annually in 2025-26, 2026-27, and 2027-28, and \$1,740,000 annually in 2028-29 and ongoing from the Health Statistics Special Fund to reduce response times for requests for vital records copies and amendments, including during emergencies such as wildfires when records requests increase.
- Approves the Women, Infants and Children May Revision Estimates
- Approves the Genetic Disease Screening Program May Revision Estimate.
- Approve the AIDS Drug Assistance Program May Revision Estimate and allocates \$75 million ADAP Rebate Fund to support programs experiencing loss of federal funding.
- Allocates \$7,355,000 one-time from the Behavioral Health Services Fund to support planning and implementation of the Behavioral Health Services Act.
- Enacts a net-zero shift of resources of \$45,000 in the Food Safety Fund to maintain existing contract services with the University of California, Davis to support the California Epidemiologic Investigation Service Fellowship Program, reflecting a transition from local assistance to state operations.
- Allocates \$1,029,000 in 2025-26 from the Licensing and Certification Program Fund and 5 positions to support investigations of complaints against Acute Psychiatric Hospitals.
- Adopts placeholder trailer bill language that would provide the Department with emergency rulemaking authority to establish minimum, specific, and numerical licensed nurse-to-patient ratios for health facilities. Establishes a deadline for the promulgation of regulations.
- Includes budget bill language exempting the Department of Public Health from Public Contract Code requirements for department operations supporting preparedness and

response during emergencies or imminent threats with potential for significant public health impacts.

- Reverts \$2.8 million to reflect the elimination of resources for public health workforce upskilling and retains \$400,000 to support previously made commitments to training cohorts.
- Adjusts several budget line items to reflect updated cigarette tax revenue estimates (from specified Cigarette and Tobacco Products Surtax Funds)
- Adjusts several budget line items to as a result of updated Proposition 56 revenue projections.
- Decreases the Breast Cancer Fund by \$10,000 ongoing to reflect updated cigarette tax revenue estimates.
- Rejects reversion of \$31,008,000 back to the General Fund for various unspent investments, which includes funding for the California Reducing Disparities Project.
- Reappropriates \$3,000,000 from the General Fund from the Budget Act of 2021 to extend the encumbrance or expenditure authority through June 30, 2027 to continue implementation and operation of the California Parkinson's Disease Registry to collect Parkinson disease as and to continue implementation and operation of the California Neurodegenerative Disease Registry to collect multiple sclerosis and Alzheimer's disease information. Includes conforming provisional budget bill language.
- Provides \$15,000,000 one-time in 2025-26 to backfill the loss of Title X federal funding.
- Provides \$15 million in 2025-26 and ongoing for the TGI program.

### **Department of State Hospitals**

- Includes \$2,844,000 General Fund for the preliminary plans phase of an electrical infrastructure upgrade project at the DSH Napa Hospital. According to the Department, this project will eventually support the electrical demands necessary to maintain existing critical services at a 24/7 patient care facility and upgrade the electrical distribution infrastructure by replacing the existing transformer, substation, utility feeder lines, facility transformers, and switch gear. In addition, emergency generators will be installed to provide auxiliary power.

- Allocates 12 positions for 2025-26 and ongoing to address the sustained increase in workload with the number of design and construction projects managed by its Facility Planning, Construction & Management (FPCM) section. According to the Department, this proposal is cost neutral, as the positions will replace contracted project managers and shift contract expenditures to personnel services.
- Adopts placeholder trailer bill language that would extend the statutory repeal date for Enhanced Treatment Program pilots at the Department of State Hospitals.
- Reappropriates \$7,461,000 from the General Fund from the 2024 Budget Act to support costs associated with planning and implementation of the Electronic Health Records project. Includes provisional budget bill language allow for increases in expenditure authority associated with an updated project schedule and negotiated vendor costs.
- Provides \$474,000 in fiscal year 2025-26, and \$342,000 in 2026-27 and 2027-28 from the General Fund to support a 3-year telepsychology pilot at DSH-Coalinga.
- Decreases General Fund investment by \$3,335,000 in 2024-25 to reflect savings related to a reduced patient census and program closures.
- Appropriates \$13,402,000 in 2025-26, and \$21,023,000 in 2026-27 and ongoing from the General Fund for an updated contract with the California Mental Health Services Authority for the treatment of Lanterman Petris Short patients.
- Decreases General Fund investment by \$10,866,000 in 2024-25, \$37,816,000 in 2025-26, \$39,029,000 in 2026-27, and \$50,968,000 in 2027-28 and ongoing to reflect savings associated with changes to the Early Access and Stabilization Services program and the Jail Based Competency Treatment program.
- Decreases General Fund investment by \$5,880,000 in 2024-25 to reflect savings related to unrealized staffing costs from a three-month delay in the construction of the Skilled Nursing Facility building at DSH-Metropolitan.
- Decreases General Fund investment by \$1,481,000 in 2024-25 and increases investment by \$290,000 in 2025-26 and ongoing to account for a projected increase in utilities, pharmaceuticals, foodstuffs, and outside hospitalization costs related to updated patient census data.
- Includes provisional budget bill language to allow the Department of State Hospitals to enter into agreements with educational institutions and hospitals to provide clinical training and education.

- Decreases General Fund investment by \$250,000 in 2025-26, \$500,000 in 2026-27, and \$1 million in 2027-28 and ongoing to reflect savings associated with implementation of prior authorization software.
- Decreases General Fund investment by \$4,767,000 in 2025-26, \$5,899,000 in 2026-27, and \$2,321,000 in 2027-28 and ongoing to reflect savings associated with various operational efficiencies.
- Decreases General Fund investment by \$22,100,000 and 124.1 positions ongoing to align isolation staffing resources with current utilization trends.
- Decreases General Fund investment by \$1.5 million ongoing and 3.1 positions associated with proposed trailer bill to change the frequency of status reports to the court from semi-annual to annual for Not Guilty by Reason of Insanity commitments.
- Adopts placeholder trailer bill language that would reduce court reporting requirement for Not Guilty by Reason of Insanity patients from semi-annual to annual.
- Decreases General Fund investment by \$12,306,000 ongoing to align program resources for the Community-Based Restoration and Felony Diversion with current utilization trends.
- Decreases General Fund investment by \$4,513,000 in 2024-25, \$161,192,000 in 2025-26, \$238,839,000 in 2026-27, and \$157,262,000 in 2027-28 and ongoing to rightsize the Incompetent to Stand Trial program. Adds provisional budget bill language to revert \$4,605,000 from the General Fund from the 2023 Budget Act, and \$4,513,000 from the General Fund from the 2024 Budget Act.
- Reverts \$232.5 million from the General Fund from the 2022 Budget Act for unused resources in the Incompetent to Stand Trial Infrastructure Grant Program.
- Reverts \$4.6 million in unused funding originally appropriated in FY 2023-24 and \$4.5 million in FY 2024-25 for the Judicial Council to develop training for court-appointed evaluators.
- Appropriates \$34,354,000 one-time General Fund for the construction phase of the Coalinga hydroponic loop replacement and includes provisional budget bill language to revert \$26,176,000 General Fund of existing authority, resulting in a net increase of \$8,178,000. Due to project location, challenges working within a secured facility, and complex soil conditions, bids came in higher than expected, and the additional funding is necessary to award the construction contract

- Includes budget bill language to reappropriate \$21,619,000 General Fund for the construction phase of the Patton fire alarm system upgrade. Due to the complex nature of the project, initial phasing requirements, and updates to the California Building Standards Code, the project experienced significant delays during the design phase. The COVID-19 pandemic further exacerbated these delays.

### **Emergency Medical Services Authority**

- Appropriates \$676,000 in 2025-26, \$766,000 in 2026-27, and \$676,000 in 2027-28 and ongoing from the General Fund to cover facility cost increases and support the EMSA Headquarters building lease, increase building security, and cover the costs of tenant improvements.
- Allocates \$1,072,000 in 2025-26, \$1,359,000 in 2026-27 and \$1,663,000 in 2027-28 and ongoing from the General Fund to cover increased salaries and benefit expenses resulting from negotiated union bargaining agreements for the California Poison Control System (CPCS). Additionally grants reimbursement authority of \$1,626,000 in 2025-26, \$2,159,000 in 2026-27, and \$2,723,000 in 2027-28 and ongoing. CPCS is a statewide network of health care professionals that provide free, immediate, confidential expert information, and treatment advice/ referral regarding poison exposure.
- Reappropriates \$3,562,000 in 2025-26 from the General Fund to support the implementation of a single Enterprise Services and Data Management (ESDM) solution that will meet technical needs of the planned new Electronic Physician Orders for Life Sustaining Treatment (ePOLST) system, Central Registry replacement system, and the California Emergency Medical Services Information System (CEMSIS) replacement system. These systems enable emergency care workers to have access to real-time electronic patient care data.
- Appropriates \$5,516,000 ongoing from the General Fund to correct an error included in the 2024 Budget Act that inadvertently duplicated a reduction in ongoing resources that had previously been corrected through a prior budget process.

### **California Health Benefit Exchange (Covered California)**

- Proposes to augment the expenditure authority from the Health Care Affordability Reserve Fund from \$165 million to \$284 million to support premium subsidies in the Covered California Health Benefits Exchange to defray the cost of expiring federal premium subsidies provided by the Inflation Reduction Act.

# **Subcommittee No. 2 on Human Services**

**Assemblymember Dr. Corey Jackson, Chair**



## HUMAN SERVICES

### Department of Social Services

#### In-Home Supportive Services (IHSS)

- Rejects the May Revision proposal regarding In-Home Supportive Services (IHSS) Provider Overtime and Travel Hours.
- Rejects the May Revision proposal regarding In-Home Supportive Services for Undocumented Adults.
- Modifies the May Revision proposal regarding In-Home Supportive Services Community First Choice Option Late Penalties to split the penalty 50/50 between state and counties in 2025-26, resulting in savings of \$40.5 million General Fund, and adopting May Revision savings for 2026-27 and ongoing that will occur if late CFCO reassessments continue, with placeholder trailer bill.
- Modifies the May Revision Proposal to require the asset test limit as it was in the prior interim step, which permitted assets up to \$130,000 for individuals and \$195,000 for couples, that was in effect from July 1, 2022 to December 31, 2023, starting January 1, 2026, consistent with the same change in Medi-Cal under the Department of Health Care Services. This results in savings for IHSS of \$15.96 million in 2025-26, \$220.3 million in 2026-27, and \$317.2 million in 2027-28 (all General Fund) and ongoing. This change would apply to all IHSS consumers, as IHSS is a Medi-Cal benefit.
- Modifies the May Revision proposal regarding the IHSS Residual Program and Auto-Termination for IHSS Consumers who Lose Medi-Cal after a Redetermination to instead approve a six-month grace period limit in the IHSS Residual Program for those losing Medi-Cal due to redetermination, starting July 1, 2026. This results in savings of \$55.3 million in 2026-27, \$59.7 million in 2027-28, and \$64.5 million in 2028-29 (all General Fund).
- Approves the May Revision proposal regarding the Case Management Information and Payrolling System Automation for Ensuring Access to Medicaid Services Final Rule. Approves an increase of \$162,000 one-time in 2025-26 and a reimbursement increase by \$1,294,000 one-time in 2025-26 to implement automation changes to the Case Management Information and Payrolling System (CMIPS) related to the Ensuring Access to Medicaid Services Final Rule. Budget bill language is also added as a contingency to authorize the Department of Finance to decrease this item and related reimbursement up to these amounts if the rule is rescinded or repealed.

- Approves Placeholder Trailer Bill Language in concept (1) to require review of IHSS county program activities in the context of acknowledged funding gaps and (2) consider workload relief changes that enable effective county administration of the IHSS program. In accordance with Welfare and Institutions Code section 12306.19, DSS conducted an assessment of the ongoing workload and costs to administer the IHSS program. The information provided at the May Revision states that the reassessment costs are \$124 million General Fund and \$246 million total funds for IHSS county workload. These costs are not accounted for in the May Revision updates to program costs.
- Approves \$140 million General Fund savings for 2025-26 and on-going in IHSS based on information from the Legislative Analyst's Office based on revised overtime estimates.
- Approves \$3.3 million General Fund for 2025-26 at the California Department of Human Resources (CalHR) for state operations and staffing for statewide collective bargaining for In-Home Supportive Services providers.

### **Foster Care and Child Welfare**

- Rejects the May Revision trigger proposal regarding the Foster Care Tiered Rate Structure. Implementation of the Foster Care Tiered Rate Structure is underway with rates scheduled to take effect on July 1, 2027. Approves placeholder trailer bill language on the non-trigger components of the Administration's proposal, to allow for further discussion on the necessity for these statutory changes.
- Approves the May Revision Budget Change Proposal regarding the First Phase of Foster Care Tiered Rate Structure State Operations. Approves an increase of \$788,000 General Fund and 6.3 positions in 2025-26, \$771,000 General Fund and 6.3 positions in 2026-27 and 2027-28, and \$538,000 General Fund and 4.2 positions in 2028-29 and ongoing to provide additional resources to support the implementation of the Tiered Rate Structure. Approves an increase of \$1,103,000 federal funds and 2.7 positions in 2025-26, \$1,074,000 and 2.7 positions in 2026-27 and 2027-28, and \$974,000 and 1.8 positions in 2028-29 and ongoing for the same purpose. These resources are incremental increases to the state operations proposal included in the Governor's Budget for the Tiered Rate Structure and include adjustments to the Governor's Budget proposal to reflect eligible federal funds that can be leveraged.
- Modifies the May Revision proposal regarding the Emergency Child Care Bridge, which funds child care slots for children in foster care on an emergency basis. Approve early reversion of \$30 million General Fund in 2024-25 and a reduction of \$30 million General Fund in 2025-26 and ongoing, with associated Budget Bill Language. Approximately

\$63.7 million General Fund remains to support the program for state operations and local assistance.

- Modifies the May Revision proposal regarding the Family Urgent Response System (FURS). Approve a reversion of \$9 million General Fund from 2023-24 and \$9 million in 2024-25, and a reduction of \$9 million General Fund in 2025-26 and ongoing, with associated Budget Bill Language. FURS provides 24/7 in-person mobile response to support children in foster care and their caregivers. Approximately \$22 million (\$21 million General Fund) remains to support the system.
- Approves the May Revision proposal regarding the Oversight of Manual Restraints and Seclusions in Short-Term Residential Therapeutic Programs pursuant to SB 1043 (Grove), Chapter 628, Statutes of 2024. Approves an increase of \$1,135,000 and 6 positions in 2025-26 and \$1,109,000 and 6 positions ongoing beginning in 2026-27 to implement SB 1043. There is a May Revision Budget Change Proposal for this change.
- Approves the May Revision proposal regarding the Technical Cleanup of Program Funds for Foster Family Home and Small Family Home Insurance Fund. Approved Budget Bill Language to eliminate federal fund transfer authority, resulting in a decrease of \$996,000, to reflect that Foster Family Home and Small Family Home Insurance Fund claims are not eligible for Title IV-E federal funding because the claims are not tied to service delivery.
- Approves the May Revision proposal regarding Provisional Language for the Foster Family Home and Small Family Home Insurance Fund. Approves Budget Bill Language to provide an increase of the General Fund transfer amount to the Foster Family Home and Small Family Home Insurance Fund and to increase the expenditure authority in the special fund by a corresponding amount, for approved claims exceeding the current \$600,000 appropriation, with a modification to cap claims exceeding the current appropriation at \$4.2 million, and require reporting to the Joint Legislative Budget Committee regarding approved claims.
- Approves the May Revision proposal regarding the Child and Adolescent Needs and Strengths Fidelity and Training. Approves an increase of \$928,000 in 2025-26 and ongoing to provide additional resources for child and adolescent needs and strengths fidelity and training activities related to the foster care Tiered Rate Structure. Also approves an increase of \$335,000 in 2025-26 and ongoing for corresponding federal funds. These adjustments are in addition to the proposal included in the Governor's Budget.

- Approves the May Revision proposal regarding Provisional Language for the Child Welfare Services - California Automated Response and Engagement System (CWS-CARES). Approves Budget Bill Language to provide flexibility for DOF to increase augmentation amounts available from prior years. See additional actions for CWS-CARES under the California Health and Human Services Agency section.
- Approves the May Revision trailer bill language proposal as placeholder regarding Child and Family Team Meetings for Family Maintenance Cases, allowing for modifications in the trailer bill development process that tie these new activities to the BH-CONNECT funding source.
- Approves the May Revision trailer bill language proposal as placeholder regarding Adoption Assistance Program - Wraparound Services and Out-of-Home Placement, to continue review of the proposal for needed and urgent clarifications to child welfare policy at this time.
- Approves the January Budget Change Proposal regarding the Ongoing Funding for Foster Care Placement Services. Approves \$1.2 million General Fund in 2025-26 and ongoing and six positions to permanently establish expiring limited-term resources to continue to address the workload associated with developing a Congregate Care Continuous Quality Improvement Network.
- Approves the January Budget Change Proposal regarding the SB 242 California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program. Approves \$374,000 General Fund in 2025-26 and \$364,000 ongoing and two positions to implement the California Hope, Opportunity, Perseverance, and Empowerment program for eligible foster children as required by Chapter 1010, Statutes of 2024 (SB 242).
- Approves the January Budget Change Proposal regarding the AB 262 Children's Camps: Ensuring Safety and Regulation. Approves \$1.8 million General Fund in 2025-26 and \$787,000 General Fund ongoing and 4 positions. This includes one-time funding of \$1 million for a contractor to oversee the workgroup process and to coordinate efforts including stakeholder engagement, and to identify the factors that will be cost drivers when defining a Day Camp.
- Approves \$31.5 million (\$23 million General Fund) for 2025-26 for Foster Family Agencies Bridge Funding on a one-time basis (for a two-year period), with placeholder budget bill language.

- Approves \$600,000 for 2025-26, \$300,000 for 2026-27, \$5.6 million in 2027-28, and \$1 million in 2028-29 (all General Fund) for the development and use of a standardized curriculum for child welfare mandated reporters, with placeholder budget bill language and placeholder trailer bill language.

### **CalFresh and Food Needs**

- Rejects the May Revision trigger proposal regarding the California Food Assistance Program (CFAP) Expansion. Implementation of the CFAP Expansion is underway and is scheduled to take effect on October 1, 2027. This action maintains current law as is, which makes the expansion subject to a budget appropriation, and reduces the automation/outreach funding (\$38 million) by \$26 million General Fund in 2025-26 and moves this amount to 2026-27, as \$12 million is expected to be used in 2025-26. Approves associated Budget Bill Language.
- Approves the May Revision proposal regarding SUN Bucks Administration. Approves an increase of \$267,000 General Fund in 2025-26, \$262,000 General Fund in 2026-27 and ongoing, and 4 positions to support administration of the SUN Bucks program pursuant to the approval of the 2025 plan by the United States Department of Agriculture Food and Nutrition Service. Also approves an increase of \$267,000 federal funds in 2025-26, and \$262,000 federal funds in 2026-27 and ongoing. This includes Budget Bill Language for contract exemption language related to administration of the program. This will bring the total resources to \$115.8 million (\$57.5 million General Fund) in 2025-26 for transactions costs and outreach to allow California to provide an estimated \$815.9 million in federal food assistance to children through the SUN Bucks program. This program provides \$120 per child (\$40 per month for June, July, and August) in federally funded food benefits to children who lose access to free and reduced-price meals during the summer school closure period.
- Approves the May Revision proposal regarding the CalFresh Enhancement to Populate Income Page. Approves an increase of \$270,000 federal funds in 2025-26 to auto-populate the income page with data from the Payment Verification System to reduce manual data entry and improve accuracy.
- Approves the May Revision proposal regarding the CalFresh Standard Utility Allowance Standardization. Approves an increase of \$700,000 General Fund in 2025-26 and \$1 million federal funds to support updates to client-facing forms and notices as well as automation updates to CalSAWS necessary to implement the Final Rule released by United States Department of Agriculture Food and Nutrition Service in 2024, in time for federal fiscal year 2026, with associated Budget Bill Language changes.

- Approves the May Revision proposal regarding the Provisional Language for the CalFresh Employment and Training Fund. Approves Budget Bill Language to allow for the transfer of federal funds to the newly established CalFresh Employment and Training Fund.
- Approves the May Revision trailer bill language proposal regarding the Pre-Populated Semiannual Report 7 Eligibility Status Report. This trailer bill language is intended to clarify that the requirement to provide recipients of CalFresh and California Work Opportunity and Responsibility to Kids (CalWORKs) benefits with a pre-populated (i.e. pre-filled) Semi Annual Report (SAR) 7 may be completed via mail or electronically, at the election of the recipient.
- Approves the January Budget Change Proposal regarding the Electronic Benefit Transfer Project – SUN Bucks Automation and Cost-Per-Case-Month. Approves an increase in expenditure authority of \$86,380,000 California Health and Human Services Automation Fund for the operation and administrative costs associated with the federal SUN Bucks Program.
- Approves the January Budget Change Proposal regarding the Increase Reimbursement Authority for Receivable CalFresh Confirm Inter-Agency Agreements. The proposal is to increase reimbursement authority by \$269,000 to continue receivable Inter-Agency Agreements (IAAs) with fellow state-level entities seeking to use the CalFresh Confirm tool resource. The receivable funds support (1.0) Staff Services Manager (SSM) I Specialist and (1.0) Information Technology Specialist (ITS) II to effectively manage workload, ensure federal compliance, and maintain implementation of the CalFresh Confirm tool. The positions are funded by the Federal Employment and Training (E&T) funds at 50 percent and from revenue generated from agreements at 50 percent. No state General Funds are currently utilized.
- Approves the January Budget Change Proposal regarding the New CalFresh Outreach Section. The proposal is for an increase in federal expenditure authority of \$780,000 in 2025-26 and \$760,000 in 2026-27 and ongoing to bolster the CalFresh Outreach program and engage in more strategies to reach people eligible for CalFresh in California. The Department of Social Services has stated that the additional federal reimbursement is for existing blanket positions and that this BCP will provide more capacity internally for the department to support community-based organizations.
- Approves the Governor's trailer bill proposal on California's Community Resiliency and Disaster Preparedness Act of 2017 as placeholder, allowing for modifications in the trailer bill development process.

- Approves placeholder Supplemental Report Language on the implementation of the Electronic Benefits Transfer (EBT) cutover in 2025 to chip/tap cards.
- Shifts funding, utilizing only the resources in the Governor's Diaper Access Initiative proposal, from the Department of Health Care Access and Information (HCAI) to the Department of Social Services (DSS) in the amount of \$7.4 million General Fund for 2025-26 only, retaining \$12.5 million General Fund at HCAI for 2026-27. The 2025-26 funding will be used at DSS for 11 specified organizations for diaper and wipe distribution to low-income families with infants or toddlers. The 2026-27 funding will be used at HCAI to contract for less expensive diapers, which will be distributed through the food and diaper bank network.
- Approves \$200,000 General Fund in 2025-26 and on-going for the development of a strategic plan to maximize benefits to those eligible for CalFresh benefits, with placeholder budget bill language and placeholder trailer bill language.
- Approves \$52 million General Fund for 2025-26 on a one-time basis for CalFood (food banks), with placeholder budget bill language. This brings the total General Fund for CalFood in 2025-26 to \$60 million.
- Approves \$36 million General Fund for 2025-26 on a one-time basis for the California Fruit and Vegetable Pilot Program, with placeholder budget bill language.

## **CalWORKs**

- Approves the May Revision proposal and associated trailer bill language proposal regarding Streamlining the CalWORKs Program Experience, augmenting the trailer bill to additionally include (1) first 90-day sanction deferral, promoting early engagement and family stabilization, (2) family-centered program flow changes to appointment structure and plan development, (3) improved access to existing child care and transportation supportive services, and (4) Work Participation Rate county penalty pass-through repeal on a prospective basis. The net changes to May Revision result in net General Fund estimated savings of \$10.2 million in 2025-26 and \$14.2 million in 2026-27 and on-going, with all savings to be reinvested into the CalWORKs Single Allocation.
- Approves the May Revision proposal regarding the New Aid Code for TANF Timed-Out Two-Parent Families. Approves an increase of \$455,000 federal funds in 2025-26 to automate a new aid code into the Medi-Cal Eligibility System and California Statewide Automated Welfare System (CalSAWS) for the two parent Temporary Assistance for Needy Families (TANF) timed-out cases to ensure compliance with federal rules and reporting requirements.

- Approves the May Revision proposal regarding the Work Participation Rate Penalty Impact. Approves an increase of \$21,096,000 in 2025-26 to supplement the reduction to the federal TANF block grant due to the Work Participation Rate penalty imposed on the state for failure to meet the requirements from federal fiscal year 2012 through 2014.
- Approves the January Budget Change Proposal regarding the CalWORKs: Permanent Housing Assistance (SB 1415). The proposal is for \$180,000 General Fund in 2025-26 and \$176,000 in 2026-27 to support 1.0 limited-term position equivalent to effectively implement the policy changes associated with Senate Bill 1415 (Chapter 798, Statutes of 2024) including development of guidance, regulations, automation, as well as technical assistance and oversight to counties for the Homeless Assistance Program.
- Approves Placeholder Trailer Bill Language in concept to (1) require review of county program activities in the context of acknowledged funding gaps in the CalWORKs Single Allocation and (2) consider workload relief changes that enable effective county administration of the CalWORKs program. In accordance with Welfare and Institutions Code section 15204.35, DSS assessed the costs of eligibility administration in 2024-25. The information provided at the May Revision states that updating the eligibility worker rate and funding applications independent of caseload would require an increase of \$239.8 million for the CalWORKs Single Allocation. These costs are not accounted for the in the May Revision updates to program costs.

### **Immigration Services and Equity Programs**

- Approves the May Revision Budget Change Proposal regarding the Ongoing Resources for Increased Immigration Services Bureau Workload, with an increase of \$582,000 General Fund in 2025-26 and ongoing and 3 positions to maintain ongoing immigration services.
- Approves the May Revision proposal regarding the Refugee Cash Assistance Eligibility Change, with an increase of \$30,000 General Fund and \$266,000 federal funds in 2025-26 for automation changes to effectuate the federal changes to the Refugee Cash Assistance (RCA) program.
- Approves the May Revision proposal regarding the Provisional Language for the Ongoing Temporary Protected Status Deadline Extension. Approves Budget Bill Language for the extension of availability of ongoing funding for the Temporary Protected Status (TPS) Program. This would extend the deadline from one to three years for encumbrance and five years to liquidate.



- Approves the May Revision proposal regarding the Provisional Language for the Rapid Response Reappropriation. Approves Budget Bill Language to reappropriate all remaining Rapid Response Funds from the Budget Acts of 2021, 2022, and 2023, to continue services for the Rapid Response Program.
- Approves the January Budget Change Proposal regarding the Office of Equity (OOE) Permanent Existing State Operations. The proposal is for \$385,000 General Fund and \$149,000 Federal Funds in 2025-26 and ongoing to make permanent 3.0 positions to continue operating its essential equity and related population specific programs. The OOE includes the Office of Tribal Affairs, the Civil Rights, Accessibility and Resource Equity Branch, the Immigrant Integration Branch, the Office of Immigrant Youth, the Office of the Foster Care Ombudsperson, and the Equal Employment Opportunity Office. Since its inception in 2020, the OOE has worked to address significant inequities in services and programs, further exposed by the pandemic. The 3.0 permanent positions include 1.0 Staff Services Manager II (SSM II), 1.0 Associate Governmental Program Analyst (AGPA), and 1.0 Executive Secretary (ES). DSS is entrusted to address emerging issues and emergency situations such as unexpected migration of immigrant children, youth, and families arriving in California for shelter and safety and determining the best interest of a child within Tribal families and communities. Much of this work has been accomplished with limited-term funds. Approves permanent position authority to ensure that essential state operations continue.
- Approves the January Budget Change Proposal regarding the Office of Equity (OOE) New Staffing Resources. The proposal is for \$188,000 General Fund and \$219,000 Federal Funds in 2025-26 and \$184,000 General Fund and \$213,000 Federal Funds in 2026-27 and ongoing to support two new (2.0) permanent authorized positions, 1.0 Staff Services Manager II (SSM II) and 1.0 Associate Governmental Program Analyst (AGPA), to ensure continuous oversight and implementation of emerging and expanded programs and workloads in the Office of Equity. CDSS has experienced a sharp rise in caseloads and has enhanced resources need in the associated workload. OOE requires additional resources to keep up with the operational support it provides to the entire Department and to fulfill the intent, purpose, and statutory mandates to serve and represent communities.
- Approves \$14.5 million General Fund for 2025-26 on a one-time basis for the Holocaust Survivors Assistance Program, with placeholder budget bill language.
- Approves \$10 million General Fund in 2025-26 on a one-time basis to continue the Children's Holistic Immigration Representation Project (CHIRP), which provides integrated social and legal services to unaccompanied minors.

**Housing and Homelessness Services**

- Approves the January Budget Change Proposal regarding the Homelessness Programs Data Collection and Sharing (AB 799). The proposal is for \$433,000 General Fund in 2025-26 and \$421,000 in 2026-27 and ongoing to support one (1.0) permanent Research Data Supervisor I and one (1.0) permanent Research Data Supervisor II to oversee data sharing, coordination, and analysis associated with Assembly Bill 799 (Chapter 263, Statutes of 2024) to support the quarterly sharing of funding opportunities and to assist in the annual publication of a statewide report on homelessness in collaboration with the California Interagency Council on Homelessness.
- Approves the January Budget Change Proposal regarding the Limited-Term Resources for Housing and Homelessness Data Reporting Solution (HHDRS). The proposal is for one (1.0) limited-term position equivalent to oversee the implementation, maintenance, and operation of the system in the Budget Year. The resource is intended to realize the vision of HHDRS, including change management, training, system maintenance, and technical support to all 300+ housing grantees. Effective implementation of HHDRS, in turn, will enable the CDSS to leverage data to increase accountability and improve the impact of each program in addressing the homelessness crisis in California.
- Rejects the Governor's trailer bill proposal on Housing and Homelessness Complaint Resolution and Housing Plans, deferring this issue to the policy process where it can receive appropriate attention and vetting.
- Approves \$83.8 million General Fund for 2025-26 on a one-time basis for the Home Safe Program, with placeholder budget bill language.
- Approves \$81 million General Fund for 2025-26 on a one-time basis for the Bringing Families Home Program, with placeholder budget bill language.
- Approves \$44.6 million General Fund for 2025-26 on a one-time basis for the Housing Disability Advocacy Program (above the \$25 million base amount for this program already included in the Governor's Budget), with placeholder budget bill language.

**Supplemental Security Income/State Supplementary Payment (SSI/SSP)**

- Approves the May Revision estimates adjustments with no major changes for SSI/SSP.

**Automation, Technology, and Security**

- Approves the May Revision proposal regarding the Facility Management System, with additional one-time funding of \$14,784,000 General Fund in 2025-26 to provide resources to implement the first phase of the Facility Management System. This includes resources equivalent to 16 positions to facilitate the successful completion and maintenance of the FMS project. This funding will allow DSS to procure and deploy the first iteration of FMS in 2025-26. Additionally, this request includes Budget Bill Language to make expenditure of these funds contingent upon project approval by the Department of Technology and in alignment with approved project documents. There is a May Revision Budget Change Proposal for this change.
- Approves the May Revision proposal regarding the Information Systems Division Growth and Sustainability, with a decrease of \$1,171,000 General Fund in 2025-26 and 2026-27, and \$150,000 in 2027-28 and ongoing to reflect a technical change to align resources with the proposal included in the Governor's Budget.
- Approves the January Budget Change Proposal regarding Information Systems Division Growth and Sustainability. Approves an increase in General Fund expenditure authority of \$1,563,000 in 2025-26 and \$1,527,000 ongoing for 7.0 permanent positions and \$1,458,000 for contract funding over two years to ensure the Information Systems Division (ISD) has adequate capacity to support the growing department IT needs.

**Additional for Department of Social Services**

- Approves the May Revision proposal regarding the May Revision Caseload Adjustments. The 2025-26 May Revision includes a net increase of \$1,779,811,000 total funds in 2025-26 that is primarily driven by updated caseload estimates since the 2025-26 Governor's Budget. The net increase in total funds in 2025-26 is comprised of a \$864,932,000 General Fund increase, \$4,473,000 federal funds increase, \$750,000 special funds decrease, and \$911,156,000 reimbursements increase.
- Approves the May Revision proposal regarding the Various Reappropriations for Support and Local Assistance through June 30, 2026, as specified in more detail in the May Revision Finance Letter for the Department of Social Services.
- Approves the May Revision proposal regarding the Various Reappropriations through June 30, 2027, as specified in more detail in the May Revision Finance Letter for the Department of Social Services.
- Approves the January Budget Change Proposal regarding the SB 1406 Resident Services and Rights Support, with \$743,000 General Fund in 2025-26, \$725,000 General

Fund in 2026-27, and \$549,000 General Fund in 2027-28 and ongoing and 3 positions, which includes two-year limited-term funding equivalent to 1 position, to support the new workload created by Chapter 340, Statutes of 2024 (SB 1406).

- Approves the January Budget Change Proposal regarding Administrative Support for Pool Safety (AB 2866). Approves position authority and funding of \$549,000 General Fund on-going for 2.0 permanent positions and 1.0 limited term (LT) position to support the new workload created by the passing of Assembly Bill (AB) 2866. The bill requires child care centers and family child care homes in single-family dwellings with in-ground pools to add additional safety features and equipment to their pool. The cost of the proposal is \$549,000 General Fund in 2025-26 and on-going.
- Approves the January Budget Change Proposal regarding Anaphylactic Policy Implementation (AB 2317). Approves position authority and funding for one (1.0) permanent Staff Services Manager I Specialist and three (3.0) permanent Licensing Program Analysts (LPA) and for Children's and Licensing Policy and Litigation Branch one (1.0) two year limited term Attorney (IV) to support the new workload created by the passing of Assembly Bill (AB) 2317 to provide guidance and training on anaphylactic prevention and emergency responses in child care facilities. The cost of the proposal is \$1 million in 2025-26 and 2026-27, then \$698,000 in 2027-28 and on-going (all General Fund).

### **Department of Developmental Services**

- Approves the May Revision proposal regarding the Provider Mandates for Quality Incentive Payment Eligibility. Includes a reduction of \$221.7 million General Fund in 2026-27 and ongoing associated with requiring compliance with Electronic Visit Verification, financial review/annual audits, and Home and Community-Based Services (HCBS) rules as a pre-condition for eligibility of the quality incentive component of the rate models. Approves associated, corresponding placeholder trailer bill.
- Approves the May Revision proposal regarding the Service Provider Rate Reform Hold Harmless Provision. Approves a reduction of \$75 million General Fund in 2025-26, and a decrease to reimbursements by \$37,952,000, one-time to end service provider rate reform hold harmless policy as of February 28, 2026, instead of June 30, 2026. Approves associated, corresponding placeholder trailer bill.
- Approves the May Revision proposal regarding the Self-Determination Program. Approves a reduction of \$22.5 million General Fund in 2025-26, and \$45.5 million General Fund ongoing. Approves associated, corresponding placeholder trailer bill.

- Rejects the May Revision proposal regarding the Regional Centers Direct Service Professional Workforce Training and Development.
- Approves the May Revision proposal regarding the Porterville Developmental Center Ongoing Savings. Additionally, reduces funding by \$15 million General Fund in 2025-26, which will not impact operations, staffing, or people served at Porterville Developmental Center, and add \$6 million General Fund to the reduction in 2026-27 and on-going, with the same effect of no adverse impacts.
- Approves the May Revision proposal regarding Implicit Bias Training. Approves a reduction of \$5.6 million General Fund in 2025-26, with reimbursements to decrease by \$1,476,000, and ongoing to eliminate dedicated resources for refreshing implicit bias training at regional centers. Approves associated, corresponding placeholder trailer bill.
- Approves the May Revision proposal regarding Health and Safety Wavier Assistance. Approves a reduction of \$3.0 million General Fund in 2025-26, with reimbursements to decrease by \$1,412,000, and ongoing for resources related to providing consumers and families assistance in applying for health and safety waivers. Approves associated, corresponding placeholder trailer bill.
- Approves the May Revision Budget Change Proposal regarding the Life Outcomes Improvement System (LOIS). Approves \$13.3 million total funds, \$5.1 million General Fund, on a one-time basis, for limited-term resources equivalent to seventeen (17.0) positions at the Department, and resources for regional centers to continue the planning phase of the Project Approval Lifecycle (PAL) process. Approves Placeholder Supplemental Report Language for updates to the Legislature and stakeholders on the timely development of the LOIS automation system.
- Approves the May Revision Budget Change Proposal regarding the Federal Access Rule. Approves \$1.9 million total funds, \$1.6 million General Fund, on a one-time basis, for limited-term resources equivalent to nine (9.0) positions to support the increased workload related to compliance with the new federal Home and Community-Based Access Rule requirements, including a mandate to establish a new grievance process for Medicaid consumers. Budget Bill Language is also approved for this issue.
- Approves the May Revision Budget Change Proposal regarding the Staffing for Health and Safety Investigations and Due Process Caseload. Approves \$1.4 million total funds, \$1.2 million General Fund, for nine permanent positions and \$2.0 million total funds, \$1.7 million General Fund, in 2026-27 and ongoing to support increased workload related to health and safety concerns, such as rising appeals and complaints workloads.

- Approves the May Revision Budget Change Proposal regarding the Clinical Monitoring Team Support for Specialized Community Homes. Approves \$680,000 total funds, \$544,000 General Fund, for four permanent positions to support development and monitoring of specialized community homes and services.
- Approves the May Revision Budget Change Proposal regarding the Increased Reimbursement and Cost Recovery. Approves \$1.3 million total funds, \$1.1 million General Fund, for five permanent positions and contracted consultant support to explore options and obtain payment from public and private health insurers for services purchased by regional centers on behalf of eligible individuals to recoup costs for certain services. The approved statutory changes to repeal the Parental Fee Program enable the redirection of four staff to this purpose.
- Approves the May Revision Capital Outlay Budget Change Proposal regarding the Porterville Developmental Center Capital Outlay. Approves \$2.2 million one-time General Fund for the construction phase of the Fire Sprinkler System project at Porterville Development Center and reversion of \$1.148 million General Fund of existing authority for the construction phase, resulting in a net increase of \$1.0 million. The overall cost of the construction phase is \$6,101,000, of which \$3,905,000 was previously encumbered. This project has experienced delays as many of the buildings are protected by historic building code and require extensive design, inspection, and preservation planning. These delays, along with revised estimates of project overhead, have led to the need for additional funding.
- Approves the May Revision proposal regarding the Regional Centers – Caseload and Utilization Adjustments. Includes a decrease of \$168,013,000 and \$57,795,000 reimbursements ongoing. These adjustments reflect updated expenditure estimates in operations and purchase of services driven by caseload and utilization.
- Approves the May Revision proposal regarding Loan Authority. Includes a change to General Fund loan authority from \$1,290,420,000 to \$1,269,819,000 to reflect revised federal reimbursement estimates. There may be technical adjustments to these numbers based on other actions.
- Approves the May Revision Budget Change Proposal regarding the Public Records Act – Regional Center Requirements (AB 1147) – Adjustments. Approves a reduction of \$819,000 total funds, \$655,000 General Fund, to reduce six (6.0) positions compared to the original proposal submitted at Governor’s Budget, reflecting a reevaluation of the compliance approach and updated resource needs.

- Approves the May Revision proposal regarding Control Section 4.05 – Government Efficiencies Reduction. Approves a reduction of \$3.3 million total funds/General Fund.
- Approves the May Revision proposal regarding Control Section 4.12 – Vacancy Savings and Position Elimination. Approves a reduction of \$1.0 million total funds/General Fund.
- Rejects the May Revision trailer bill language proposal regarding the Fiscal Allocation Letter Authority with a request that this proposal come back to the Legislature as part of the 2026-27 Governor's Budget to allow more time for review and consideration.
- Approves the May Revision trailer bill language proposal as placeholder regarding the Repeal of Parental Fee Program. Trailer bill language repeals the Parental Fee Program (PFP) and will allow the Department of Development Services to redirect positions to support increased reimbursement and cost recovery efforts.
- Approves the January Budget Change Proposal regarding the Public Records Act – Regional Center Requirements (AB 1147), as modified in the May Revision, with funding for each regional center to comply with the recently enacted statute, and positions at the Department to provide training and support. The Department will coordinate with regional centers to provide information and training as well as other supports to regional centers in preparation for the statute's January 1, 2026 effective date.
- Approves the January Budget Change Proposal regarding the California Electronic Visit Verification (CalEVV) resources. For the Department of Developmental Services, this would make two existing limited-term positions permanent based upon the workload. Almost half of all services currently billed are required to be compliant with the EVV requirement. This multi-department proposal includes a total of four positions and \$1.39 million (\$1.05 million General Fund) for California Electronic Visit Verification in 2025-26 and ongoing so that Medicaid funded care providers are federally compliant with the 21st Century Cures Act, which is required for the state to maintain federal funding for services across California.
- Approves the Governor's trailer bill proposal on Rate Reform: Employment Services as placeholder, allowing for modifications in the trailer bill development process.
- Approves placeholder trailer bill language to (1) specify continued stakeholder involvement and (2) promote transparency regarding implementing the recommendations and meeting the goals of the Master Plan for Developmental Services.

- Approves placeholder Supplemental Report Language for the Department of Developmental Services and the Department of Rehabilitation to provide information on transitions to employment, status of employment, and barriers to employment.

### **State Council on Developmental Disabilities**

- Approves the May Revision proposal regarding Increased Reimbursement Authority – Quality Assessment Project. Increases reimbursements by \$198,000 in 2025-26 and \$299,000 in 2026-27 and ongoing to support updates to an existing interagency agreement with the Department of Developmental Services related to the Quality Assessment project.
- Approves the January Budget Change Proposal regarding the State Council on Developmental Disabilities Reappropriation. The State Council on Developmental Disabilities (SCDD) requested reappropriation of one-time General Fund resources for the Supported Decision-Making Technical Assistance Program (SDM-TAP) authorized by Control Section 19.56 (Sec. (i)(16)(A) and (B)) of Chapter 249, Statutes of 2022 (AB 179). AB 179, as part of the 2022 Budget Act, allocated \$5 million General Fund to the SCDD for implementation of the SDM-TAP. Specifically, the allocation designated one-time \$2 million to operate the program and one-time \$3 million to be awarded in grant funding. To date, the SCDD's SDM-TAP effort has awarded \$2.9 million of the \$3 million available for grants (C.S. 19.56, Sec. (i)(16)(B)). The program is supported by 3 limited-term positions and, as of June 30, 2024, personnel costs totaled approximately \$302,000, with an additional \$44,000 expended for operating expenses and equipment, and approximately \$259,000 in contracts. These operational expenses are supported from the \$2 million appropriated under C.S. 19.56, Sec. (i)(16)(A). For the current year, the SCDD has \$1.4 million available for expenditure under this section, and \$3 million available under Section (i)(16)(B). The SCDD currently estimates that approximately \$507,000 will remain at the end of 2024-25. This reappropriation request will extend the SCDD's ability to encumber funds through 2025-26 and liquidate obligations through the end of 2026-27 to effectively close out grants and contracts, and fully maximize the SDM-TAP funding.

### **California Department of Aging**

- Approves the May Revision proposal regarding a Technical Baseline Adjustment. Approves a technical adjustment of net-zero shifts of existing funds for various programs within each respective state operations item.
- Approves the May Revision proposal regarding the Federal Trust Fund Authority Technical Adjustment. Increases federal fund reimbursement authority by \$23.2 million in 2025-26 and ongoing and \$3,870,000 in 2025-26 to align federal fund reimbursement



authority with receipt of federal funds. There is a May Revision Budget Change Proposal for this change.

- Approves the May Revision proposal regarding the Multipurpose Senior Services Program. Allows the Department of Finance to decrease funding if the Centers for Medicare and Medicaid Services' Medicaid and Children's Health Insurance Program Managed Care Access, Finance, and Quality Final Rule is rescinded or repealed. Any adjustment of this item shall be reported in writing to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee within 10 days of the date the adjustment is approved. Approves the associated Budget Bill Language, with a modification to make clear that the contingency based on federal changes is exclusively applied to the \$2.77 million in the January Budget Change Proposal.
- Approves the January Budget Change Proposal regarding the Health Insurance and Advocacy Program (HICAP), approving funding of \$2.3 million from the HICAP Fund in 2025-26 and 2026-27 to provide additional support of the HICAP program at the state and local levels. This funding was originally appropriated for a two-year period in 2021-22. Of the \$2.3 million, \$1.8 million is to enable local HICAP providers to continue to fund one full-time volunteer coordinator position. Between 2018-19 to 2022-23, there has been a 20 percent decrease in the number of HICAP counselors while there has been an 8.1 percent increase in the number of Medicare beneficiaries in California. The remaining \$500,000 has supported a research data specialist, a budget analyst, and a training analyst to support the HICAP program.
- Approves the January Budget Change Proposal regarding the Multipurpose Senior Services Program (MSSP) for a care management and billing software system for MSSP that will unify all providers and CDA on one platform. CDA requires \$2.8 million General Fund in 2025-26, \$2.7 million General Fund in 2026-27, and \$1.1 million General Fund in 2027-28 and ongoing to support 2 positions and to acquire and implement a case management software system that would be used by all Multipurpose Senior Services Program (MSSP) providers and state staff to operate the MSSP.
- Approves the January Budget Change Proposal regarding the California Electronic Visit Verification (CalEVV) resources. For the California Department of Aging, this proposal would make two existing limited-term positions permanent based upon the workload. This multi-department proposal includes a total of four positions and \$1.39 million (\$1.05 million General Fund) for California Electronic Visit Verification in 2025-26 and ongoing so that Medicaid funded care providers are federally compliant with the 21st Century Cures Act, which is required for the state to maintain federal funding for services across California.

- Approves a transfer of \$11.9 million from 3098 Licensing and Certification Program Fund to the California Department of Aging (CDA) for the Long-Term Care Ombudsman Program, and increases the allowable transfer from 0942 Health Facilities Citation Penalty Account to CDA for the Long-Term Care Ombudsman Program to \$4 million, in 2025-26, 2026-27, and 2027-28, for a total of up to \$15.9 million to support the Long-Term Care Ombudsman Program each year for three years. This proposal has no General Fund impact. Approves placeholder trailer bill language consistent with this action.
- Approves placeholder Supplemental Report Language on progress and strategies to achieve "No Wrong Door" for Long-Term Care Supports and Services in Home and Community-Based Settings.

### **Department of Rehabilitation**

- Approves the Governor's January Budget for the Department of Rehabilitation without changes.

### **Department of Community Services and Development**

- Defers to actions taken in Subcommittee No. 4 on the larger Proposition 4 Plan with regard to the May Revision Budget Change Proposal regarding the Climate Bond (Proposition 4): Low-Income Weatherization Program Farmworker Housing Component.
- Approves the May Revision Budget Change Proposal regarding the Low-Income Weatherization Program Farmworker Housing Component Reappropriation. Extends the liquidation period for one-time 2021-22 General Fund resources supporting the Low-Income Weatherization Program Farmworker Housing Component.
- Approves the May Revision Budget Change Proposal regarding the Low-Income Weatherization Program Multifamily Housing Component Reappropriation. Reappropriates the remaining balance of unexpended one-time 2022-23 General Fund resources to extend the liquidation period for one-time 2022-23 General Fund resources supporting the Low-Income Weatherization Program Multifamily Housing Component.
- Approves the May Revision proposal regarding a General Fund Cash Flow Loan. Authorizes a General Fund loan or loans, not to exceed a cumulative total of \$40 million, to assist in cash flow program needs related to unanticipated delays in the receipt of federal funds.

- Approves the January Budget Change Proposal regarding Proposition 4: LIWP Farmworker Housing Component. This approves \$200,000 Proposition 4 Funds in 2026-27, and \$10 million ongoing Proposition 4 Funds, to support the LIWP Farmworker Housing Component. This component represents CSD's portion of the \$10 billion Proposition 4 spending plan.
- Approves the rescinding, as requested in late May by the Department of Finance, of the Governor's Budget Change Proposal for the Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act (AB 1163, Chapter 832, Statutes of 2023). CSD no longer requires an augmentation of \$1.06 million General Fund to implement statewide data collection system changes to comply with AB 1163. CSD is also returning funds from the 2024-25 Budget, for a total return of \$2 million to the General Fund for two years (2024-25 and 2025-26). After a review of the statute and federal requirements, CSD found that the bill does not apply to its programs.

### **Department of Child Support Services**

- Approves the May Revision proposal regarding Child Support Local Assistance. Approves a decrease of \$1,490,000 federal funds ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available. Approves an increase in the Child Support Collections Recovery Fund by \$1,490,000 ongoing to reflect an estimated increase in collections received for the federal government's share of child support recoupment based on updated child support collections information.
- Approves, with the above change, the Governor's January Budget for the Department of Child Support Services, with no additional changes.

### **California Health and Human Services Agency**

- Approves the May Revision Budget Change Proposal regarding the Behavioral Health Transformation: Behavioral Health Services Act Continued Implementation. Approves an increase of \$154,000 ongoing to support the California Health and Human Services Agency's coordination and implementation of behavioral health initiatives like Proposition 1. There are related issues in the Department of Health Care Services, Department of Public Health, Department of Managed Health Care, and Department of Health Care Access and Information, all in the jurisdiction of Subcommittee No. 1 on Health.
- Approves the May Revision Budget Change Proposal regarding the Child Welfare Services - California Automated Response and Engagement System. Approves an increase of \$15,015,000 one-time to align funding legislation already approved in the

Department of Social Services' budget from prior Budget Acts. These funds are separate from the CWS-CARES project costs in the 2025-26 Governor's Budget proposal.

- Approves the January Budget Change Proposal regarding the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) information technology (IT) project. To continue implementing the CWS-CARES project, \$256 million total funds (\$130 million General Fund) is included under child welfare local assistance. An additional \$93 million (\$46 million General Fund) in prior-year savings and additional new funding will be available pursuant to provisions in budget bill language. Additional expenditure authority is also provided by the Office of Technology and Solutions Integration (OTSI).
- Approves Budget Bill Language regarding the two CWS-CARES items above to (1) withhold 10 percent of the funding based on the project's historical underspending, (2) require reporting on the federal government's decision on project status, and (3) require written notification of any implementation of human services program changes delays.
- Approves the January Budget Change Proposal regarding the Information Technology Enhancement Resource Shift to CalHHS. The California Department of Public Health (CDPH) will shift \$381,000 General Fund to the California Health and Human Services Agency (CalHHS) Office of Technology and Solutions Integration (OTSI) in 2025-26 and ongoing in lieu of continuing an Interagency Agreement (IAA) for two positions that work on IT Capital planning, prioritization, and IT enterprise portfolio management. These positions were established through the Information Technology, Data Science, and Informatics Framework for a 21st Century Public Health System Budget Change Proposal (BCP). This request is to shift the previously authorized work from CDPH to OTSI.

# **Subcommittee No. 3 on Education Finance**

**Assemblymember David Alvarez, Chair**

## PK-12 EDUCATION

### Proposition 98 Funding: Early Education, TK-12, and Community Colleges

- Estimates a Proposition 98 General Fund funding level of \$98.5 billion (suspension level) in 2023-24, \$118.9 billion in 2024-25, and \$114.6 billion for the 2025-26 Budget Year.
- Estimates \$114.6 billion for Proposition 98 funding for 2025-26, which meets the Test One guarantee level, for state preschool, TK-12 public education, and community colleges. Rebench the guarantee in the Budget Year, to reflect the final year of Universal Transitional Kindergarten enrollment growth.
- Dedicates up to \$1.3 billion in “settle-up” in May 2026, for planned appropriations, based on available Current Year Proposition 98 funding, including up to \$650 million in discretionary deposits in the Proposition 98 “Rainy Day” fund, the Public School System Stabilization Account. The additional settle-up funding will pay down the TK-12 and Community College Budget Year deferrals.
- Projects a revised \$540 million in required one-time contributions in the 2024-25 fiscal year, and a \$540 million withdrawal in 2025-26 the Proposition 98 “Rainy Day” fund.
- Pays off the existing Proposition 98 funding deferrals in the Budget Year, and authorizes a new deferral of \$846.4 million into the 2026-27 Budget Year. It is the intent of the Legislature to pay down the deferral with settle-up funds, and if insufficient Proposition 98 growth is available, continue deferrals into the 2027-28 Budget Year.

### TK-12 Education:

- Per-pupil funding grows in the Governor’s Budget to a funding rate of \$25,176 per student. Proposition 98 TK-12 funding per student is proposed to grow to \$18,671 in 2025-26.
- Increases Proposition 98 funding for the Local Control Funding Formula (LCFF) by \$2.1 billion, reflecting declining enrollment, UTK enrollment, and a 2.3 percent cost-of-living adjustment (COLA) in 2025-26. Uses the Prop 98 Rainy Day withdrawal and deferral proposals to fully support this increase.
- Provides \$174 million for a 2.3% COLA to statutorily-required TK-12 programs and the equity multiplier, except state preschool.
- Recognizes the \$10 billion School and Community College Facility Bond passed by California voters in November 2024 under Proposition 2, including the policy changes across TK-12 school modernization and new construction programs.

- Creates a \$500 million, one-time Student Support and Discretionary Block Grant, that includes support for dual enrollment, career pathways approaches, and professional development for educators in English Language Arts and mathematics, allocated based on the LCFF.
- Provides an additional \$2.1 billion funding for the final year of Universal Transitional Kindergarten (UTK) implementation, including \$1.2 billion ongoing for 10:1 UTK child to staff ratios.
- Increases the Expanded Learning Opportunities Program by \$263 million one-time, \$525.5 million ongoing, for the projected cost of full program implementation and increased costs to serve all unduplicated pupils, grades TK-6, in all local education agencies. Expands Tier 1 service standards and funding to all concentration grant local education agencies beginning January 1, 2026. Increases the minimum grant to \$100,000. Clarifies “offering” of services and sets Tier 2 rate, ongoing.
- Increases and expands the Literacy Coaches program, including mathematics coaching, with an additional \$100 million one-time Proposition 98.
- Expands the existing Learning Recovery Emergency Block Grant with \$378.6 million one-time funding through 2027-28.
- Creates a comprehensive, five-year, educator recruitment and retention package, including: a new Student Teacher Recruitment Incentive Grant Program with \$600 million one-time Proposition 98 funding, to fund stipends for student teachers, extends the National Board Certification program through 2031, and approves the May Revision \$64.2 million one-time General Fund for the Golden State Teacher Grant program, and \$66 million extension for the Teacher Residency Program.
- Maintains the California universal meals commitment with an increase of \$90.7 million in annual Proposition 98 funding, to maintain two free daily meals for all students.
- Creates a \$200 million block grant for evidence-based English Language Arts and Development professional development.
- Increases Career Technical Education funding by \$150 million, one-time Proposition 98.
- Sweeps \$177.5 million in unused General Fund from the Office of Public School Construction, to be offset by Proposition 2 fund availability for fire-impacted school facilities.

- Extends funding for Universal School Meals implementation, with a one-time new competitive program of \$170 million for the Kitchen Infrastructure and Training program. Includes \$50 million for training, \$20 million for school meal worker recruitment, and \$5 million for a study of school meal nutrition standards.
- Provides \$40 million one-time Proposition 98 for the implementation costs in 2025-26 for the new Dyslexia screener.
- Appropriates \$30 million, one-time Proposition 98 for the Special Olympics.
- Appropriates \$20 million, one-time Proposition 98 to support LEAs with Child Youth and Behavioral Health capacity grants, for the fiscal year, in anticipation of full implementation of the fee schedule in 2026-27.
- Extends the encumbrance period for Universal PreK grants, through 2028, and provides an additional \$35 million appropriation.
- Proposes \$10 million one-time Proposition 98 to support use of English language proficiency screeners for TK dual-language learners, and authorizes the State Board of Education to adopt a screener for children ages 2 through 5, in a TK and State Preschool Program. Provides ongoing LCFF backfill calculation for TK English Language learners.
- Allocates up to \$9.7 million one-time for property tax backfill related to fire-impacted school districts, and \$1.8 million one-time fire-impact assistance.
- Increases LEA administration support for the summer nutrition SUN Bucks program by \$21.9 million ongoing for student summer food access, and requires annual student eligibility determinations.
- Adds \$500,000 one-time Prop 98 for high school students to attend the California Association of Student Councils' conferences.
- Provides \$12.5 million, one-time Proposition 98 through 2029-30, for a new Literacy Network in the Statewide System of Support. Includes new regional lead English Learner focus within the Literacy Network and State System of Support, with \$2 million ongoing Prop 98 funding.
- Authorizes \$1.5 million ongoing Proposition 98 to continue state Homeless Education Technical Assistance Centers.



- Provides an increase of \$3 million ongoing Proposition 98 for the California College Guidance Initiative and the Cradle to Career Data System.
- Provides an ongoing increase of \$3.5 million Proposition 98 for the K-12 High Speed Network.
- Provides \$2 million on-time for the digitization and multi-language translation of the Individualized Education Program template.
- Appropriates \$1 million one-time Proposition 98 to evaluate the state's curricula adoption process, as specified.
- Provides \$300,000 general fund to support the California Department of Education (CDE) implementation of new personal finance curricula.
- Streamlines all major Career Technical Education program applications, reporting, and evaluation through the Department of Education and Community College Chancellor's Office. Maintains individual program standards and administration.
- Authorizes the Instructional Quality Commission to initiate a new adoption cycle for English Language Arts & English Language Development instructional materials, and provides \$250,000 for this purpose.
- Makes various adjustments to the Charter School Facility Program, including a statutory 2.3% COLA.

**Early Childhood Education & Care:**

- Appropriates \$200 million for new child care and preschool services in the 2026-27 Budget Year, for 12,000 new slots. \$150 million General Fund for 6,770 new voucher slots, 2,500 new child care center slots, and 2,800 new preschool center slots.
- Maintains the prior year commitments to 146,000 new child care slots, compared to the 2021-22 Budget Act, and goal to reach 200,000 new slots by 2028.
- Maintains existing reimbursement rates across all child care programs, backfilling expiring federal funds.
- Addresses child care payment administration costs: adds \$44.8 million one-time to administer out-of-contract rate supplements, \$70 million for union dues collection.

- Provides \$21 million in the Budget Year, for the Department of Social Services and Education to begin funding all child care and preschool programs prospectively, based on enrollment.
- Provides \$24.7 million, one-time funds for local and state administrative needs for the Alternative Methodology implementation preparation, for the Departments of Social Services and Education, contingent on Joint Legislative Budget approval.
- Authorizes redirection of statutory COLA for child care and preschool to the Single Rate System, based on the Alternative Methodology, for future fiscal years.
- Suspends the statutory state preschool COLA, for an ongoing reduction of \$19.3 million Proposition 98 and \$10.2 million General Fund.
- Suspends the statutory child care statutory COLA, for an ongoing reduction of \$60.7 million General Fund.

## HIGHER EDUCATION

### University of California

- Rejects the May Revision proposal to reduce operational funding by \$129.7 million ongoing General Fund, or a 3 percent cut to ongoing state support. Restores the cut but defers payment until July 1, 2026. Includes budget bill language allowing UC to access a short-term loan from General Fund resources in 2025-26 to assist with cash flow.
- Modifies the Governor's Budget and May Revision proposals to defer \$240.8 million ongoing General Fund to support a 5 percent base increase. Instead provides a 2 percent deferred base increase in 2026-27 instead of 5 percent, and the rest of the increase in 2028-29. Adheres to the other pieces of the Administration's deferral structure for 2026-27 and 2027-28.
- Approves Governor's Budget and May Revision proposals to defer \$31 million ongoing General Fund to continue the 5-year program to replace nonresident students with California students at the Berkeley, Los Angeles and San Diego campuses. Also includes budget bill language allowing UC to count additional reductions of nonresident students beyond the yearly target toward the next year.
- Approves May Revision adjustments to the UC Agriculture and Natural Resources Division.
- Approves budget bill language setting an enrollment target of 1,510 more California undergraduates in 2025-26.
- Provides \$5 million one-time General Fund to support the CalBRIDGE program.
- Provides \$15 million one-time General Fund to support the Local News Fellowship Program.
- Modifies the May Revision proposal to reduce debt service payments for student housing program by authorizing the Davis and Santa Barbara projects and \$5.2 million ongoing General Fund to support debt service costs. Returns \$1 million ongoing of bond cost savings to the General Fund.
- Rejects the May Revision proposal to provide \$1.8 million one-time General Fund to support First Star foster youth cohorts.
- Approves the May Revision to reappropriate funding for the California Climate Initiatives.

- Approves the May Revision proposal authorizing the use of interest from bond funds to support the UCLA Powell Library Seismic Renovation project.
- Approves May Revision adjustments to the California Breast Cancer Research Fund, the Electronic Cigarette Tax Fund, and the Medical Research Program Account Fund due to updated revenue projections.
- Approves May Revision language-only proposals to eliminate compact reporting and make a technical correction to academic year in UC financial aid provision.
- Provides \$430,000 ongoing General Fund to support the California Local Newspaper project at UC Riverside.

### **California State University**

- Rejects the May Revision proposal to reduce operational funding by \$143.8 million ongoing General Fund, or a 3 percent cut to ongoing state support. Restores the cut but defers payment until July 1, 2026. Includes budget bill language allowing CSU to access a short-term loan from General Fund resources in 2025-26 to assist with cash flow.
- Modifies the Governor's Budget and May Revision proposals to defer \$252.3 million ongoing General Fund to support a 5 percent base increase. Instead provides a 2 percent deferred base increase in 2026-27 instead of 5 percent, and the rest of the increase in 2028-29. Adheres to the other pieces of the Administration's deferral structure for 2026-27 and 2027-28.
- Includes budget bill language requiring campus turn-around plans for declining-enrollment campuses.
- Approves budget bill language setting an enrollment target of 7,152 more California undergraduates in 2025-26.
- Approves the Governor's Budget proposal to provide a \$1.3 million ongoing General Fund increase for the Capitol Fellows program.
- Approves the Governor's Budget proposal to provide \$345,000 ongoing General Fund to support the implementation of legislation requiring CSU to provide drug test devices at every campus.
- Approves the May Revision proposal to revert the unencumbered balances of retiree health benefits from the 2022 Budget Act.

**California Community Colleges**

- Approves the May Revision proposal to provide \$217.4 million ongoing Proposition 98 General Fund to support a 2.3% cost-of-living adjustment for Student Centered Funding Formula (SCFF) apportionments.
- Provides \$100 million one-time Proposition 98 General Fund in 2024-25 and 139.9 million ongoing Proposition 98 General Fund in 2025-26 to support enrollment growth.
- Provides \$80 million one-time Proposition 98 General Fund to support a student support block grant.
- Approves the May Revision proposal to provide \$10 million ongoing Proposition 98 General Fund to support the expansion of the Rising Scholars Network.
- Approves the May Revision proposal to withdraw \$168 million one-time Proposition 98 General Fund to support the Collaborative Enterprise Resource Planning project.
- Provides \$12 million one-time Proposition 98 General Fund to support the Common Cloud Data Platform project with the condition that the project go through the state Department of Information Technology Project Approval Lifecycle process.
- Modifies the May Revision proposal to shift \$492.4 million from community colleges to TK-12 to support TK expansion. Instead provides \$259 million prior year and current year funding for community college activities.
- Provides \$5 million ongoing Proposition 98 General Fund to support the Credit for Prior Learning Initiative, with placeholder trailer bill language ensuring focus on units that are degree- or certificate-applicable and allowing consideration of international educational experience. Rejects the May Revision proposal for \$15 million one-time Proposition 98 General Fund for the Credit for Prior Learning Initiative.
- Provides \$44 million one-time Proposition 98 General Fund to support part-time faculty office hours.
- Provides \$20 million one-time Proposition 98 General Fund for emergency financial aid.
- Provides \$5.1 million one-time Proposition 98 General Fund to support financial aid support and outreach to community college students.

- Provides \$10 million one-time Proposition 98 General Fund to support EMT/paramedic pre-apprenticeship academies.
- Provides \$6.3 million one-time Proposition 98 General Fund to backfill costs related to the firefighter apprenticeship program and other apprenticeship programs.
- Provides \$15 million one-time Proposition 98 General Fund to support Dreamer Resource Liaisons.
- Modifies the May Revision proposal to defer \$531.6 million Proposition 98 General Fund in SCFF funding from 2025-26 to 2026-27. Instead defers \$377.5 million Proposition 98 General Fund.
- Reappropriates \$135 million Proposition 98 General Fund from the 2024-25 funding for the part-time faculty health insurance program to help reduce the 2025-26 deferral.
- Approves the May Revision proposals to adjust 2023-24 and 2024-25 apportionments based on the Proposition 98 structure.
- Approves the May Revision proposal to pay back the 2024-25 deferral.
- Approves the May Revision proposal to use \$59 million from the Proposition 98 Rainy Day Fund to support SCFF costs in 2025-26.
- Approves the Governor's Budget and May Revision proposals to support Proposition 51 and Proposition 2 community college facilities projects.
- Approves the May Revision budget bill language to extend the liquidation period for the College of the Siskiyous Remodel Theater and McCloud Hall Project.
- Rejects the Governor's Budget and May Revision proposals to develop the Career Passport program.
- Approves the May Revision proposal to provide a 2.30% COLA for select categorical programs.
- Approves the May Revision proposal to create a local assistance item in the budget bill to support payments of lease-revenue bond debt service for college student housing programs.
- Approves the May Revision proposal to provide increase Proposition 98 General Fund for 2024-25 and 2025-26 apportionments to backfill fire-related property tax declines.

- Approves the May Revision adjustments to Item 6870-101-0001 in 2024-25 and 2025-26 to reflect various technical and revenue changes.
- Approves the May Revision proposal to support 2025-26 hold harmless and stability funding.
- Approves the May Revision proposal for budget bill language clarifying that the LGBTQ+ Pilot Program includes one-time funding.
- Approves the May Revision proposal for trailer bill language changing to reporting deadlines for the Native American Student Support and Success Program and the Hire Up Program.
- Approves the May Revision proposal for budget bill language to change reporting deadlines for the Institutional Effectiveness Program and Initiatives.
- Approves the May Revision proposal to provide one-time reimbursement authority for the Children and Youth Behavioral Health Initiative.
- Approves the May Revision proposal to provide \$6.6 million one-time Proposition 98 General Fund to support e-Transcript California to cover a shortage in funds for the program.
- Approves the May Revision proposal to adjust support for the Student Financial Aid Administration Program based on the projected number of fees waived and the dollar amount of fees waived.
- Approves the May Revision proposals to reappropriate unused funding to support SCFF and deferral payments.

### **California Student Aid Commission**

- Approves the May Revision adjustments to the Cal Grant program, providing \$2.3 billion General Fund in 2023-24, \$2.5 billion General Fund in 2024-25 and \$2.8 billion ongoing General Fund in 2025-26 to support caseload increases.
- Rejects the May Revision proposal to reduce funding for the Middle Class Scholarship program, and instead provides \$513 million ongoing General Fund and \$405 million one-time General Fund in 2025-26.
- Approves the May Revision proposal to provide \$77 million one-time General Fund to support Middle Class Scholarship caseload increases in 2024-25.

- Approves placeholder trailer bill language to make technical changes to the program to improve implementation.
- Approves the Governor's Budget and May Revision proposals to provide \$50 million one-time General Fund and \$14.2 million in carry-over funds to support the Golden State Teacher Grant program. Includes trailer bill language specifying that applicants between July 1 2025 to June 30, 2026 shall receive grants of \$10,000 and placeholder trailer bill language.
- Approves the Governor's Budget proposal to provide \$20 million one-time General Fund to support college operations for California College of the Arts.
- Approves the Governor's Budget proposal to provide \$1.4 million one-time General Fund in 25-26 and \$3 million ongoing General Fund in 26-27 for equipment and other operating costs.
- Approves the Governor's Budget proposal to provide one position and \$230,000 ongoing General Fund to support a Chief Information Security Officer position.
- Approves placeholder trailer bill language to require institutions participating in the Cal Grant program to provide the Student Aid Commission with Cal Grant recipient data.
- Approves the May Revision proposals to adjust funding for the Chafee Foster Youth Program, Law Enforcement Personnel Dependents Scholarship Awards, and Public Interest Attorney Loan Repayment Program to reflect caseload.
- Approves the May Revision proposal to for trailer bill language authorizing the Commission to use cohort default rates certified in 2020 to determine institutional eligibility through 2026-27.
- Provides \$10 million one-time General Fund to support the California Indian Nations College.

**Scholarshare Investment Board – CalKIDS program**

- Rejects trailer bill language to require tax software providers to notify eligible families about CalKIDS.
- Approves the Governor's Budget proposal to provide \$566,000 ongoing General Fund and three new positions.
- Approves placeholder trailer bill language requiring local educational agencies to notify students about the CalKIDS program when they notify students about the FAFSA process.



- Approves placeholder trailer bill language to extend the data-sharing pilot project with Riverside County Office of Education until 2029-30, and authorizes San Diego Unified School District to join the project.

### **California State Library**

- Approves the Governor's Budget and May Revision proposals to provide \$334,000 General Fund in 2025-26 and \$282,000 ongoing General Fund in 2026-27 for cybersecurity infrastructure.
- Approves May Revision budget bill language allocating \$500,000 of State Library funding to support the Braille Institute.
- Rejects the May Revision proposal to shift \$4.3 million one-time General Fund from Digitization Strategy Initiative to support general operations.
- Rejects the May Revision proposal to reduce Item 6120-011-0890 by \$7 million and Item 6120-211-0890 by \$8.7 million to reflect potential decreased federal funding.
- Approves placeholder trailer bill language extending the use of a court fee to support the Witkin Law Library by three years.
- Reappropriates \$9 million in one-time General Fund from the Building Forward infrastructure grants to support new projects.

### **UC College of the Law SF**

- Approves the May Revision proposal for ongoing General Fund support.
- Approves the Governor's Budget proposal to provide \$10.1 million ongoing General Fund to support debt service costs associated with the second phase of the McAllister Tower renovation.

### **Bureau of Private Postsecondary Education**

- Approves trailer bill language allowing the bureau to use Student Tuition Recovery Fund funds to support claim administration activities and positions at the Office of Student Assistance and Relief.

# **Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation**

**Assemblymember Steve Bennett, Chair**

## CLIMATE CHANGE AND ENVIRONMENT

### Various

- Approves the Cap and Invest May Revision Finance Letter, but approves only a \$500 million annual fund shift in 2025-26 and 2026-27 for CalFIRE baseline operations, with remaining Greenhouse Gas Reduction (GGRF) dollars to be appropriated later.
- Adopts placeholder trailer bill language related to Olympics streamlining.
- Approves \$85 million fund shift from the Air Pollution Control Fund (APCF), to backfill the structural deficit in the Motor Vehicle Account (MVA). Delays \$81 million fund shift from the Greenhouse Gas Reduction Fund (GGRF) until the GGRF spending plan is finalized.

### Proposition 4

- Rejects the Administration's Prop. 4 expenditure plan and related trailer bill. Defers details of Prop. 4 expenditure plan and May Revision adjustments to a follow-up budget bill.
- Defers trailer bill language for Prop. 4, including technical amendments and the Administrative Procedures Act exemption, in concert with an associated follow-up budget bill.
- Includes a Control Section to allocate \$140 million General Fund to maintain previous climate investments, which the Governor's budget proposed for Prop. 4 backfills. Approves \$315.8 million reversions. Defers details of what investments will be backfilled by Prop. 4 (\$175.8 million total) and what investments will be maintained as General Fund (\$140 million) for a subsequent budget bill.
  - Note: The Governor's budget included a total of \$315.8 million General Fund cuts to climate, which would have been backfilled by Prop. 4. This budget, instead, maintains \$140 million of the \$315.8 million General Fund proposed to be cut and backfilled. The remaining amount, \$175.8 million, will be backfilled in a subsequent budget bill that includes the entire Prop. 4 expenditure plan.

### Control Sections 4.05 and 4.12 related to Efficiency Cuts and Vacancy Sweeps

- Approves the General Fund saving achieved pursuant to Control Section 4.05 and rejects the non-General Fund savings for 2025-26 excluding specified special funds.

- Approves the General Fund savings of \$182 million associated with the vacant General Fund positions. Rejects the non-General Fund savings from vacant positions excluding specified special funds in poor fund health. Rejects the May Revision proposal to eliminate the General Fund and non-General Fund positions. Adopt control section language suspending the elimination of 6002 vacant positions identified pursuant to Control Section 4.12 in the 2024 Budget Act until the enactment of the 2026 Budget Act, allowing the Legislature the opportunity to review the potential long-term implications of such eliminations on regulatory activities, public health and safety, natural resources and environmental protection, and the implementation of recently enacted legislation.

## CAL FIRE

- Includes \$221.6 million General Fund to transition 3,000 seasonal fire fighters to year-round fire fighters.
- Includes \$12.5 million for a Community Home Hardening Program and placeholder trailer bill language. The Community Home Hardening Program will include a home hardening certification program and a country wildfire coordinator program to assist in community-level home hardening.
- Includes \$10 million General Fund for increased fireline pay for incarcerated firefighters.
- Fund shifts \$500 million in 2025-26 26 and 2026-27 for CalFire operations from General Fund to Greenhouse Gas Reduction Fund (GGRF).
- Includes 35 reappropriations and 27 reversions to align existing appropriations with current capital outlay project schedules for various projects under CAL FIRE; this proposal includes \$120.333 million of reversions (\$84.678 million General Fund and \$35.655 million bond funds). This includes a reduction of \$32 million for the acquisition of property for a new CAL FIRE training center.
- Includes a supplemental appropriation of \$8,830,000 Public Building Construction Fund for the construction phase of the Baker Forest Fire Station: Replace Facility project, located in Tehama County.
- Includes a supplemental appropriation of \$3,564,000 General Fund for the preliminary plans phase of the Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities project, located in San Benito County.
- Includes a supplemental appropriation of \$2,233,000 General Fund for the working drawings phase of the Shasta Trinity Unit Headquarters / Northern Operations: Relocate

Facility project, located in Shasta County.

- Includes supplemental appropriation of \$307,000 General Fund for the construction phase of the Statewide: Construct Communication Facilities, Phase III project, located in various counties.
- Provides \$4,371,000 General Fund for the preliminary plans phase of the Alma Helitack Base: Relocate Facility project, located in Santa Clara County.
- Provides \$3,089,000 General Fund for the working drawings phase of the Boggs Mountain Helitack Base: Relocate Facility project, located in Lake County.
- Provides \$95,331,000 public buildings construction fund for the construction phase of the Butte Fire Center: Replace Facility project, located in Butte County.
- Amends the amount included within existing provisional budget bill language, which waives specified state contracting requirements to enable CAL FIRE to contract for Exclusive Use aircrafts from \$27.5 million to \$65 million.
- Provides \$9,551,000 General Fund for the construction phase of the Higgins Corner Fire Station: Replace Facility project, located in Colusa County.
- Provides a supplemental appropriation of \$485,000 General Fund for the preliminary plans phase of Kneeland Helitack Base: Replace Facility project, located in Humboldt County.
- Provides \$10,793,000 General Fund for the construction phase of the Macdoel Fire Station: Relocate Facility project, located in Siskiyou County.
- Provides a supplemental appropriation in the amount of \$17,421,000 Public Buildings Construction Fund for the construction phase of the Prado Helitack Base: Replace Facility project located in San Bernardino County.
- Adopts trailer bill for Forester Registration Program Fees.

### **Department of Water Resources**

- Rejects a reappropriation request for \$125 million for habitat restoration projects (related to Voluntary Agreements) and reverts the remaining unencumbered and unexpended balance to the General Fund.

- Adopts trailer bill language related to habitat restoration contracting.
- Rejects and defers to the legislative policy process trailer bill language related to the Delta Conveyance Project.
- Extends the reimbursable authority for an additional two years by the Sacramento Area Flood Control Agency of \$1,000,000 annually for two years to support the existing permanent positions and work being completed in the 2019 Budget Act.
- Provides \$324,000 Proposition 68 in 2025-26 to provide planning and communication support for currently authorized positions to support the Central Valley Flood Protection Board's role in supporting the Yolo Bypass Comprehensive Study, Yolo Bypass Master Plan and associated environmental compliance, and the Yolo Bypass Cache Slough Partnership communication and engagement; includes a reversion of \$31,000 Prop. 68 funding from 2021.
- Includes a reversion of \$8,700,000 of Proposition 1 Local Assistance funding appropriated FY 21/22, and a corresponding new appropriation of \$8,700,000 State Operations. These funds will allow continuation of the Delta Levees Special Flood Control Projects and Delta Levee Maintenance Subventions Programs in the Sacramento-San Joaquin Delta to implement and manage/administer projects for levee repairs, improvement and maintenance, and habitat mitigation and enhancement.
- Includes \$8.7 M in reimbursement authority (\$4M in 2025-26, \$3.35M in 2026-27, and \$1.35M in 2027-28 for Federal Emergency Management Agency Hazard Mitigation Grant Program grants related to alluvial fan hazard mitigation efforts. This will also support 3 Division of Flood Operations existing staff.
- Provides \$30M (\$10M per year for three years) of additional federal trust fund authority for the Federal Emergency Management Agency's Federal Rehabilitation of High Hazard Potential Dams Grant Program.
- Includes the reversion and a new appropriation of \$8 million of Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. The funding is from the Systemwide Flood Risk Reduction Program, Yolo Bypass Fix-in-Place project and will complete construction of the levee rehabilitation project with Reclamation District 2068 in the Yolo Bypass.
- Includes \$1,622,000 in State Operations from Proposition 1 for the Water Desalination Program funding consisting of approximately \$540,000 annually over 3 years for administration of desalination grants in accordance with Section 79703.

- Includes a total of \$178 million of Federal Trust Fund Authority for fiscal years (FY) 2025-2029 from the Department of Interior's funding in the Inflation Reduction Act for aquatic and wetland habitat projects required on the Water Board's Stipulated Order 2017-0134; also provides \$11 million of State Reimbursement Authority for 2025-26.
- Includes \$4 million Proposition 68 funds to be used for Acquisition and Working Drawings, instead of construction, for the Cache Creek Channel Levee Rehabilitation Project.
- Provides the reversion and new appropriation of \$209,000 in Local Assistance Proposition 68 funds to support the six regions that constitute the Regional Flood Management Program.
- Includes \$12.5 million General Fund for state operations to support and manage United States Army Corps of Engineers and Urban Flood Risk Reduction projects during FY 2025-26.
- Includes \$4 million (\$2 million per year in 2025-26 and 2026-27) General Fund for the state contribution to the US Army Corps of Engineers Yolo Bypass Comprehensive Study to help secure hundreds of millions in federal funding for public safety and environmental restoration within the Yolo Bypass and greater Sacramento region.
- Includes trailer bill language to amend the frequency of the Department's official publication of the occurrence and nature of groundwater in California, *California's Groundwater* (Bulletin 118), from every 5 years to every 10 years.
- Adopts placeholder trailer bill language related to Electricity Supply Strategic Reliability Reserve Facility Divestiture to specify restrictions on operations be applied to facilities constructed and owned by the department, not just facilities constructed by the department as currently stated in existing statute.

### **Department of Toxic Substances Control**

- Includes a fund shift of \$35 million General Fund to the Lead-Acid Battery Cleanup Fund for the cleanup of residential properties with lead contamination near the former Exide lead-acid battery recycling facility in Vernon, CA.
- Shift \$425,000 General Fund from the Department of Public Health to DTSC in 2025-26 and ongoing that supports laboratory services provided by DTSC per the legislative mandate of Senate Bill 1379, Perata (Chapter 599, Statutes of 2006); funds 2.0 permanent positions in 2025-26 and ongoing to support DTSC's statutory obligations for implementation of the California Biomonitoring program.

- Includes a transfer of \$36.6 million from the Toxic Substances Control Account to the Site Remediation Account and \$36.6 million expenditure authority from the Site Remediation Account in 2025-26 to fund the state's National Priorities List obligations and state orphan sites with Priorities 1A, 1B, 2, and 3, and statewide service contracts.
- Includes an increase of \$475,000 in expenditure authority for the State Certified Program Agency Account beginning in 2025-26 and ongoing and includes an elimination of \$150,000 in reimbursement authority as it is not utilized.
- Includes \$837,000 Hazardous Waste Control Account in 2025-26 and ongoing, and \$1,719,000 Toxic Substances Control Account in 2025-26, and \$1,619,000 in 2026-27 and annually thereafter and 9.0 permanent positions to support implementation of the exemption review and reporting penalty assessment processes required by newly adopted regulations, as authorized by Chapter 73, Statutes of 2024 (SB 156).
- Provides expenditure authority of \$2 million from the Hazardous Waste Control Account in 2025-26 with a two-year encumbrance period in order to fund legal services contracts for the Santa Susana Field Laboratory litigation.

### **CalRecycle**

- Includes 27 permanent ongoing positions to be phased in over two fiscal years (18 positions in 2025-26 and an additional 9 positions in 2027-28) with a total ongoing cost of \$4,552,000 to implement the Responsible Textile Recovery Act of 2024 (Newman, Chapter 864, Statutes of 2024).
- Shifts \$256,000 in 2025-26 and ongoing from the Integrated Waste Management Account to the Reusable Grocery Bag Fund to fund an existing Environmental Scientist and Accounting Officer to implement Senate Bill 270 (Padilla, Chapter 850, Statutes of 2014).
- Includes \$45 million one-time from various special funds in 2025-26 to implement the CalRecycle Integrated Information System (CRIIS) project.

### **Department of Food and Agriculture**

- Modifies the Governor's proposal and approves \$3 million General Fund (GF), and \$5 million Federal Trust Fund (FF) 2025-26, \$3 million GF and \$5 million FF in 2026-27, \$3 million GF and \$5 million FF in 2027-28, and \$3 million GF, \$5 million FF, and \$147,000 Department of Food and Agriculture Fund (Ag Fund) in 2028-29 and ongoing and 15.0 permanent positions for Animal and human Health Emergency Infrastructure to respond to Avian Influenza (Bird Flu).



- Modifies Governor's proposal and approves \$21.9 million General Fund for 2025-26 one-time for the Farm to School Network and Incubator Grant Program. Rejects \$3 million in General Fund for 2025-26 associated with the Climate Smart Technical Assistance Grants.
- Includes provisional Budget Bill Language to fully expend the remaining milk handler assessments from the Dairy Marketing Branch (\$3,595,000) on research projects that benefit California dairy farmers and the remaining handler/processor assessments from the Milk Pooling Branch (\$3,509,000) on Quota Program activities.
- Includes \$1,607,000 General Fund in Fiscal Year 2025-26 and \$3,313,000 in FY 2026-27 and on-going, to fund increased operational costs associated with the new Turlock North Valley Animal Health Laboratory scheduled for completion in December 2025 to prevent, detect, and respond to animal health disease outbreaks, enhance food safety, and protect public health.
- Provides \$2,478,000 General Fund (GF) and 5 positions in Fiscal Year (FY) 2025-26, \$4,064,000 GF and 5 positions in FY 2026-27, and \$3,564,000 GF and 5 positions in FY 2027-28 and ongoing to manage, implement, and maintain remediation efforts to address real-time and critical security vulnerabilities and to provide ongoing management and monitoring of related new critical security services.
- Provides \$1.5 million Department of Food and Agriculture Fund (Ag Fund) authority in 2025-26 and 2026-27, and \$900,000 in 2027-28 and ongoing to address increased research costs, to implement activities identified in the Sustainable Pest Management Roadmap, and to perform increased consultative work for the Department of Pesticide Regulation, as required by Assembly Bill 2113 (Chapter 60, Statutes of 2024).
- Includes reappropriations of various one-time funds increased reimbursement authority of \$132,000 in 2025-26 and ongoing, which includes a rescheduling of \$226,000 Department of Food and Agriculture Fund (Ag Fund) reimbursement authority to the General Fund and will provide sufficient budgetary authority to complete various projects and administer existing and new grant awards; also includes a language-only Item to effectuate the Governor's Budget proposal, Dairy Marketing Branch and Milk Pooling Branch Remaining Milk Producer/Processor Assessments.
- Includes \$353,000 General Fund in Fiscal Year 2025-26 for the Preliminary Plans phase for repair and replacement of the Meadowview Biological Control Program office and laboratory facilities.

- Includes a \$1.37 million reappropriation of the Acquisition and Preliminary Plans funding for the Needles Border Protection Station relocation project, located in San Bernardino County.

### **State Water Resources Control Board**

- Rejects trailer bill language related to Water Quality Control Plans – CEQA Exemption and defers to legislative policy process.
- Includes a loan of \$16.4 million from the Underground Storage Tank Cleanup Fund to the Water Rights Fund to support 22.0 existing positions and continue critical implementation tasks in the State Water Board’s Sustainable Groundwater Management Act program.
- Includes 8.0 permanent positions from the Public Water System, Safe Drinking Water State Revolving Fund which is continuously appropriated to implement a system (WaterTAP) for intake, management, analytics support, and federal reporting of lead and copper data in compliance with the revised Lead and Copper Rule Revisions.
- Includes \$2,720,000 ongoing and 12.0 permanent positions from the Safe Drinking Water Account to carry out the public small water system (SWS) regulatory program for Monterey County. The County’s local primacy agency delegation will be terminated and regulation of SWSs will be returned to the state in September 2025.
- Includes \$23 million one-time from the Petroleum Underground Storage Tank Financing Account to provide sufficient expenditure authority to meet current funding demand for the removal or replacement of petroleum underground storage tanks; this also includes statutory changes in trailer bill to enable administrative efficiencies that allow tank owners to begin projects while waiting for a final funding agreement to be executed.

### **Coastal Conservancy**

- Includes an appropriation of \$10,725,000 from the Violation Remediation Account, a subaccount of the State Coastal Conservancy Fund, and \$12 million in reimbursements from State Coastal Conservancy Fund to fund coastal resource enhancement and public access projects statewide.

### **Department of Parks and Recreation**

- Defers Californian Indian Heritage Center Support trailer bill language to the legislative policy process.

- Defers Leasing Authority trailer bill language to the legislative policy process.
- Provides \$1,000,000 in spending authority in fiscal year 2025-26 for the working drawings phase of the Border Field State Park: Monument Mesa Day Use and Interpretive Area project.
- Rejects \$6.75 million General Fund for the State Library Parks Pass program in 2025-26.
- Provides \$2,000,000 in fiscal year 2025-26 from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund for the working drawings phase of the Candlestick Point State Recreation Area: Initial Build-Out of Park project in San Francisco County.
- Provides \$182,000 in fiscal year 2025-26 from the Off-Highway Vehicle Trust Fund for the preliminary plans phase of the Hollister Hills State Vehicular Recreation Area Entrance Kiosk project in San Benito County.
- Provides \$29 million in 2025-26 from the Off-Highway Vehicle Trust Fund for local assistance grants.
- Provides \$8.6 million ongoing from the State Parks and Recreation Fund and an increase of \$8.6 million in ongoing annual transfers from the Highway Users Tax Account, Transportation Tax Fund to State Parks and Recreation Fund beginning in 2025-26. Adopt associated trailer bill.
- Provides \$9,000,000 in fiscal year 2025-26 for the California Indian Heritage Center project in Yolo County.
- Provides \$4.8 million Natural Resources and Parks Preservation Fund in 2025-26 for the construction phase of the continuing project, R.H. Meyer Memorial SB: Parking Expansion, Facility and Site Modifications project in Los Angeles County.
- Includes \$1,922,000 in reimbursement authority in fiscal year 2025-26 to the State Parks and Recreation Fund for the construction phase of the Mount Diablo State Park: Visitor Center.
- Includes various adjustments to the Harbors and Watercraft Revolving Fund (HWRF). Adjustments include aligning revenues and expenditures by temporarily decreasing Boating Safety and Enforcement Aid Grants to baseline funding of \$8.1 million set in 1996-97, removing \$1.75 million annual baseline funding for the Abandoned Watercraft Abatement Fund, reducing support allocations by a total of \$1.5 million, reducing baseline

funding for Quagga Zebra Mussel Infestation Prevention Grants by \$1 million, and transfers of \$3.9 million from the Abandoned Watercraft Abatement Fund and \$6.3 million from the Public Beach Restoration Fund back to the HWRF; includes provisional language that requires the Administration to develop a proposal to address the long-term health of HWRF by January 10, 2026.

- Includes \$750,000 in reimbursement authority in fiscal year 2025-26 to the State Parks and Recreation Fund for the preliminary plans phase of the Silver Strand State Beach (SB): Low-Cost Accommodations project.
- Includes various reappropriations and extension of liquidations for existing capital outlay projects.
- Rejects trailer bill language to authorize the Department to conduct national criminal history background checks to align with FBI best practices and defers to legislative policy process.

### **San Francisco Bay Conservation and Development Commission**

- Includes \$500,000 Bay Fill Clean-up and Abatement Fund in 2025-26 and \$55,000 ongoing to procure and establish a modern, comprehensive digital regulatory management system to manage and track permits and permit applications, as well as receive permits and permit fees online.
- Includes trailer bill language to clarify that the funding of enforcement, technology, services, programs, and personnel that directly support the Commission's cleanup or abatement actions are authorized uses of the Bay Fill Clean-up and Abatement Fund.

### **San Joaquin River Conservancy**

- Includes an additional \$260,000 in 2025-26, and ongoing, from the San Joaquin River Conservancy Fund for staff to fulfill legislative directives and the Administration's priorities of Access for All.

### **Sierra Nevada Conservancy**

- Provides ongoing reimbursement authority of \$1 million for local assistance under the Sierra Nevada Conservancy Fund.

**California Environmental Protection Agency**

- Includes \$6.6 million in spending authority from the Unified Program Account in the Fiscal Year 2025-26 to implement a technology refresh project on the California Environmental Reporting System known as CERS NextGen.
- Includes \$662,000 in FY 2025-26 and ongoing from various special fund sources, and 3 permanent full-time positions to stabilize the Agency-wide implementation of ServiceNow and to oversee continuous governance and maintenance of the system.

**California Natural Resources Agency**

- Includes \$10 million one-time General Fund in 2025-26 for capital improvements to continue the modernization and expansion of the Museum of Tolerance.
- Defers request to include 15 permanent positions, \$9,925,000 Proposition 4, and ongoing Salton Sea Lithium Fund for the establishment and operation of the Salton Sea Conservancy as part of the Prop. 4 expenditure plan to be developed in a subsequent budget bill.
- Cuts unencumbered and unexpended balances - \$226.7 million - for Water Resilience Projects in 2022-23 and 2023-24 that are related to Voluntary Agreements.
- Includes \$346,000 from Proposition 68 and 2.0 positions, in addition to funding for consulting services to make system improvements needed to track statewide Prop. 68 requirements and deliver the necessary outcomes and mapping reporting related to Prop. 68 expenditure per bond accountability requirements.

**Office of Land Use and Climate Innovation**

- Modifies Governor's May Revision proposal and approves \$5.3 million for the California Education Learning Lab in 2025-26, and delays phase out of program by one year.
- Includes \$3.35 million in ongoing reimbursement authority to provide administrative support to the newly established Governor's Office of Service and Community Engagement; includes \$2.9 million in Federal Trust Fund authority to support federal grant work of the Military Affairs team; and includes an encumbrance extension of existing funding for the CEQAnet project until June 30, 2027, to continue modernization efforts.
- Includes trailer bill language to allow the Office to change the definition of 'vulnerable communities,' included in the latest Integrated Climate Adaptation and Resilience

Program Technical Advisory Council resource guide to serve as the operating definition of vulnerable communities without future statutory changes.

- Includes trailer bill language to allow the Office to use the same submittal process for General Plan Annual Progress Reports used by the Department of Housing and Community Development; includes APA exemption.

### **Tahoe Conservancy**

- Includes \$400,000 Environmental License Plate Fund one-time for the Department of General Services cost rate structure change.
- Includes a supplemental appropriation of \$591,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 68) to cover increased costs reflected in an updated working drawings estimate of the Lake Tahoe Blvd Demolition and Site Stabilization Project.
- Includes \$479,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 68) and \$271,000 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund (Proposition 50) for various minor capital outlay projects on Conservancy land.
- Includes \$5.6 million for the acquisition of lands in environmentally sensitive or significant resource areas. The requested funding is comprised of 1) \$1.3 million of California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Fund (Proposition 68); 2) \$4.3 million of reimbursement authority to the California Environmental License Plate Fund; and 3) a Reversion of \$1.3 million Proposition 68 local assistance from the 2019 Budget.
- Includes \$500,000 from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68) to study restoration and recreation needs and complete environmental review for the Upper Truckee Marsh South Project.
- Includes \$200,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84) for the Van Sickle Bi-State Park Safety and Equitable Access Improvements Project.
- Includes \$300,000 from the Safe Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) for conceptual feasibility planning for future watershed, habitat, and recreation improvements.

- Provides \$5.978 million for the acquisition of lands in environmentally sensitive or significant resources areas; funding is provided from the following funds: 1) \$378,000 of Lake Tahoe Acquisition Funds; 2) \$1.3 million of Prop. 68 funds; and 3) \$4.3 million in reimbursement authority.
- Provides \$250,000 - \$150,000 Federal Trust fund authority and \$100,000 in Habitat Conservation Funds - to develop preliminary plans for the multiple-benefit Upper Truckee River Sunset Stables Reach 6 Restoration Project.

### **California Conservation Corps**

- Includes \$3.5 million Collins-Dugan Reimbursement Account one-time in fiscal year 2025-26 to repair dormitory 7 that was damaged by the Airport Fire at the existing Los Piños Center located in Orange County, which was built in 1966.
- Reappropriates \$6,396,000 General Fund for the construction phase of the Greenwood: New Residential Center project.
- Includes \$4,080,000 Collins-Dugan California Conservation Corps Reimbursement Account one-time expenditure authority in 2025-26 for preliminary plans, working drawings, and construction to demolish the existing Auberry Elementary School building in the City of Auberry in Fresno County, to minimize liability from injuries caused by vandalism and further destruction while the capital outlay project to build a new residential center on location has been deferred due to the condition of the General Fund. Funds shall be available for expenditure or encumbrance until June 30, 2027.

### **Department of Conservation**

- Includes annual ongoing appropriation of \$1 million Oil and Gas Environmental Remediation Account, an increase of \$950,000 to the existing \$50,000 annual appropriation, to remediate wells that pose a danger to life, health, water quality, wildlife or natural resources; also includes budget bill language that would authorize the Department of Finance to augment the appropriation if it concurs with a finding by the Department and Division that expenditures above that amount are necessary to prevent or respond to a danger to life, health, water quality, wildlife, or natural resources.
- Provides \$866,000 in 2025-26 from the Surface Mining and Reclamation Account to contract a Software-as-a-Service solution vendor to implement and configure an integrated enterprise case management system with external facing portals for stakeholder document submission and communications

**Exposition Park**

- Includes \$664,000 General Fund and 5 permanent positions in 2025-26, increasing to \$915,000 in 2029-30 and ongoing to provide the minimum level of resources needed to operate the state-approved Phase III Facility consistent with the Science Center's lease obligations.

**Tahoe Regional Planning Agency**

- Includes \$230,000 Environmental License Plate Fund (ELPF) in 2025-26 and \$130,000 ELPF ongoing to support California's share of Agency staff salary adjustments to be aligned with California state employee pay.

**State Lands Commission**

- Provides \$4.08 million in 2025-26, \$4.05 million in 2026-27 and \$4.35 million in 2027-28 from the General Fund for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project in Orange County.
- Provides \$12.5 million from the General Fund in 2025-26, with an extended encumbrance period through June 30, 2028, to implement the Rincon Decommissioning Project.
- Reappropriates \$1,625,000 from the General Fund and \$2,650,000 in reimbursement authority, with an extended encumbrance period through June 30, 2027, to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan at Selby Slag.

**Native American Heritage Commission**

- Accepts withdrawal of Administration proposal for one-time \$430,000 General Fund in 2025-26 to cover Department of Justice litigation costs.

**California Natural Resources Agency**

- Includes requests for appropriations and reappropriations from various bonds, reversions, reversions with associated new appropriations, and other non-bond technical adjustments to continue implementation of existing authorized programs under the California Natural Resources Agency.
- Provides resources to support increased rental costs at the newly renovated Gregory Bateson Building. The California Natural Resources Agency, the Department of Fish and



Wildlife, the Department of Conservation and the Department of Water Resources request an increase of \$3.276 million in 2025-26, \$3.394 million in 2026-27, and \$3.777 million annually beginning in 2027-28 across various fund sources for this purpose.

- Provides funding from the General Fund and special funds to implement statutory requirements associated with legislation chaptered in 2024 within the California Natural Resources Agency departments, boards, and commissions (dollar amounts in thousands):

Department	Issue Title (Chapter/Bill)	Fund Source	2025-26	2026-27	2027-28	2028-29	Total Ongoing Positions
Department of Conservation	Idle Oil and Gas Wells (Chapter 548, AB 1866)	3046	\$4,766	\$4,491	\$4,491	\$4,491	20.0
Department of Conservation	Low-production Oil and Gas Wells (Chapter 549, AB 2716)	3046	\$2,018	\$1,896	\$1,896	\$1,896	9.0
Department of Forestry and Fire Protection	Fire Prevention: Prescribed Fire: State Contracts: Maps (Chapter 778, SB 1101)	3228	\$511	\$566	\$549	\$549	2.0
Department of Forestry and Fire Protection	State Fire Marshal: Fire Safety: Regulations: Lithium-based Battery Systems: Telecommunications Infrastructure (Chapter 781, SB 1152)	3144	\$148	\$288	\$0	\$0	2.0
Department of Forestry and Fire Protection	Emergency Management Assistance Compact: California Wildfire Mitigation Financial Assistance Program (Chapter 402, AB 2469)	0001	\$529	\$809	\$809	\$809	0.0
Department of Fish and Wildlife	Cannabis Cultivation: Environmental Remediation (Chapter 839, AB 2643)	3351	\$0	\$0	\$0	\$0	7.0
California Coastal Commission	Local Coastal Program Guidance for Accessory Dwelling Units (Chapter 454, SB 1077)	0001	\$106	\$0	\$0	\$0	0
California Coastal Commission	Local Coastal Program Updates for Housing (Chapter 282, AB 3093)	0001	\$565	\$1,202	\$1,838	\$1,838	8.0

Department of Parks and Recreation	Firearms: Destruction (Chapter 547, SB 1019)	0001	\$420	\$398	\$398	\$398	2.0
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### California Environmental Protection Agency

- Includes additional requests for various bond appropriations; technical adjustments; reappropriations; and baseline adjustments to continue implementation of previously authorized programs under the California Environmental Protection Agency.
- California Environmental Protection Agency, the California Air Resources Board, and the State Water Resources Board request \$2,988,000 from various special funds and 12.0 permanent positions in 2025-26 and ongoing to defend California's environmental laws and programs that advance the state's climate, water, public health and overall environmental priorities in response to increased federal legal challenges.
- Provides funding from the General Fund and special funds to implement statutory requirements associated with legislation chaptered in 2024 within the California Environmental Protection Agency departments, boards, and commissions (dollar amounts in thousands).

Department	Issue Title (Chapter/ Bill)	Fund Source(s)	2025-26	2026-27	2027-28	2028-29	2029-2030	Total Ongoing Positions
State Air Resources Board	Analysis of Industrial Sources of Emissions - Chapter 595 (SB 941)	3237 Cost of Implementation Account	\$120	\$0	\$0	\$0	\$0	0.0
Department of Pesticide Regulation	Pesticides - Anticoagulant Rodenticides - Chapter 571 (AB 2552)	0106 Department of Pesticide Regulation Fund	\$258	\$193	\$193	\$193	\$193	1.0
Department of Pesticide Regulation	Pesticide Use Near Schoolsites - Chapter 552 (AB 1864)	0001 General Fund 0106 Department of Pesticide Regulation Fund	\$690	\$200	\$200	\$200	\$200	1.0

State Water Resources Control Board	Technical, Managerial, and Financial Standards - Chapter 507 (SB 1188)	0306 Safe Drinking Water Account 3324 Safe and Affordable Drinking Water Fund	\$925	\$675	\$675	\$900	\$900	4.0
State Water Resources Control Board	Drinking Water Outreach for Domestic Well Owners and Tenants - Chapter 506 (AB 2454)	0001 General Fund	\$225	\$225	\$225	\$225	\$225	1.0
Department of Resources Recycling and Recovery	Solid Waste Reduction and Recycling - Chapter 421 (AB 2902)	3228 Greenhouse Gas Reduction Fund	\$345	\$345	\$345	\$345	\$345	2.0
Department of Resources Recycling and Recovery	Organic Waste Reduction - Chapter 452 (SB 1046)	3228 Greenhouse Gas Reduction Fund	\$500	\$0	\$0	\$0	\$0	0.0
Department of Resources Recycling and Recovery	Propane Cylinder Waste Management - Chapter 466 (SB 1280)	0387 Integrated Waste Management Account	\$474	\$174	\$174	\$174	\$174	1.0
Department of Resources Recycling and Recovery	Organic Waste Reduction Regulations - Chapter 712 (AB 2346)	3228 Greenhouse Gas Reduction Fund	\$315	\$315	\$315	\$315	\$315	2.0
Department of Resources Recycling and Recovery	Beverage Container Recycling - Chapter 983 (SB 551)	0133 Beverage Container Recycling Fund	\$141	\$141	\$141	\$141	\$141	1.0
Office of Environmental Health Hazard Assessment	Studying the health effects of microplastics in drinking and bottled water -	0001 General Fund	\$453	\$253	\$253	\$253	\$253	1.0

	Chapter 881 (SB 1147)							
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**Governor's Office of Business and Economic Development**

- Adopts placeholder trailer bill language to extend the sunset of the Climate Catalyst Fund.

**California Air Resources Board**

- Appropriates \$132.2 million from the Air Pollution Control Fund for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) from a recent legal settlement with Hino Motors.
- Defers trailer bill language extending the Cap and Trade program.
- Rejects without prejudice a proposal to convert 3 limited-term positions to permanent, costing in \$666,000 Greenhouse Gas Reduction Fund starting in 2026-27 and ongoing to fulfill statutorily required duties related to the California Climate Investments programs.
- Approves positions and funding for the Zero-Emission Airport Shuttle Regulations and rejects without prejudice positions and funding for the Advanced Clean Fleets regulation from the Air Pollution Control Fund.
- Authorizes 8 new attorney positions, costing \$1.89 million annually ongoing from the Air Pollution Control Fund to defend California's environmental laws and programs that advance the state's climate, water, public health and overall environmental priorities in response to increased federal legal challenges.
- Reappropriates 17 prior appropriations including, \$105 million for methane satellites and technical assistance from Greenhouse Gas Reduction Fund from the 2022 Budget Act to be available for encumbrance or expenditure until June 30, 2029, \$58 million from Greenhouse Gas Reduction Fund for advanced technology and demonstration projects, and others.
- Adopts placeholder trailer bill language to authorize the establishment of reasonable fees to cover the regulatory costs to implement the Transport Refrigeration Unit Regulation and the Commercial Harbor Craft Regulation.
- Provides \$1 million in 2025-26 and \$2 million ongoing beginning in 2026-27 from the Cost of Implementation Account for the Western Climate Initiative (WCI, Inc.) to help support the Cap-and-Trade program.

- Provides position authority to convert 25 positions from limited-term to permanent to implement various incentive programs. The funding comes from the administrative set aside for each incentive program.
- Provides \$2.3 million annually in 2025-26 and 2026-27 from the Air Pollution Control Fund for ten limited term positions to complete the regulatory process to authorize the use of motor vehicle fuels with up to 15 percent ethanol blending (E15).
- Funds \$2.2 million in 2025-26 and \$4.3 million ongoing beginning in 2026-27 from the Cost of Implementation Account (COIA) for 18 positions to implement SB 905, Chapter 359, Statutes of 2022.
- Rejects without prejudice, \$3.5 million from the Air Pollution Control Fund (APCF) for 17.0 permanent staff positions to support policy implementation and enforcement to meet the statutory requirements outlined in the newly adopted Zero-Emission Forklift Regulation (Cal. Code Regs, title 13, § 3000-3011 et seq.).
- Authorizes \$8 million ongoing from the Certification and Compliance Fund to support and maintain the mobile source laboratory, which is key to investigating manufacturers violating emissions standards. Also adopts trailer bill language to specify deficiency fines and fees are a part of the certification, audit, and compliance programs regulating motor vehicle manufacturers.
- Approves \$439,000 in 2025-26 and \$840,000 ongoing beginning in 2026-27 from various funds for information technology (IT) procurement, contracting, business technology management, and contact management units.

### **California Public Utilities Commission**

- Cuts \$33 million General Fund from the Community Solar program from 2023-24.
- Provides \$528,031,000 for fiscal year 2025-26 from the Universal LifeLine Telephone Service Trust Administrative Committee Fund to provide low-income California households with basic, high-quality wireless and wireline services at affordable rates in accordance with the Public Utilities Code section 871 et seq.
- Adopts placeholder trailer bill language to clarify that customers receiving service from community choice aggregators are eligible for Self-Generation Incentive Program (SGIP) funds as well as that specified demand response or peak load reduction programs are eligible to meet the requirement for the program. These funds were provided by the General Fund.

- Defers to the policy process, trailer bill language that would extend the surcharge for the Deaf and Disabled Telecommunications Program (DDTP) until December 31, 2034 and authorize the CPUC to make recommendations to the Legislature regarding the appropriations for the DDTP.
- Rejects without prejudice, trailer bill language that would allow CPUC to share information, pursuant to an agreement to treat the shared information as confidential, with the Western Energy Coordinating Council (WECC), the North American Electric Reliability Corporation (NERC), and the Northwest Power and Conservation Council (NPCC).
- Approves \$400,000 for one-time consulting services and \$50,000 per year ongoing for subscription fees from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) to annually report on recommendations for actions that could be undertaken during the succeeding 12 months to limit utility cost and rate increases, consistent with the state's energy and environmental goals, in order to implement AB 2462.
- Provides \$602,000 ongoing from PUCURA to convert three limited-term positions to permanent positions to continue to administer and maintain surcharge and user fee revenues to implement AB 14 (2021).
- Funds \$1,139,000 annually from PUCURA to convert four limited-term positions to permanent positions, and the addition of one new permanent position to implement new complaint and enforcement procedures related to video services to implement SB 28 (2021).
- Provides \$1,085,000 ongoing from PUCURA to convert five limited-term positions to permanent positions; and \$2.55 million one-time for consultant services with an extended encumbrance and liquidation period from the California Advanced Services Fund (CASF) to address the increased demand for broadband funding, larger collection authority, and overall expansion of the CASF program to implement SB 4 (2021).
- Allows \$222,000 ongoing for one position from PUCURA to establish rules regarding the exemption of nonbypassable or departing load surcharges from applying to a reduction in kilowatt-hours of electricity consumption due to industrial heat process technology that meets prescribed requirements to implement AB 2109.
- Funds \$1,652,000 ongoing for seven positions and \$49,000 one-time, \$240,000 over four years, and \$7,000 for training, travel, workshop support, and software licensing from PUCURA to implement a new neighborhood decarbonization program to transition customers from natural gas usage to cleaner forms of energy usage to implement SB 1221.

- Provides \$2,720,000 ongoing for twelve positions; \$35,000 for one-time equipment and training; \$40,000 per year for two-years for workshop travel; and \$20,000 ongoing for software subscriptions from PUCURA to establish guidelines, evaluate rate of return variances, and adjust revenue requirements as appropriate to implement AB 2666.
- Funds \$222,000 ongoing from PUCURA for one senior analyst position to implement the changes to the Family Electric Rate Assistance program, pursuant to SB 1130.
- Approves \$845,000 ongoing for four positions from PUCURA to implement the reliability and modeling requirements in the integrated resource planning and resource adequacy programs pursuant to AB 2368.
- Allows \$575,000 ongoing for four positions, 0.5 position authority to enhance and strengthen the core administrative functions and provide customer service supporting the entire CPUC, and \$150,000 ongoing for licensing/data storage from various special funds.
- Approves \$340,000 ongoing for three new support staff positions and position authority for two existing Senior Legal Typist positions to support the Administrative Law Judge Division's timely management and issuance of documents in proceedings and to enhance agenda support functions, records filling and maintenance, as well as support the Intervenor Compensation unit.
- Provides \$925,000 from the Public Utilities Commission Public Advocates Office Account (PUC) for four positions to meet the Public Advocates Office's statutory obligations resulting from AB 2109, AB 2368, and SB 1221.
- Appropriates \$3.7 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2025-26 and 2026-27 and \$2.9 million ongoing and 12 positions in 2027-28 to support compliance and enforcement of safety standard for large-scale, electric grid connected battery energy storage systems.
- Funds \$829,000 for three permanent positions and \$500,000 per year for four years for consulting services from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) to implement requirements from AB 3264 (Petrie-Norris and Rivas), Chapter 762, Statutes of 2024.
- Appropriates \$1.1 million ongoing for five positions from PUCURA for the ongoing workload related to SB 846 (Dodd), Chapter 239, and Statutes of 2022.

**Office of Energy Infrastructure Safety**

- Approves \$1.3 million ongoing from the Safe Energy Infrastructure and Excavation Fund (SEIEF) for seven positions to address Energy Safety's Underground Safety Board's ongoing and unmet needs associated with the operational alignment of Chapter 809, Statutes of 2016 (SB 661); Chapter 307, Statutes of 2020 (SB 865); associated legislation; its partnership in pipeline safety regulatory responsibilities with the Pipeline and Hazardous Materials Safety Administration (PHMSA); excavation safety outreach; and education, as mandated.
- Approves various technical adjustments.

**California Energy Commission**

- Defers Proposition 4 appropriations.
- Cuts \$42.8 million General Fund for the Offshore Wind infrastructure program from 2022-23, which is backfilled with Proposition 4 funding.
- Adopts placeholder trailer bill language to revise the Clean Transportation Program statute to remove the restriction that only public entities or not-for-profit technology entities can administer block grants on behalf of the Clean Transportation Program, as well as clarify that zero-emission vehicle infrastructure may be funded under block grants or incentive programs.
- Defers trailer bill language to expedite the date at which unawarded funds from the CalSHAPE program will be reverted back to investor owned utilities to fund other programs, from December 1, 2026 to July 1, 2025.
- Adopts placeholder trailer bill language to amend the Application for Certification fee schedule for power plants to authorize the fees to be based on incurred costs.
- Adopts placeholder trailer bill language to extend the sunset of the Electric Program Investment Charge (EPIC) follow on funding authority from July 1, 2025 to January 1, 2031 and authorizes Department of Finance to adjust funding authorizations as desired to reflect inflationary increases.
- Adopts placeholder proposes trailer bill language to amend the Demand Side Grid Support program to authorize existing exemptions in current law to apply to the program regardless of fund source.
- Adopts placeholder trailer bill language to correct a prior trailer bill that increased the salary of the chairperson of the California Energy Commission by 5 percent for the 2025-26, 2026-27, and 2027-28 years, which was put in the incorrect code section.



Allocates \$1.9 million Energy Facility Licensing and Compliance Fund and 9 positions through 2028-29 to support the Opt-in clean energy and advanced manufacturing permitting program.

- Provides \$671 million in Federal Trust Fund expenditure authority to administer three federal awards authorized as part of the federal Infrastructure Investment and Jobs Act (IIJA) of 2021 and \$12,000,000 reimbursement authority to supplement an existing federal program. The CEC received awards for the Community Energy Reliability and Resilience Investment (CERRI), Resilient and Efficient Codes Implementation (RECI), the Grid Resilience and Innovation Partnerships (GRIP) programs, and pledges from three entities to supplement the Charging and Fueling Infrastructure federal program funded via the California Department of Transportation that will be funded in fiscal year 2025-26.
- Approves various technical adjustments and reappropriations.
- Funds \$319,000 ongoing for two positions from the Cost of Implementation Account, Air Pollution Control Fund (COIA) for the ongoing workload related to SB 846 (Dodd), Chapter 239, Statutes of 2022.
- Provides \$204,000 from the Energy Resources Program Account annually and one permanent position to implement requirements from AB 3264 (Petrie-Norris and Rivas), Chapter 762, Statutes of 2024.

## TRANSPORTATION

- Authorizes loans up to an aggregate of \$750 million for select Bay Area transit agencies facing operational shortfalls.

### High Speed Rail Authority

- Defers Cap and Invest proposal to appropriate at least \$1 billion annually from Greenhouse Gas Reduction Fund.
- Allows \$113,000 from the High-Speed Passenger Train Bond Fund reimbursement authority in 2025-26 and ongoing for High Speed Rail Authority's costs associated with administrative services on behalf of the independent Office of Inspector General, California High-Speed Rail (HSR-OIG).
- Provides \$2.5 million ongoing from the High-Speed Passenger Train Bond Funds (Proposition 1A) and associated reimbursement authority for 13 positions and costs associated with the renewed National Environmental Policy Act (NEPA) Assignment Memorandum of Understanding (MOU) executed with the Federal Railroad Administration (FRA) on July 22, 2024.
- Appropriates \$1.2 million in 2025-26 and \$1.8 million in 2026-27 and ongoing from the High-Speed Passenger Train Bond Funds for eight positions to design the frameworks and identify the standards essential for the implementation, integration, and security of the technology required to establish train operations in the Central Valley between 2030 and 2033.

### High Speed Rail Authority, Office of the Inspector General

- Provides \$1.3 million in 2025-26 and \$338,000 in 2026-27 and ongoing from the Public Transportation Account to continue the establishment of the Office of Inspector General, High Speed Rail (OIG-HSR).
- Adopts trailer bill language to add Section 187024(b) to the Public Utilities Code to allow OIG-HSR to match classifications and compensation of other state agencies performing similar work.

**Department of Motor Vehicles (DMV)**

- Appropriates \$53.1 million Motor Vehicle Account (MVA) one-time and 90 temporary positions in 2025-26 to complete the vehicle registration phase of the Digital experience Platform (DXP) project.
- Rejects without prejudice, funding and statutory proposals related to State-to-State sharing of driver's license information.
- Provides \$4.9 million and 19.4 permanent positions in 2025-26 and \$3.5 million and 19.4 permanent positions in 2026-27 and ongoing from the Truck Emission Check Fund (TECF) to support post-implementation information technology enhancements and ongoing workload activities associated with Chapter 298, Statutes of 2019 (SB 210, Leyva).
- Appropriates \$2 million from the General Fund in 2025-26 and ongoing, for maintenance and operation activities associated with the completed IT project that complies with the requirements of AB 796 (Berman, Chapter 314, Statutes of 2021) regarding the California New Motor Voter Program.
- Adopts placeholder trailer bill language to delay implementation of SB 287 (Grove, Chapter 610, Statutes of 2022) from January 1, 2027, to January 1, 2029. This bill authorizes a driver to tow a 10,000 to 15,000-pound gooseneck trailer with a noncommercial Class C license for recreational purposes, provided they had successfully completed a knowledge exam.
- Adopts placeholder trailer bill language to eliminate the existing January 1, 2027, delayed operative date of AB 1800 (Low, Chapter 952, Statutes of 2022), and instead authorizes DMV and the National Marrow Donor Registry to establish an implementation timeline as part of the required memorandum of understanding.
- Adopts trailer bill language to reestablish the \$1 Business Partner Automation system improvement fee which ended on December 31, 2023, to December 31, 2028, or when the DMV director determines that sufficient funds have been received.
- Defers trailer bill language to extend the Statewide Ignition Interlock Device (IID) Pilot Program from January 1, 2026 until January 1, 2033.
- Reappropriates prior funds for the El Centro: Field Office Replacement project.
- Adopts placeholder trailer bill language that would delay the implementation of AB 3 (2021) related to license suspension for sideshows until July 1, 2029.

**Department of Transportation (CalTrans)**

- Provides \$25 million General Fund on a one time basis in 2025-26 to establish a new Clean California Community Cleanup and Employment Pathways Grant Program.
- Appropriates \$27,709,000 in operating expenses in Public Transportation Account funds for the maintenance and overhaul of passenger rail equipment for Fiscal Year (FY) 2025-26.
- Appropriates \$17.6 million one-time from the State Highway Account in 2025-26 and 92 positions to plan and design a seamless transportation network that supports the Los Angeles 2028 Olympics and Paralympics Games.
- Provides various technical adjustments, reappropriations, and increases to federal funding authority.
- Funds \$9.7 million in 2025-26 from the State Highway Account (SHA) for consulting services, equipment, and software to implement the enterprise data governance technology solution.
- Provides \$13.5 million one-time in 2025-26 to support the transition and onboarding to the Financial Information System for California (FI\$Cal) System.
- Appropriates \$5.3 million ongoing from the State Highway Account (SHA) for 20 positions to implement AB 2086, AB 2525, SB 960, and SB 1488.
- Allows \$35.2 million in 2025-26 and \$34.9 million in 2026-27 from the State Highway Account to perform inspections, maintenance, and repairs to its Stormwater Treatment Best Management Practices (TBMPs) as well as track their conditions and effectiveness in removing pollutants from highway runoff.
- Authorizes \$2.2 million in 2025-26 and \$2.5 million in 2026-27 and ongoing to maintain and operate the Transportation System Network Replacement (TSNR). The Transportation System Network (TSN) is a safety data system that collects collision data, highway inventory, traffic volumes, and other roadway data. Currently, the Caltrans TSN only includes data from the State Highway System (SHS). However, the federal government requires states to collect roadway inventory information for all public roads, and not just on the SHS. As a result, Caltrans has begun developing and planning a replacement for the TSN, beginning in 2021-22. This request includes five positions as well as ongoing maintenance and operations costs.

- Approves trailer bill language seeks to allow the Department of Finance to increase or decrease funding appropriated to Caltrans's capital outlay support program using items from both the annual Budget Act and any other appropriation provided the combined adjustments total \$0, with amendments to clarify it is only the capital outlay support program.

### **California Highway Patrol**

- Authorizes \$3.469 million Federal Trust Fund in 2025-26 to begin planning the California Crash Data System Modernization (CalCrash) IT project.
- Allocates \$3.4 million General Fund for the construction phase of the Leviathan Peak site of the California Highway Patrol Enhanced Radio System: Replace Tower and Vault project.
- Provides a net increase of \$2,299,000 Public Buildings Construction Fund (Lease Revenue) for the performance criteria phase of five area office replacement projects. This include: Redding, Los Banos, Antelope Valley, Barstow, and Porterville.
- Funds \$4.9 million in 2025-26 from the Motor Vehicle Account to address violent crimes occurring on state highways through a Highway Violence Task Force.
- Provides \$13.360 million Federal Trust Fund in 2025-26 and 2026-27 for federal grants awarded from the Federal Motor Carrier Safety Administration for increased commercial vehicle inspections, personnel, and enforcement activities.
- Allocates \$4,400,000 General Fund for the acquisition phase of the Humboldt Area Office Replacement and Los Banos Area Office Replacement projects.
- Shifts \$7 million from Motor Vehicle Account to General Fund for Lease Revenue Bond repayment for the Hayward and El Centro Office Replacements.
- Provides position authority for one Associate Government Program Analyst (AGPA) position to provide administrative support to the Cannabis Tax Fund Program.
- Appropriates \$8 million from the Motor Vehicle Account for overtime work in the Capitol Protection Section to provide protection and security at the State Capitol Swing Space and the new State Capitol Annex and Visitor Center.
- Reappropriates \$9.1 million General Fund for the acquisition phase of five area office replacement projects in the following locations: Redding, Los Banos, Porterville, Antelope

Valley, and Barstow.

- Rejects \$1 million Motor Vehicle Account to identify suitable parcels for replacing up to three additional area offices and to develop studies for those sites

#### **Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun**

- Appropriates \$2,095,238 in 2025-26, \$229,448 in 2026-27 and \$117,000 in 2027-28 ongoing from the Board of Pilot Commissioners' Special Fund to begin an information technology (IT) project to modernize the business operations of the Board.

#### **California State Transportation Agency (CalSTA)**

- Expresses intent to restore \$1.07 billion GGRF from SB 125 Transit Flex funding that funded capital projects, operations, and zero-emission buses, when GGRF funding is appropriated in a later budget bill. This includes \$368 million in 2025-26, \$250 million in 2026-27, and \$460 million in 2027-28.
- Provides \$871,000 (\$801,000 in Federal Fund and \$70,000 in various State Funds), three 3-year limited-term positions (without position authority), and three permanent positions for 2025-26 and ongoing. These resources will support the increase in workload related to additional federal grants issued to CalSTA by the National Highway Traffic Safety Administration.
- Increases federal authority of \$40 million for the Office of Traffic Safety (OTS) to align with expected available federal funding. In addition, the OTS requests provisional budget bill language to allow traffic safety grant funding to be transferred between items.
- Approves \$603,000 ongoing from the State Highway Account, Motor Vehicle Account, and Public Transportation Account to convert three limited-term positions to permanent for the Freight Policy Team, to manage oversight and coordination of freight policy across the state.

# **Subcommittee No. 5 on State Administration**

**Assemblymember Sharon Quirk-Silva, Chair**

## GENERAL GOVERNMENT

### Housing and Homelessness Package

- Provides \$500 million for the supplemental Low Income Housing Tax Credit.
- Includes \$120 million for the Multi-Family Housing Program.
- Provides \$500 million for the Homeless Housing, Assistance and Prevention Program through formula distribution for cities, counties, CoCs and tribes for 2026-27.
- Rejects \$100 million for the Encampment Resolution Fund.
- Provides \$300 million for the Dream for All program.
- Adopts placeholder trailer bill language to implement changes to the CEQA process related to infill housing and other infrastructure included in AB 609 (Wicks) and SB 607 (Wiener).

### Business, Consumer Services and Housing Agency

- Rejects without prejudice the resources to support the 2025 Governor's Reorganization Plan submitted to the Little Hoover Commission on April 4, 2025, pending the review of reorganization by the Legislature.
- Approves the California Interagency Council on Homelessness (Cal ICH), within the Business, Consumer Services and Housing Agency (Agency), requests \$665,000 General Fund in 2025-26 and \$349,000 ongoing for 2.0 positions and contract funding to implement the provisions of AB 799 (Chapter 263, Statutes of 2024).

### Department of Housing and Community Development

- Adopts placeholder trailer bill language to exempt projects funded through Proposition 1 of 2024 from the California Constitution Article 34, to establish the Affordable Housing Default Reserve Account, to change the expenditure deadline for Encampment Resolution Funding Program, and requires monthly reporting requirement for all rounds of the HHAP program.
- Includes \$7,081,000 (General Fund) in 2025-26 and \$1,638,000 ongoing, \$578,000 (Special Fund) in 2025-26 and \$189,000 ongoing, and 9.0 positions in 2025-26, and ongoing for resources to implement statutory requirements associated with eight bills (AB



653, AB 2667, AB 1878, AB 2240, AB 2387, SB 450, SB 597, and SB 1123) chaptered in 2024.

- Reverts \$31,731,000 General Fund appropriated in the 2021, 2022, and 2023 Budget Acts for the Infill Infrastructure Grant Program (\$7.2 million), Commercial Property Pilot Program (\$10M), and the Infill Infrastructure Grant Catalytic Program (\$14.5 million) that has not been expended.
- Adopts \$902,000 in both 2025-26, and 2026-27, and \$560,000 annually thereafter (General Fund) for two attorney positions--one focused on Public Records Act-related workload and the other on department (defensive) litigation located in the Statewide Homelessness Accountability and Compliance Unit.
- Approves 6 positions in 2025-26, and ongoing to implement federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds for long-term recovery efforts following 2022-23 winter storms, flooding, landslides and mudslides.
- Adopts increased Federal Trust Fund authority to receive \$417 million in additional CDBG-DR funds for long-term recovery efforts relate to 2023 and 2024 winter storms, flooding, and mudslides.
- Includes \$5,678,000 (General Fund) for 2025-26 for HCD to relocate into the May Lee State Office Complex.
- Extends the encumbrance and liquidation deadlines for three United States Department of Housing and Urban Development (HUD) Community Development Block Grant-Disaster Recovery (CDBG-DR) grants to align with the deadlines provided by HUD.
- Adopts technical adjustments to do the following:
  - Direct \$24 million in remaining Transit-Oriented Development (TOD) Proposition 1 (2017) and Proposition 1C (2006) bond funds to Multifamily Super NOFA in 2025-26;
  - Utilize \$20.5 million in Infill Infrastructure Grant (IIG) Proposition 1C (2006) bond funds for the 2025 Tribal Super NOFA in 2025-26, and
  - Extend the liquidation deadline for specified Infill Infrastructure Grant (IIG) awardees for an additional three years from June 30, 2026 to June 30, 2029, to fully liquidate the funds they received.

**Civil Rights Department**

- Provides 883,000 in one-time 2025-26 General Fund to the Civil Rights Department (CRD) for the purpose of extending the work of the Community Reconciliation Unit (CRU) through June 30, 2026.
- Adopts \$1.4 million in one-time 2025-26 General Fund to CRD for the purpose of extending the Enforcement, Investigation, and Mediation Enhancement program through June 30, 2026.
- Includes \$2.383 million in 2025-26 to operate the California vs. Hate Resource Line (CA vs Hate) for an additional year and adopts provisional language to exempt the Civil Rights Department from certain specified state contracting requirements.
- Includes resources \$1.219 million (General Fund) and 5 positions in 2025-26, and \$1.203 million (General Fund) in 2026-27, and ongoing to implement AB 2499 (Chapter 967, Statutes of 2024) and SB 1340 (Chapter 626, Statutes of 2024).
- Approves \$2.266 (General Fund) for the CRD to relocate into the May Lee State Office Complex.
- Adopts that Item 1700-001-0001 be increased by \$1,692,000 and 8 positions ongoing to correct a technical error and reflect funding and positions previously approved as ongoing in the 2021 Budget Act.

**Governor's Office of Business and Economic Development**

- Approves the May Revision to withdraw the January proposal to fund the California Competes Grant Program at \$60 million and approves the withdrawal of the trailer bill language to make conforming changes.
- Approves \$25 million one-time (General Fund) to support capital expenditures incurred during the construction of the National Semiconductor Technology Center's Design and Collaboration Facility.
- Rejects without prejudice \$17 million one-time (General Fund) to support the California Regional Initiatives for Social Enterprises (CA RISE) program.
- Rejects the reversion of up to \$11.5 million of unspent funds in 2023-24 for the Performing Arts Equitable Payroll Fund that was reappropriated in previous budgets.

- Adopts provisional language to allow the Department of Finance to increase the General Fund appropriation by up to \$650,000 to meet the matching requirements of the federal funds award for the State Trade Expansion Program.
- Adopts May Revision proposal to provide \$230,000 in reimbursement authority for 2025-26 for additional support for the Outsmart Disaster program.
- Reappropriates up to \$350,000 from Item 0509-101-0001, 2022 Budget Act to complete the necessary reporting requirements for the Containerized Interoperability grant program and provides \$350,000 as a General Fund solution.
- Reappropriates \$2,153,000 from Item 0509-001-0001, 2024 Budget Act to provide Go-Biz an extension to expend resources for the Zero Emission Vehicles Program.
- Reappropriates Item 0509-49 up to \$240,000 from Item 0509-001-0001, 2022 Budget Act to cover administrative costs for this grant program.

### **California Department of Tax and Fee Administration**

- Approves \$3.5 Million in 2025-26 for CDTFA to implement AB 3128 (Chapter 849, Statutes of 2024) and SB 1230 (Chapter 462, Statutes of 2024), which enact the Unflavored Tobacco Product List and includes enforcement authority for flavored tobacco products and tobacco product flavor enhancers.
- Approves \$9.3 million in 2025-26 and 2026-27, which includes \$6.1 million in contract services for maintenance and operations (M&O) and \$3.2 million for the GenTax Software License for the Centralized Revenue Opportunity System (CROS)
- Adopts May Revision proposal to include \$500,000 in reimbursement authority for fiscal year 2025-26 and ongoing to maintain the current administrative services as it relates to Department of Toxic Substances Control's (DTSC) Generation and Handling Fee Shortfall Solutions BCP that was approved in the 2024 May Revision.
- Adopts May Revision resources for implementation of Legislative resources as follows:
  - Includes \$1.1 million and 0.5 positions in 2025-26, \$862,000 and 0.5 positions in 2026-27, and \$828,000 and 0.5 positions in 2027-28, and \$1.4 million and 0.5 positions in 2028-29 and ongoing once audits commence, from the new Covered Battery-Embedded Waste Recycling Fee Subaccount, Electronic Waste Recovery and Recycling Account (CBE Fund) for the implementation and ongoing

administration of the expanded Electronic Waste and Recycling Fee Program. [SB 1215 (Chapter 370, Statutes of 2022)]

- Includes \$698,000 and 0.5 positions in fiscal year 2025-26, \$609,000 and 1 position in 2026-27, and \$230,000 and 1 position in 2027-28 and ongoing from the California Plastic Pollution Mitigation Fund. [SB 54 (Chapter 75, Statutes of 2022)].

### **Franchise Tax Board**

- Adopts placeholder trailer bill language to amends Governor's proposal for excluding wildfire settlements from taxable income to include settlements from recent wildfires.
- Adopts Governor's placeholder trailer bill language for various tax changes including extension of the pass-through entity elective tax, military retirement exemption, single sales factor, renter's tax credit, and the expansion of funds for the Film Tax Credit.
- Approves an augmentation of \$161,000 (General Fund) and one permanent position in 2025-26 and \$154,000 (General Fund) in 2026-27, and ongoing to implement Assembly Bill 518 (Wicks, Chapter 910, Statutes of 2024) by facilitating the distribution of data to California Department of Social Services (CDSS) in accordance with federal and state laws and FTB's policies and procedures.
- Includes an increase in spending authority for the Asset Forfeiture Account for Fiscal Year (FY) 2025-26, from \$740,000 to \$2,500,000 to purchase permissible resources for FTB's Criminal Investigation Bureau (CIB) activities that support our strategic goals.
- Approves an augmentation of \$107,075,000 and the full time equivalent of 42.0 permanent positions, and 4.0 limited-term positions for the fifth-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan.
- Adopts May Revision proposal for FTB to utilize the EDR2 Project appropriated funds reserved for unplanned work as described in Provision 11 of the Budget Act of 2024; no additional funding is requested. The estimated cost for the unplanned work in 2024-25 is \$8,400,000.
- Adopts May Revision reappropriations as follows:
  - Extends the encumbrance period of funding allocated in the 2024 Budget Act for the Enterprise Data to Revenue 2 project. The language would extend the encumbrance period for \$21,314,000 of Item 7730-001-0001, Budget Act of 2024

from June 30, 2025, to June 30, 2026. The funds will be used for vendor compensation payments and necessary project work not originally anticipated.

- Extends the encumbrance period for funding needed to replace the high-speed printer systems and software that Franchise Tax Board uses to print notices, bills, and correspondence. Specifically, this would extend the encumbrance period from June 30, 2025, to June 30, 2026, for \$2,283,000 from Item 7730-001-0001, Item 7730-001-0044, Item 7730-001-0064, and Item 7730-001-0242, Budget Act of 2024.

### **Office of Tax Appeals**

- Adopts May Revision requests an increase in reimbursement authority by \$30,000 ongoing to the Office of Tax Appeals to share Fresno office space with the California Department of Human Resources.

### **Commission on State Mandates**

- Adopts the Governor's budget to suspend and fund mandates including proposals to suspend 4 new mandates.
- Adopts May Revision proposal to add the County of Los Angeles Citizen Redistricting Commission mandate to the funded mandates list, which was unintentionally left out of the Funded Mandates list.
- Adopts May Revision proposal to increase Item 8885-295-0001 by \$2,193,000 ongoing and increases Item 8885-295-0044 by \$454,000 ongoing to reflect revised state mandate estimates and adopts provisional language to conform the action.

### **California Tax Credit Allocation Committee**

- Approves an increase in the amount of \$619,000 to hire two (2) Staff Services Manager II (SSMII) positions and one (1) Development Associate Governmental Program Analyst (AGPA) position to accommodate the ongoing workload created by the operation of the programs and by an expansion of duties created by recently adopted legislation.

### **Alternative Energy and Advanced Transportation Financing Authority**

- Includes position authority for seven (7) permanent positions using existing funding from a 2022-23 Budget Change Proposal which provides support and technical assistance for the California Hub for Energy Efficiency Financing (CHEEF) program. The increased staffing resources will enhance the support for CAEATFA's demanding infrastructure needs. All requested positions will be funded with existing appropriation authority.

**California Achieving a Better Life Experience (CalABLE) Act Board**

- Includes \$182,000 (General Fund) ongoing for the addition of one Associate Governmental Program Analyst (AGPA) CalABLE, in response to federal changes in age eligibility. The AGPA would allow CalABLE to develop a marketing, outreach, and public education program for newly eligible people with disabilities.

**State Treasurer**

- Approves a one-time General Fund augmentation of \$735,000 for relocation costs associated with its transition back to its headquarters, the Jesse Unruh Building, located at 915 Capitol Mall, Sacramento and approves provisional language.
- Adopts a General Fund increase of \$512,000 for 2025-26, followed by an increase of \$1,575,000 in 2026-27 and ongoing, to address the annual rent increase resulting from the renovation of its state-owned headquarters.
- Includes an ongoing appropriation and corresponding funding augmentation of \$520,000 (\$312,000 General Fund and \$208,000 Central Services Cost Recovery Fund) to its operating expenses and equipment (OE&E) budget to address the critical gap between actual recurring IT operational expenses and the current allocated OE&E budget.
- Approves an ongoing appropriation augmentation and corresponding funding increase of \$536,000 (\$322,000 General Fund and \$214,000 Central Services Cost Recovery Fund) to fully fund personal services costs for all 42.5 authorized positions.
- Approves \$869,000 (SF) in expenditure authority, and corresponding reimbursement funding (\$444,000), to support the growing application development, modernization, and hosting needs of the Boards, Commissions, and Authorities (BCAs) under the purview of the Treasurer.

**HOPE Children Trust Account Program Board**

- Amends the May Revision budget solution to transfer \$50 million and instead transfers \$40 million from the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) Children Trust Fund Account Fund be transferred to the General Fund.

**California Department of Veterans Affairs**

- Reappropriates \$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 project will renovate the existing steam distribution which provides

heating, cooling, and domestic hot water throughout the campus. The reappropriation is necessary due to delays related to code updates to design and technical specifications.

- Rejects the May Revise proposal to withdraw the January Governor's Budget proposal for an increase of \$819,000 General Fund in 2025-26 and ongoing for veterans homes deferred maintenance costs.
- Approves the withdrawal of the January Governor's Budget proposal for an increase of \$285,000 General Fund and ongoing to augment staffing resources within the Administrative Services Division to meet the increased demands of the Budget Office.
- Approves the 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.
- Approves the May Revision request for a one-time augmentation of \$5,225,000 General Fund for Phase 3 implementation of a new long term care electronic health record system in the Veterans Homes of California and Headquarters and for partial system handover – maintenance and operations (M&O) for homes in production costs.
- Rejects the Trailer Bill Language to specifically authorize the department to conduct a "fingerprint-based state and national criminal history background check."

### **California Department of Cannabis Control**

- Approves increased expenditure authority of \$154,000 Cannabis Control Fund (licensing fees) and 1.0 position in 20225-26, and \$146,000 in 2026-27 and ongoing to implement Chapter 875, Statutes of 2024 (SB 1064). This bill creates a new combined activities license, under the department, which will authorize two or more commercial cannabis activities to take place at the same premises, except laboratory testing.
- Rejects the May Revise budget proposal and two Trailer Bill Language proposals to shift the Department of Cannabis Control's illicit enforcement funding from the Cannabis Control Fund to the Cannabis Tax Fund (excise tax), provide additional support staff, provide the Board of State and Community Corrections greater flexibility in awarding grants to local governments to address illicit cannabis issues, and authorize the department to seal an unlicensed premises when it is involved in illicit commercial cannabis activities.

**California Gambling Control Commission**

- Approves Trailer Bill Language to delete the authorization for moneys in the Indian Gaming Special Distribution Fund to be appropriated for support of state and local government agencies impacted by tribal government gaming. It also authorizes money in the fund to be appropriated for compensation for regulatory costs incurred in connection with implementing and administering class III gaming secretarial procedures. And consistent with these provisions, it deletes the order of priority for funding.

**California Horse Racing Board**

- Approves reduction of \$308,000 (Horse Racing Fund) and 3 positions in 2025-26 and \$369,000 in 2026-27 and ongoing to align operational expenditures with a loss of regulatory activities associated with the permanent closure of the Golden Gate Fields racing and training facility. The facility closure decision was driven by substantial declines in participation, resulting in economic challenges and reduced wagering revenue.

**Department of Consumer Affairs**

- Approves \$139,000 in fiscal year 2025-26 and \$131,000 ongoing to the California Board of Behavioral Sciences 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).
- Approves \$253,000 in FY 2025-26 and \$237,000 ongoing to the California Board of Accountancy to fund 2.0 Program Technician IIs.
- Approves \$293,000 in FY 2025-26 and \$277,000 ongoing to the California State Board of Pharmacy 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. Approves \$167,000 in FY 2025-26 and \$159,000 ongoing for 1.0 AGPA to handle regulatory rulemaking.
- Approves an increase in expenditure authority of \$399,000 to the 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.
- Adopts 4.0 positions, an increase in expenditure authority of \$708,000 in fiscal year 2025-26 and \$676,000 in 2026-27 and ongoing to the Contractors State Licensing Board to address increased enforcement workload due to a sustained increase in residential solar consumer complaints. Also approves 2.0 Special Investigators and \$338,000 in 2025-26 and \$322,000 ongoing to enforce AB 2622 (Chapter 240, Statutes of 2024).



- Approves 1.0 Program Technician II and \$125,000 in 2025-26 and \$117,000 annually thereafter to the Boards of Registered Nursing to implement SB 639 (Chapter 336, Statutes of 2024).
- Rejects without prejudice Pro Rata Adjustment for Technical Changes Related to BCSH reorganization.
- Rejects without prejudice Pro Rata Adjustments regarding control Sections 4.05 and 4.12.

**Department of Financial Protection and Innovation**

- Approves an increase in expenditure authority of \$1.1 million in 2025-26, \$1.4 million in 2026-27, and incremental increases ongoing to address annual rent increases.
- Approves Trailer Bill language that proposes programmatic fee and assessment adjustments to address impending funds insolvency. In addition, adopts provisional budget bill language requiring the commissioner to provide annual reports on current and projected revenues and expenditures, along with fund condition updates six-months after any fee or assessment change.
- Approve placeholder trailer bill language and adopt placeholder budget bill language requiring departmental reporting of subprogram information and other technical clarifications.

**California Arts Council**

- Adopts Governor's May Revision proposal to withdraw the January proposal for \$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.

**Commission on the Status of Women and Girls**

- Approves 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.

**State Controller**

- Approves \$3.9 million (\$2.4 million General Fund) for the Controller's Annual Comprehensive Financial Report (ACFR) Engagement Team to various state departments to restore and sustain on-time publication of the state's ACFR.

- Includes \$73.7 million (\$71.4 million General Fund) and 7.8 positions ongoing to support project implementation of the California State Payroll System Project.
- Authorizes \$1 million special fund for support and operations of the Unclaimed Property Management System Replacement Project.
- Adds \$300,000 Special Fund ongoing for program administrative costs related to the School Facilities Program.

**Local Government Assistance**

- Provides \$118 million to backfill Vehicle License Fee revenue for three counties (San Mateo, Alpine, and Mono) that lack sufficient ERAF property tax funding to cover their claims.
- Adds a technical item to the budget bill to provide secured roll property tax backfills for losses incurred due to the 2025 Los Angeles County Wildfires.
- Provides \$17,000 to reimburse Orange County for property tax losses incurred in the 2024-25 fiscal year as a result of the 2024 Orange County Airport Fire.

**Department of Finance**

- Provides \$20 million for the Department of Finance to contract with consultant to identify state efficiencies. Requires legislative notification and reporting and limits funds use until December 31, 2026. Does not provide an exemption from normal procurement process for this contract.

**Assembly, Senate, and the Legislative Analyst's Office**

- Updates the budget numbers for the Legislature's budget to reflect the final State Appropriations Limit estimate for the budget year, per the provisions of Proposition 140 of 1992.

**Department of Insurance**

- Provides \$12.5 million for a Home Hardening program.

**Government Operations, Secretary of**

- Rejects the May Revision of withdrawal of \$5M for the Interagency Council and instead approves \$5M General Fund for fiscal year 2025—26 and ongoing and rejects proposed TBL.

- Rejects the withdrawal the January proposal to transfer the California Education Learning Lab from the Governor's Office of Land Use and Climate Innovation to GovOps and instead modifies Governor's May Revision proposal and approves \$5.3 million for the California Education Learning Lab in 2025-26, and delays phase out of program by one year
- Adopts 1.0 new position, \$687,000 General Fund in fiscal year 2025-26, and \$187,000 General Fund in fiscal year 2026-27 and ongoing, to manage workload related to the Cradle-to-Career Data System.
- Adopts the Governor's May Revise Proposal for \$7.2 million one-time from the Data and Innovation Services Revolving Fund for the Office of Data and Innovation. It also includes provisional language to allow expenditures upon approval by the Secretary of the Government Operations Agency.

### **California Department of Technology**

- Approves May Revise proposal for \$327,000 in General Fund (GF) in Fiscal Year (FY) 2025-26 and \$202,000 in General Fund for Mission-Critical Collaborative tools.
- Approves May Revision proposal for \$185,000 in General Fund in Fiscal Year (FY) 2025-26 and 2026-27, for Accountability.ca.gov.
- Approves May Revision proposal for \$2.03 million in General Fund (GF) in Fiscal Year (FY) 2025-26 and \$316 thousand in FY 2026-27 (ongoing) for the Office of Information Security (OIS) to replace the end-of-life and end of support California Compliance and Security Incident Reporting System (Cal-CSIRS), a critical information security system for California used to report and track critical cyber risks and incidents.
- Approves \$972,000 in General Fund for Fiscal Year 2025-26 and 2026-27, and \$472,000 General Fund for 2027-28 and ongoing, for the Digital Id Program, to support existing positions and maintain and scale product offerings to additional state agencies/departments.
- Adopts the withdrawal of \$500,000 in general fund for 2025-26 and ongoing for the January proposal to establish the Virtual Chief Information Security Officer Service to assist in closing the projected shortfall.

### **Office of Service and Community Engagement (GoServe!)**

- Rejects \$5 million General Fund in FY 2025-26 to support the "Belonging campaign".

- Rejects \$5 million General Fund one-time in 2025-26 and \$83.6 million General Fund ongoing and 48 positions in 2026-27 to maintain the investment into the College Corps Program and expand the program to 10 more campuses.
- Reduces the California Youth Corp by 25% for the 2025-26 fiscal year and ongoing.
- Eliminates funding for the Office of Community Partnerships and Strategic Communications.

**Department of Real Estate**

- Approves 3.0 new positions and an increase in expenditure authority of \$997,000 Real Estate Fund in 2025-2026, \$873,000 in 2026-2027, and \$578,000 in 2027-2028 and ongoing to implement the provisions of various recently chaptered legislation.
- Approves \$2,644,000 from the Real Estate Fund for rent increases at the May Lee State Office Complex.

**California Privacy Protection Agency**

- Approves an increase in expenditure authority of \$2.477 million Data Broker's Registry Fund in 2025-26, \$2.34 million in 2026-27 and 2.0 positions phased-in over two years to meet the Agency's responsibilities under Chapter 709, Statutes of 2023 (SB 362), the California Delete Act.
- Approves an increase in expenditure authority of \$400,000 Consumer Privacy Fund in 2025-26 and \$300,000 in 2026-27 to build the technological components of its enforcement infrastructure, the California Privacy Act Enforcement Workload.
- Adopts placeholder trailer bill language regarding California Consumer Privacy Act technical changes.

**Secretary of State**

- Approves \$15.065 million General Fund in 2025-26 to support the CARS Project and replace the outdated CAL-ACCESS system.
- Approves \$244,000 General Fund and \$426,000 Business Fees Fund in 2025-26 and \$238,000 General Fund and \$417,000 Business Fees Fund in 2026-27 and annually thereafter to implement and administer the provisions of Chapter 480, Statutes of 2024 (SB 1450), which reestablishes the California Voter's Choice Act Taskforce.

- Approves an augmentation of \$500,000 General Fund in 2025-26, and annually thereafter, for the payment of increased annual billings from the Department of Justice for legal services.
- Approves \$10.9 million Federal Trust Fund expenditure authority in 2025-26 to cover costs for the maintenance and operations vendor, Election Management Systems support contractor, data lines, and off-premises cloud costs for the VoteCal statewide voter registration system.
- Adopts \$647,000 from the Federal Trust Fund in 2025-26 to accept and expend the 2025 Election Security Federal grant award from the U.S. Election Assistance Commission, and \$130,000 General Fund in 2026-27 to meet the 20 percent state match requirement.
- Approves one-time Federal Trust Fund expenditure authority in the amount of \$8.4 million in 2025-26 to continue implementation of the statewide mandates of the Help America Vote Act of 2002.
- Approves \$13.5 million Business Fees Fund in 2025-26 for the continuation of the Notary Automation Program Replacement Project (NAP 2.0).
- Adopts an augmentation of \$2.143 million General Fund in 2025-26, 2026-27, and 2027-28 for the associated Department of General Services, Office of State Publishing lease cost for the storage of paper used for the publication of the state Voter Information Guide and the costs for assuming the printing of the Voter Registration Cards.
- Adopts the reappropriation of \$10.2 million General Fund in 2025-2026 to continue the support of counties' efforts to upgrade or replace voting system equipment.
- Approves an augmentation of \$1.5 million (\$545,000 General Fund and \$955,000 Business Fees Fund) in 2025-26, and annually thereafter, for increased facilities operations costs for security services.
- Approves \$616,000 from the Voting Systems, Security Measures, and Elections Administration Special Deposit Fund in 2025-26 and 2026-27, for staff needed to continue to implement and administer the provisions set forth in Chapter 832, Statutes of 2016 (SB 450).
- Adopts the proposal to create a new program to fund the election-related activities of parallel monitoring, printing and mailing of Voter Information Guides, Voter Registration Cards and Voter Notification Cards, and election night reporting and to transfer the associated \$15.1 million General Fund (\$10.6 million of baseline funding and the \$4.5 million included at Governor's Budget) from the Elections program to the Special Items of

Expense program. This is a net zero transfer. In addition, adopts provisional budget bill language to identify the total amount of resources available to cover the costs if sufficient resources are not available in the existing appropriation.

- Approves a General Fund augmentation in the amount of \$4.534 million in 2025-26, and annually thereafter, to fund increased costs associated with the publication and distribution of Voter Registration Cards, Voter Notification Cards, and the state Voter Information Guide for each statewide election.

### **Fair Political Practices Commission**

- Approves s \$555,000 General Fund for 2025-2026 and ongoing and three permanent positions to implement recently passed legislation.

### **Department of General Services (DGS)**

- Adopts placeholder trailer bill language dealing with CDCR surplus property.
- Approves \$582,000 Building Standards Administration Special Revolving Fund and 2 permanent positions in 2025-26 and ongoing to continue meeting legislative mandates.
- Approves \$196,000 Service Revolving Fund and 1 position in 2025-26 and ongoing expenditure authority to implement AB 2068 (Chapter 697, Statutes of 2024), in the DGS Office of Legal Services.
- Approves \$500,000 General Fund one-time in Fiscal Year 2025-26 for the purposes of a memorial plaque in the State Capitol, implementing AB 3089 (2024).
- Adopts placeholder trailer bill language that authorizes DGS to maintain the Native American Memorial in Capitol Park, and \$200,000 from general fund ongoing for the maintenance and up keep of the memorial.
- Rejects \$2M in General fund for the Capital Outlay Statewide Planning and Studies Funding
- Approves \$5,962,000 Service Revolving Fund and 45 positions in 2025-26, and ongoing, to manage, operate, and maintain the reopening of Building 018 in Sacramento once renovations are complete.
- Approves 16 permanent positions, \$59.5 million over 5 years starting in 2025-26 from the 2024 State School Facilities Fund, and \$356,000 ongoing from various funds to implement and administer the elementary and secondary educational facility components

of the Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024.

- Adopts \$1.535 million Motor Vehicle Parking Facilities Money Account in FY 2025-26 and \$1.019 million in FY 2026-27 and ongoing to activate new parking areas for state employees.
- Approves \$4.9 million Service Revolving Fund one-time in 2025-26 with a three-year encumbrance period, provisionally available upon California Department of Technology approval, to implement the replacement of its aging Case Management System, and \$628,000 Service Revolving Fund ongoing for anticipated annual maintenance costs beginning in 2028-29.
- Approves \$1.4 million Service Revolving Fund for 6 existing positions and 3 new positions in 2025-26 and ongoing to support human resources administrative services and to bring staffing in line with the department's growth.
- Approves \$340,000 million Service Revolving Fund and 2 positions in 2025-26 and ongoing to continue implementation and maintain support activities of the statewide eMarketplace solution.
- Approves \$2 million from the Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328) and 7 positions in 2025-26 and ongoing to implement a comprehensive sustainable schools' program to develop California Green Building Standards Code requirements and ensure Energy Code compliance in California's K-12 schools and community colleges.
- Adopts \$50,000 one-time General Fund in 2025-26 with a two-year encumbrance period to implement the California State Auditor recommendation to update the Facility Inspection tool.
- Approves \$200,000 General Fund ongoing for Maintenance of the Native American Memorial.

### **Labor and Workforce Development Agency**

- Approves \$10,359,000 and \$194,000 (reimbursements) in 2025-2026, \$15,067,000 and \$93,000 (reimbursements) in 2026-2027, \$16,221,000 and \$93,000 (reimbursements) in 2027-2028, \$17,486,000 and \$93,000 (reimbursements) in 2028-2029, and \$18,463,000 and \$93,000 (reimbursements) in 2029-30 and ongoing to support the Workforce

Management System, relocation and decommissioning activities, and increased lease costs associated with the move to the New Labor Agency Building (NLAB).

- Rejects \$4 million one-time General Fund in fiscal year 2025-26 for evaluation of the expansion of regional collaboration models as part of the Master Plan for Career Education.
- Approves \$400 million Loan from the Labor and Workforce Development Fund to the General Fund to help fill projected shortfall with provisional language to authorize repayment of all or a portion of the loan under special circumstances.

### **Employment Development Department (EDD)**

- Approves \$13.8 million ongoing and 29.0 positions funded equally between the General Fund and the Unemployment Disability Compensation Fund to continue support for its Cybersecurity Program.
- Approves \$5,596,000 in 2025-26 and \$5,882,000 in 2026-27 and ongoing, split between the EDD Contingent Fund and the Unemployment Compensation Disability Fund, for annual licensing costs associated with the Microsoft 365 Enterprise License Agreement.
- Approves \$124,238,000 in 2025-26, funded equally by the General Fund and the Unemployment Compensation Disability Fund, to continue the EDDNext customer service improvement effort.
- Approves the reappropriation of \$163,415,000 Unemployment Compensation Disability Fund included in the 2024 Budget Act for the EDDNext modernization projects to make funds available for an additional year, through June 30, 2026.
- Approves an increase by \$8,529,000 one-time from General Fund to reflect an updated Unemployment Insurance loan interest payment estimate. In conjunction with the amount proposed at Governor's January Budget, this will be used to fund the estimated interest payment of \$642,822,000.
- Approves authorization to increase the Workforce Innovation and Opportunity Act allocations by \$22,800,000 million one-time and \$96,720,000 one-time to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.



**Workforce Development Board**

- Adopts an increase by \$1.5 million one-time to support the continuation of California Workforce Development Board grant administration and evaluation activities in fiscal year 2025-26 and reverts \$1.5 million included in the 2021 Budget Act.
- Adopts an extension of the liquidation periods for the Prison to Employment, Oil and Gas Well Capping Pilot, High Road Training Partnerships Health and Human Services, Statewide Reentry Employment, and Breaking Barriers to Employment grant programs in response to statewide natural disasters and other unanticipated delays, with accompanying provisional budget bill language.
- Includes \$23 Million one-time from the Labor and Workforce Development fund for the HIRE! Program.

**Agricultural Labor Relations Board**

- Approves 7.0 positions and \$1,873,000 in 2025-26 and ongoing from the Labor and Workforce Development Fund to address the increased workload and unanticipated demands that have been generated by Chapter 7, Statutes of 2023 (AB 113).

**Public Employment Relations Board**

- Approves proposal to decrease \$115,000 general fund, which would have provided funding in fiscal year 2025-26 for ongoing to refine and improve the organizational structure and supervision of the Office of the General Counsel.
- Approves one position in fiscal year 2025-26 and ongoing to move from contracted IT Services to utilization of state civil service staff. This is budget neutral.
- Approves \$2 million in general fund one time for additional staff and over-time cost.
- Approves \$2 Million General Fund one-time for Public Workers Protections.

**Department of Industrial Relations**

- Approves \$2.4 million from various special funds and 17.0 positions in 2025-26 and ongoing to address the growing administrative need within DIR's divisions.
- Adopts May revision proposal for \$18.242 million in additional spending authority from the Apprentice Training Contribution (ATC) Fund for 2025-2026, to increase grant distributions to approved Division of Apprenticeship Standards (DAS) apprenticeship

programs in the building and construction trades by \$17 million and cover \$1.2 million in related operational costs at DIR.

- Approves \$3.2 million Workers' Compensation Administration Revolving Fund (WCARF) and 16.5 permanent positions in 2025-26, and \$2.9 million WCARF in 2026-27 and ongoing for increased workload for the Audit and Enforcement Unit within the Division of Workers' Compensation.
- Approves \$18.2 million Labor and Workforce Development Fund in 2025-26 to continue the development of the Division of Occupational Safety and Health's information technology system.
- Approves May revision proposal for \$1.03 million in 2025-26 and ongoing from various special funds to address fee increases issued by the California Department of Technology.
- Approves \$1.2 million Occupational Safety and Health Fund (OSHF) and 4.5 positions in 2025-26 and \$1.1 million OSHF and 4.5 positions in 2026-27 and ongoing to provide resources for the Division of Occupational Safety and Health to implement the new requirements of Chapter 895, Statutes of 2024 (SB 1350).
- Approves \$25.8 million one-time Labor and Workforce Development Fund to continue the replacement of the Division of Workers' Compensation's aging Electronic Adjudication Management System.
- Approves \$301,000 Occupational Safety and Health Fund (OSHF) and 1.0 position in 2025-26, \$588,000 OSHF and 2.0 positions in 2026-27, \$874,000 OSHF and 3.0 positions in 2027-28, and \$857,000 OSHF and 3.0 positions ongoing for the Occupational Safety and Health Standards Board.
- Approves \$900,000 one-time various special funds to commission a study on improving worker safety and safeguarding employment rights in the janitorial industry, and to convene an advisory committee to make recommendations regarding the scope of the study consistent with Chapter 394, Statutes of 2024 (AB 2364).
- Adopts May revision proposal for \$19.1 million in 2025-26 from the Labor and Workforce Development Fund to perform information technology system enhancements and provide maintenance and support to DIR's public works data systems and adopts provisional language authorizing up to \$9,500,000 be made available for the System Integrator Component of the Public Works Strategic Enforcement Project.

- Approves \$170,000 Workers' Compensation Administration Revolving Fund (WCARF) annually from 2025-26 through 2027-28 to allow the Commission on Health and Safety and Workers' Compensation to assist schools in establishing effective occupational Injury and Illness Prevention Programs.
- Approves \$2.7 million Workers' Compensation Administration Revolving Fund (WCARF) and 15.0 permanent positions in 2025-26 and \$2.5 million WCARF in 2026-27 and ongoing to address rising workloads in the Subsequent Injuries Benefit Trust Fund program.
- Approves 0.5 permanent positions and \$125,000 in 2029-30 and ongoing from the Occupational Safety and Health Fund to implement Chapter 749, Statutes of 2024 (AB 2975).
- Adopts placeholder trailer bill language that combines the statute for all six assessments will streamline fund administration and regulation by incorporating the fraud assessment into Labor Code Section 62.5, repealing Labor Code Section 62.6, and updating references in the Insurance Code. Language includes an APA exemption.
- Includes \$12 million one-time from the Labor and Workforce Development Fund for the Garment Worker Center Pilot Project.
- Includes \$13 million one-time from the Labor and Workforce Development Fund for implementation of an expansion of the California Workplace Outreach Program.

**Department of Human Resources**

- Approves \$1,520,000 General Fund in fiscal year 2025-26 and \$500,000 General Fund in 2026-27 to replace CalHR's Internal Content Management System/Intranet.
- Adopts May revision proposal for \$650,000 General Fund augmentation in Fiscal Year 2025-26. These resources are requested to conduct an audit of work performed by the California Association of Professional Scientists, Bargaining Unit 10.
- Approves \$300,000 General Fund in the fiscal year 2025-26, \$450,000 General Fund in 2026-27, and \$400,000 General Fund in 2027-28 and ongoing to invest in the State Recruitment platform and Examination and Certification Online System (ECOS) to continue to support Anonymous Hiring.
- Approves an augmentation of \$79,000 to Savings Plus' Deferred Compensation (DC) fund for Fiscal Year 2025-26 and ongoing to fund travel costs that are currently prefunded

by Savings Plus' Third-Party Administrator (TPA) Nationwide Retirement Solutions (Nationwide) and reimbursed by the Program's contracted Investment Managers.

- Withdraws January proposal for funding to implement provisions of Assembly Bill AB 1511.
- Withdraws January proposal to funding and 1.0 new position to address the consolidation of three statewide training systems into one statewide LMS.
- Rejects placeholder trailer bill language on Telework.
- Adopts amendments to control section 31.00 through budget bill provisional language that make augmentations to current employee compensations to reflect the net assumed suspension of various employee compensation increases and changes in estimated health and dental premiums to help fill the projected shortfall.
- Rejects new budget bill language, Control Section 3.90 that provides the Department of Finance with the authority to adjust departmental budgets to reflect the expenditure of funds for employee compensation pursuant to agreements reached through collective bargaining.
- Rejects new budget bill language, Control Section 3.91 that suspends certain collectively bargained salary increases that were to become effective during 2025-26.
- Adopts budget bill language that reverts the unencumbered balances of the appropriations in Item 9650-001-0001, Health and Dental Benefits for Annuitants, Budget Act of 2022 to the General Fund as of June 30, 2025.
- Adopts amendment to budget bill that increases for Employee Compensation to Item 9800-001-0001 increase by \$17,070,000 ongoing, Item 9800-001-0494 increase by \$52,765,000 ongoing, and Item 9800-001-0988 increase by \$26,383,000 ongoing, to reflect updated expenditures for collectively bargained pay increases and health and dental premiums

### **Employee Compensation, Pensions and Retirement**

- Adopts amendments to Budget Bill Control Section 3.60 to reflect changes to state contribution rates for state members of CalPERS, CalSTRS and JRS II. Amendments reflect the newly adopted state employer contribution rates result in net decrease in state contributions of \$103,856,000 ongoing from the \$2,180,976,000 increase included in the Governor's Budget. The \$103,856,000 ongoing decrease consists of a decrease of

\$23,121,000 General Fund, a decrease of \$58,025,000 special funds, and a decrease of \$22,710,000 other nongovernmental cost funds.

- Approves \$6.3 million in permanent funding for enterprise wide operational support at CalSTRS. This includes \$2.6 million to establish 15 permanently authorized positions. In addition, this proposal includes \$3.7 million for various information technology (IT) service contracts.
- Adopts Placeholder Trailer Bill language to authorize Prop. 2 Supplemental Pension Payments, which provides updated Prop. 2 amounts to the CalPERS 2025 Supplemental Pension Payment.
- Approves \$3.3 million in General fund onetime for 15.0 positions for state operations and personnel for statewide collective bargaining for In-Home Supportive Service Providers.
- Adopts placeholder trailer bill language regarding the Prop. 2 Supplemental Pension Payments.
- Adopts place holder trailer bill language on the Non-Industrial Disability Insurance (NDI) Technical Fix - meant to clarify the definition of “employee” covered under this benefit by adding Career Executive Assignment individuals, who were unintentionally omitted from the coverage.
- Approves \$3.3 Million General Fund one time funding for IHSS collective bargaining.
- Adopts Non-Industrial Disability Insurance (NDI) technical fix placeholder trailer bill language that clarifies the definition of “employee” covered under this benefit by adding Career Executive Assignment individuals, who were unintentionally omitted from the coverage.

#### Various

- Approves \$10 million in general fund for Journalism Preservation.
- Rejects \$2 Million General Fund one- time for Capital Outlay Statewide Planning and Studies Funding.

# **Subcommittee No. 6 on Public Safety**

**Assemblymember James Ramos, Chair**

## PUBLIC SAFETY

### Department of Corrections and Rehabilitation

- Provides \$13.5 billion (\$13.1 billion General Fund and \$385.4 million other funds) for CDCR in 2025-26, of which \$4.1 billion is for healthcare services for incarcerated individuals.
- Projects that Proposition 36 will cause a temporary increase of the prison population to 92,179 in 2027-28 but maintains an overall downward trend to 89,692 by June 30, 2029. Projects the 2025-26 prison population to be 91,205 and the average daily parolee population to be 34,197. Projects the parole population to remain relatively stable over the next few years at 34,213 by June 30, 2029.
- Includes \$208 million General Fund savings in 2025-26 growing to \$955 million General Fund savings in 2028-29 that CDCR will work to identify through additional operational improvements related to headquarters, contract management, overtime management, and modifying various aspects of health care programs and provisional budget bill language to preserve rehabilitation. Includes additional savings from operational efficiencies from 2024 Budget reductions and projects additional savings associated with a future prison closure of \$150 million annual savings at full closure.
- Rejects \$7.8 million General Fund in 2025-26 and \$13 million in 2026-27 and ongoing for the San Quentin Rehabilitation Center to increase staffing, and add/expand rehabilitative programs, professional development, and dynamic security that embody the “California Model.”
- Includes \$1.6 million one-time General Fund in 2025-26 to renovate San Quentin’s East Block housing facility which was previously used to house condemned people so that it can accommodate a lower security population in an honor dorm setting.
- Includes a plan to offer increased levels of single celled housing at San Quentin, California Correctional Women’s Facility, and California Institution for Women.
- Includes \$44.9 million General Fund in 2025-26, \$47.5 million in 2026-27, \$37.3 million in 2027-28, \$40.1 million in 2028-29, and \$42.9 million in 2029-30 and ongoing to increase contract rates and provide annual adjustments for 14 parole reentry contracts which include Day Reporting Centers, the Long-Term offender Reentry Recovery Program, Specialized Treatment for Optimized Programming (STOP), Returning Home Well, and community correctional reentry centers.

- Includes provisional budget bill language related to STOP and Medi-Cal reimbursements and an emergency response report for CDCR.
- Reappropriates and repurposes \$50.8 million in roof replacement funding provided in the 2023 Budget Act and \$62 million from the 2024 Budget Act for various statewide roof replacement projects and kitchen repairs at Corcoran and Salinas Valley State Prison.
- Includes \$37.3 million in 2025-26 and \$44.2 million in 2026-27 and 2027-28 to replace fire alarm control panels and systems at two prisons that require staff to patrol for fires as mandated by the Office of the State Fire Marshal.
- Provides \$21.5 million in 2025-26 and \$11 million ongoing in increased reimbursement authority, an increase of 65 positions in 2025-26 and ongoing, and a reduction of \$6.2 million General Fund in 2025-26, an increase of \$3.8 million in 2026-27, and a reduction of \$11 million ongoing to support the full implementation of the California Advancing and Innovating Medi-Cal Justice-Involved Initiative and account for additional federal reimbursements.
- Includes various placeholder trailer bills related to 1) full-time incarcerated college students and their ability to also hold a job or participate in additional rehabilitative programming, 2) pre-licensure employment waiver option for mental health professionals employed by CDCR, 3) tuberculosis testing requirements for staff in prisons and 4) elimination of the Council on Criminal Justice and Behavioral Health.
- Includes \$31.4 million ongoing General Fund in 2025-26 for increased food costs.
- Includes \$5 million one-time General Fund in 2025-26 to implement California grown agricultural products as required by Chapter 576, Statutes of 2022 (AB 778).
- Includes \$17.6 million General Fund in 2025-26 and \$20 million in 2026-27 to initiate a pilot program at three prisons for an air cooling pilot program to evaluate the effectiveness of various air cooling alternatives and provisional budget bill language for reporting to the Legislature.
- Provides the following increases related to health care:
  - \$13.5 million ongoing General Fund to address suicide watch workload, including funding overtime.
  - \$3 million General Fund and 13.4 positions in 2025-26 and \$4.4 million and 20.4 positions ongoing thereafter to staff the California Institution for Men 50 bed mental health crisis facility.



- Rejects \$12.8 million one-time General Fund in 2025-26 for COVID-19 mitigation costs.
- Includes \$2.2 million ongoing General Fund and 15 positions in 2025-26 to address workload increase associated with employment leave criteria expansion that authorizes an employee to take leave to care for a designated person as established and defined by Chapter 748, Statutes of 2022 (AB 1041)
- Includes \$2.8 million ongoing General Fund in 2025-26 for 12.6 positions to increase healthcare staffing at two women's prisons.
- Includes \$33.6 million in 2025-26 General Fund resulting from changes to the budgeting methodology used in the biannual adjustment process for contract medical services which brings the total for contract medical services to \$391 million in 2025-26 and ongoing.
- Includes \$982,000 General Fund in 2025-26 for the working drawings phase for the California Health Care Facility, Stockton: Potable Water Treatment System.
- Includes \$11.49 million General Fund in 2025-26 for the construction phase for the potable water wells at Ironwood State Prison and a reappropriation of \$638,000 for the unencumbered portion of the working drawings phase.
- Includes \$1.15 million General Fund in 2025-26 for the preliminary plans phase of the Valley State Prison potable water wells.
- Rejects \$4.29 million ongoing General Fund in 2025-26 to account for increased department legal costs.
- Rejects \$2.64 million General Fund beginning in 2025-26 through 2027-28 for contracted costs related to liaison and consulting services.
- Rejects \$10.2 million ongoing General Fund and 49 positions beginning in 2025-26 for unfilled positions for condemned prisoners reallocated from San Quentin to other prisons.
- Provides \$3 million to the Sister Warriors Freedom Coalition to continue the Sexual Assault Response and Prevention Working Group and Ambassador Program at CDCR.
- Includes \$20 million one-time General Fund in 2025-26 to fund the RIGHT grant to community based organizations that provide programs in CDCR prisons.

- Includes \$2 million one-time General Fund to reduce CDCR reception processing times using open-source technological solutions that will result in annual savings.
- Includes an extension for the California Lawyers for the Arts program.
- Includes \$357,000 ongoing General Fund increase beginning in 2025-26 related to increased utilities costs.
- Includes a technical lease revenue debt service adjustment of \$8.83 million to shift the appropriate authority to assist with completing county projects at associated institutions.
- Includes \$2.9 million General Fund in 2025-26 and 2026-27 to address backlog workload related to the implementation of Chapter 964, Statutes of 2024 (AB 2483) related to streamlining resentencing hearings.
- Includes \$8.5 million ongoing General Fund to address a shortfall in the worker's compensation authority.
- Provides various technical adjustments including a net zero realignment of budget authority within CDCR, a reduction of \$192,000 to correct a miscoding from the 2019 Budget Act, and a miscoding of \$7,000 to correct miscoding related to the closure of the Division of Juvenile Justice.
- Withdraws \$19.8 million ongoing General Fund beginning 2025-26 to replace and update existing public safety radio and communications equipment to meet operational and safety related standards.
- Withdraws \$23.1 million one-time General Fund in 2025-26 to complete ADA improvements at six prisons.
- Withdraws \$500,000 for Statewide Budget Packages and Advanced Planning.
- Includes the following proposed efficiencies that total \$267.6 million in 2024-25, \$185.8 million in 2025-26, and \$193.6 million ongoing. The 2024 Budget Act included \$750 million in General Fund solutions from 2022-23 to 2024-25, and of this amount, \$392.1 million was anticipated to be achieved through various efficiency reductions:
  - \$14.2 million General Fund and 443.5 positions in 2024-25 and ongoing to eliminate vacant positions across various programs.

- \$33.1 million General Fund in 2024-25 and \$65.5 million ongoing thereafter for deactivations of one facility each at Wasco, North Kern, and Calipatria state prisons, and portions of two facilities at High Desert State Prison.
- \$17.2 million General Fund in 2024-25 and \$25.2 million ongoing thereafter to convert seven day posts to five day posts, resulting in the deactivation of third watch yard time.
- \$11.8 million General Fund in 2024-25 and \$15.4 million ongoing thereafter to reduce 93.9 positions that physically staff public entrances at most prisons.
- \$7.4 million in 2025-26 and \$15.3 million ongoing thereafter to transition 180 beds at the California Health Care Facility from the Correctional Treatment Center level to Long Term Care to better align with the needs of the patient population.
- \$5.3 million General fund in 2024-25 and \$7 ongoing thereafter to convert restricted housing units to General Population at Corcoran State Prison.
- \$854,000 General Fund in 2024-25 and \$2 million ongoing thereafter for the conversion of a Restricted Custody General Population unit to an Enhanced Outpatient Program unit.
- \$1.2 million General Fund in 2024-25 and \$2.3 million ongoing thereafter for the Division of Adult Parole Operations redistricting plan by aligning staffing with caseloads within geographic areas.
- \$11 million General Fund in 2024-25 and \$22 million ongoing thereafter to implement various nursing training efficiencies; \$347,000 ongoing to standardize onboarding requirements and training for registry staff; and \$285,000 ongoing to facilitate more efficient delivery of leadership training.
- \$677,000 General Fund in 2024-25 and \$902,000 ongoing thereafter due to updates made to the implementation of healthcare protocol revisions.
- \$5.9 million General Fund in 2024-25 and \$11.8 million ongoing thereafter to phase out the golden legacy contract for medical parole.
- \$1.8 million ongoing to eliminate the Council on Criminal Justice and Behavioral Health.
- \$114 million one-time General Fund reversion in 2024-25 for previously appropriated funds for roof projects. These projects have not get begun and funds have been retained for the most urgent and critical needs.

- \$20.8 million one-time General Fund in 2024-25 for projected savings associated with the Integrated Substance Use Disorder Treatment Program.
- \$18.5 million one-time General Fund in 2024-25 for Hepatitis C treatment due to a reduction in projected patients.
- \$6.2 million one-time General Fund in 2024-25 to adjust Academy levels to align with current operations.
- \$4.6 million one-time General Fund in 2024-25 to delay the purchase of non-critical equipment related to healthcare information technology.
- \$95,000 one-time General Fund in 2024-25 for travel and training.
- \$1.6 million General Fund in 2024-25 and \$2.1 million ongoing thereafter for other efficiency measures related to unnecessary IT contracts, reducing use of leased vehicles, etc.

**Office of Inspector General**

- Provides \$52.4 million General Fund for the Office of Inspector General in 2025-26.
- Proposes \$3.6 million General Fund and 22 positions in 2025-26 and \$5.7 million and 29 positions ongoing thereafter for the implementation of Chapter 1012, Statutes of 2024 (SB 1069) to expand the monitoring of staff complaints of staff sexual misconduct filed by incarcerated people.
- Includes placeholder trailer bill to eliminate the California Rehabilitation Oversight board and eliminate the blueprint monitoring functions.

**Judicial Branch**

- Provides \$5 billion (\$3.1 billion General Fund and \$1.9 billion other funds) in 2025-26 for Judicial Branch operations, of which \$2.9 billion will support trial court operations.
- Includes provisional budget bill language restrict Equal Access Fund dollars from being used for legal services for immigrants convicted of any felony in deportation hearings.
- Includes \$6.3 million ongoing General Fund to support an increase to the hourly rate of appointed counsel at the Supreme Court and Courts of Appeal.
- Includes \$40 million ongoing General Fund for increased trial court operations costs.

- Restores \$42 million of the proposed reduction beginning in 2024-25 by utilizing available reserves in the Trial Court Trust Fund on a one-time basis. The Administration intends to reassess the condition of the Trial Court Trust Fund in the spring to evaluate the need for a General Fund backfill.
- Includes \$1 million ongoing General Fund for new trial court operations costs authorized by SB 42 related to changes to the Community Assistance, Recovery, and Empowerment (CARE) Act.
- Includes \$2.7 million in 2025-26, \$1.5 million in 2026-27, and \$784,000 in 2027-28 for the courts to implement Chapter 860, Statutes of 2024 (SB 549) known as the Tribal Nations Access to Justice Act.
- Provides \$1.7 million General Fund and 3 positions in 2025-26 and \$1.6 million ongoing thereafter 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 SB 910.
- Includes an increase of \$19.8 million ongoing General Fund for trial court employee health benefits.
- Includes \$9.5 million one-time General Fund in 2025-26 for increased construction costs for the San Diego Hall of Justice, which is in addition to the \$29.7 million provided in the 2022 Budget Act.
- Includes \$5.4 million one-time General Fund in 2025-26 to build out a portion of the lactation rooms in court facilities as required by Chapter 200, Statutes of 2022 (AB 1576) and extends the liquidation of \$7.2 million from the 2022 Budget Act for lactation room project delays.
- Reappropriates \$34.18 million General Fund for the acquisition phase for the Los Angeles County: New Santa Clarita Courthouse and \$1.47 million General Fund for the acquisition phase of the Plumas County: New Quincy Courthouse project.
- Includes \$36.5 million General Fund for the courthouse in the Juvenile Hall Addition and Renovation in Butte County, the new Solano Hall of Justice in Fairfield, the new Fresno Courthouse, and the new San Luis Obispo Courthouse.
- Withdraws \$2.93 million for the performance criteria phase of the new Tracy Courthouse in San Joaquin County and \$500,000 for the statewide budget package and advanced planning study.

- Includes placeholder trailer bill for courthouse surplus property disposition and deposits the sale proceeds to the General Fund and streamlining mandatory annual reports to the Legislature.
- Increases reimbursement authority for the State Court Facilities Construction Fund by \$10.7 million ongoing to collect the counties' share of costs for increased utilities and maintenance expenditures.
- Extends the liquidation period (\$10 million from 2021 Budget Act and \$40 million from 2022 Budget Act for critical fire and life safety system projects at Central Justice Center in Orange County and San Diego East County Regional Center to address project delays.
- Extends the liquidation period of \$6.5 million from the 2022 Budget Act to support the implementation of AB 716 (Remote Access to Courtroom Proceedings).
- Reappropriates \$3.44 million for Incompetent to Stand Trial evaluations and \$1.4 million for the development of a Community Mental health dataset pursuant to SB 929 (Chapter 539, Statutes of 2022).
- Decreases the State Court Facilities Construction Fund backfill by \$20 million General Fund in 2025-26.
- Includes technical adjustments for 1) Ability to Pay (reduction of \$5.77 million in 2025-26 and ongoing), 2) an Intra-Schedule Transfer between Supreme Court and Judicial Council for a net zero technical adjustment, and 3) CARE Court funding to align expenditures with the revised estimated caseload included in the 2024 Budget Act.
- Includes provisional budget bill language to allow trial courts to utilize court interpreter funding for the total number of coordinators required by each court and to remove the requirement that coordinators must be certified or registered court interpreters.
- Reverts \$14.2 million from 2023-24 and \$13.3 million in 2024-25 for the Jury Duty Pilot Program (AB 1981) and includes statutory changes to end the pilot program.
- Reverts \$20 million in unspent funds from the 2024 Budget Act for the pretrial release program and decreases the program by \$20 million, leaving \$50 million for the program in order to right size the program based on historic expenditures; includes provisional budget bill language to allow the reallocation of funding from one jurisdiction to another based on need and to require reporting by the Judicial Council on any mid-year reallocations as part of its annual report to the Legislature.

- Includes an increase of \$38 million in 2025-26 to transfer an unrestricted fund balance in Trial Court Trust Fund to the General Fund.
- Decreases the transfer of funds from the Court Facilities Architectural Revolving Fund by \$34.31 million to the State Court Facilities and Construction Fund, reducing the General Fund backfill needed in 2025-26.
- Decreases state retirement contributions to the Judges' Retirement System II by \$5.39 million ongoing to comply with Government Code Section 75600.5 and to reflect a decrease in the contribution rate from 23.79% to 22.62% because the fund is in a surplus position.

### **Department of Justice**

- Provides \$1.3 billion, including \$496 million General Fund, to support the Department of Justice.
- Provides \$1 million (\$213,000 General Fund and \$790,000 Special Fund) in 2025-26 and \$931,000 and 6 positions in 2026-27 and ongoing to maintain the workload for the Division of Law Enforcement, Background Investigations Unit.
- Includes \$3.99 million Fingerprint Fees Account in 2025-26 and \$3.74 million and 32 positions in 2026-27 and ongoing to address increased workloads in various programs in the Bureau of Criminal Information and Analysis.
- Includes \$350,000 Consumer Privacy Fund in 2025-26 and 2026-27 to support consumer privacy enforcement workload.
- Includes \$2.16 million General Fund and 14 positions and \$1.91 million in 2026-27 and ongoing to maintain time-sensitive firearm workloads within the Firearm Clearance Section's Eligibility Clearance Program and Quality Support Program.
- Withdraws proposals related to Chapter 617, Statutes of 2024 (SB 1414), Chapter 287, Statutes of 2024 (SB 611), Chapter 782, Statutes of 2024 (SB 1161) and Chapter 662, Statutes of 2024 (AB 2695) as the Department of Justice will implement these bills with existing resources.
- Provides \$3.2 million (\$2.7 million General Fund and \$519,000 Fingerprint Fees Account) and 26 positions in 2025-26 and ongoing for the Bureau of Firearms related to increased workload associated with the an increased number of concealed carry weapon permit applications as a result of the New York State Rifle & Pistol Association v. Bruen U.S Supreme Court decision.

- Provides \$11.4 million General Fund in 2025-26 for stage 3 of the Project Approval Lifecycle Process and initiated stage 4 for the Firearms Information Technology Systems Modernization Project.
- Includes net-zero technical restructuring of the existing program funding for the Office of General Counsel related to information security, legal, and executive workload.
- Includes \$2.44 million (\$2.32 million General Fund and \$102,000 special funds) and 7 positions in 2025-26 and \$1.47 million ongoing thereafter to implement recently chaptered legislation related to the storage, sale, transfer, and relinquishment of firearms (SB 53, SB 899, SB 965, AB 1252, AB 2629, AB 2907, AB 2917, and AB 3064).
- Provides \$872,000 California Unflavored Tobacco List Fund and 4 positions in 2025-26 and \$786,000 in 2026-27 and ongoing and a one year loan of \$872,000 from the Public Rights Law Enforcement Special Fund to support the implementation and enforcement of Chapter 849, Statutes of 2024 (AB 3218).
- Proposes \$37 million General Fund in 2026-27, \$36 million in 2027-28, and \$35 million ongoing thereafter to backfill the DNA Identification Fund. The 2023 Budget Act provided a three year backfill through 2025-26.
- Includes \$1.9 million Special Fund (\$1.1 million Indian Gaming Special Distribution Fund and \$800,000 Gambling Control Fund) and 3 positions ongoing for DOJ to finish the License 2000 System Replacement Project and transition the project into maintenance and operations phase.
- Includes \$2.24 million (\$597,000 General Fund and \$1.6 million Unfair Competition Law Fund) and 9 positions in 2025-26, \$2.19 million in 2026-27, and ongoing thereafter to address workload from recently chaptered legislation related to Public Rights (SB 976, SB 942, SB 1061, AB 1780, AB 2013, AB 2426, AB 2655, and AB 2780)
- Includes \$14.2 million ongoing and 44 positions for federal accountability workload for the DOJ to defend the state against adverse actions by the federal government and includes provisional budget language to require reporting.
- Includes \$3.13 million in 2025-26 and \$1.1 million in 2026-27 to establish a new connection between California Law Enforcement Telecommunications (CLETS) and information linked from DMV and provisional budget bill language.
- Includes \$2.67 million (\$1.04 million General Fund and \$1.63 million Special Fund) in 2025-26 and \$3.24 million (\$1.23 million General Fund and \$2.01 million Special Fund)



in 2026-27 for the initial transition and onboarding to the Financial Information System for California System (FI\$Cal).

- Includes \$2.43 million and 4 positions in 2025-26 and by \$812,000 in 2026-27 and ongoing to implement Chapter 811, Statutes of 2024 (AB 1877), related to juvenile record sealing.
- Rejects \$1.2 million Registry of Charities Fundraisers Fund and 8 positions ongoing to address program workload within the Registry of Charities and Fundraisers.
- Reappropriates the encumbrance period of \$5.5 million until June 30, 2026 for Girl Scout Volunteer background checks.
- Includes a \$150 million budgetary loan from the Unfair Competition Law Fund to the General Fund.
- Includes \$5 million one-time General Fund for a Tribal Police Pilot contingent upon legislation.
- Includes technical corrections to various budget change proposals in the 2025-26 Governor's Budget to reflect updates to cost estimates and net-zero changes to display administrative costs for the following proposals:
  - Firearms Clearance Section Workload
  - Firearms IT System Modernization (FITSM) Project
  - Law Enforcement Notification Section-Carry Concealed Weapon Program
  - License 2000 System Replacement Project
  - Firearms: Storage (SB 53)
  - Office of Gun Violence Prevention (AB 1252)
  - California AI Transparency Act (SB 942)
  - Carrier Passengers Act of 2024 (AB 2780)
  - Consumer Debt: Medical Debt (SB 1061)
  - Defending Democracy from Deepfake Deception Act of 2024 (AB 2655)
  - Independent Institutions of Higher Education: Prohibition of Legacy and Donor Admissions Preference (AB 1780)
  - Protecting Consumers Against False Advertising of Digital Goods (AB 2426)
  - Protecting Our Kids from Social Media Addiction Act (SB 976)
  - Public Disclosure of Generative Artificial Intelligence Training Data (AB 2013)

**Local Public Safety and Board of State and Community Corrections**

- Estimates General Fund savings of \$88.3 million in Proposition 47 savings in 2025-26.
- Includes 1) \$7 million ongoing General Fund to the Internet Crimes Against Children Taskforce program to support 5 existing taskforces that support statewide efforts and 2) \$3 million ongoing General Fund to the California Highway Patrol for positions in the Computer Crimes Investigation Unit to assist in child sexual abuse material and human trafficking cases.
- Includes \$50 million General Fund for Behavioral Health, \$30 million for judicial workload, including collaborative courts, \$15 million for pre-trial services and \$15 million for public defenders in 2025-26 to support the implementation of Proposition 36.
- Includes \$2 million each in 2025-26 to the County Counsel of Los Angeles, County Counsel of Santa Clara, and City Attorney of the City and County of San Francisco for civil actions.
- Reappropriates \$12.8 million in Mobile Probation Service Center grant funds to extend the reversion date to June 30, 2026.
- Reappropriates \$2.85 million for the Adult Reentry Grant until June 30, 2029.
- Includes placeholder trailer bill related to recidivism reduction fund technical clean-up, removing reporting for county community corrections partnership plans, the Juvenile Justice Realignment Block Grant formula, suitability of juvenile facilities and SB 678 (Community Corrections Performance Incentive Grant).
- Extends the expenditure and encumbrance date for the MACRO firehouse for one year.

**Office of the State Public Defender**

- Withdraws \$148,000 General Fund and one position in 2025-26 and \$141,000 ongoing for workload related to the Public Records Act.

**California Victim Compensation Board**

- Includes \$4.44 million Restitution Fund and 17 positions in 2025-26 and \$4.22 million in 2026-27 and ongoing to address workload in the Legal Division.
- Extends the encumbrance date for Trauma Recovery Centers to June 30, 2026.

**California Law Revision Commission**

- Includes \$900,000 in reimbursements in 2025-26 from the Office of Legislative Counsel (with an offsetting one-time General Fund augmentation) to fund contract research activities, including secure data hosting, with the California Policy Lab.

**Military Department**

- Includes \$351,000 General Fund and 2 positions in 2025-26 and \$347,000 ongoing thereafter to manage facility systems at the Consolidated Headquarters Complex.
- Includes \$750,000 Armory Fund in 2025-26 to perform a planning study for a new Battalion Headquarters Readiness Center at the Joint Forces Training Base in Los Alamitos.
- Includes an \$8.8 million reimbursement authority increase for expanded use of Interagency Agreements to support OES, the Department of Technology, and to support the increased workload to conduct Independent Security Assessments in support of state agencies, state universities, and government.
- Includes \$697,000 General Fund and 3 positions in 2025-26 and \$697,000 ongoing thereafter for the Office of the Staff Judge Advocate to address increased legal workload and reduce risk and liability with public works, contracting, human resources, and educational programs.
- Withdraws \$419,000 General Fund for the working drawings phase of the STARBASE classroom building and the new Battalion Headquarters Readiness Center.
- Includes \$2 million Armory Fund for the acquisition of vacant property adjacent to the Moreno Valley Readiness Center for a new federally funded Vehicle Maintenance Shop to replace the existing facility in Riverside.
- Includes an ongoing adjustment of \$5.08 million (\$2.2 million General Fund and Special funds) for the state active duty compensation adjustment and provisional budget bill language to allow for the budget to be augmented to cover increased pay rates that go into effect in 2025-26.
- Includes \$3.74 million ongoing General Fund for annual pay adjustments, cost of living benefit stipends, and increases of Industrial Disability Leave for Task Force Rattlesnake.
- Withdraws \$4.8 million General Fund proposal for deferred maintenance but includes provisional budget bill language to allow an augmentation of up to \$4.75 million if the Military Department receives federal funds for three deferred maintenance projects.

**California Office of Emergency Services**

- Approves an increase of \$1,365,000 General Fund for the continuing Mather-Security Checkpoint Enhancement Project.
- Approves the reappropriation of \$7,236,000 General Fund for the Mather State Operations Center capital outlay project. The reappropriation is necessary to provide additional time for the department to encumber funding for a complex array of equipment, such as the video wall and computer systems, necessary for the operation of the Center.
- Approves the reversion of \$49,650,000 General Fund for the pilot Flexible Cash Assistance for Survivors of Crime grants program.
- Rejects the Governor's January proposal to reappropriate approximately \$22 million General Fund with an extended encumbrance to June 30, 2029, to continue to support and assist local law enforcement agencies that are deployed through the Law Enforcement Mutual Aid System.
- Approves the request for a one-time increase of \$1,228,000,000 Federal Trust Fund authority (\$654,928,000 for state operations and \$573,072,000 for local assistance) based on projects anticipated to complete the Federal Emergency Management Agency review process for eligible disaster costs and be reimbursed in fiscal year 2025-26. Also adopts this methodology to be used to make baseline budget adjustments, as appropriate, in future proposed budgets.
- Adopts budget bill Control Section 90.00 to authorize the Director of Finance to augment any state department or agency appropriation for costs necessary during 2025-26 to continue recovery efforts related to damage caused by the Eaton Fire and Palisades Fire in January 2025. These augmentations shall be within the cumulative total of the \$2.5 billion authorized in Control Sections 90.00 and 90.01 of the 2024 Budget Act and shall be made on or before June 30, 2026. Additionally, adopts Budget Bill Language to authorize affected community colleges for eligible reimbursements and continued expenditure reporting requirements.
- Adopts provisional Budget Bill Language to ensure the amount available for expenditure from the State Emergency Telephone Number Account (SETNA) is sufficient to support 9-1-1 Emergency Communications. The language also requires quarterly reports on progress on completing the project, including any major challenges, proposed solutions, increased costs and changes to the implementation timeline.
- Approves \$605,000 in state operations and \$11.5 million in local assistance for one-time Federal Trust Fund authority for the State and Local Cybersecurity Grant Program. Also,

adopts Budget Bill Language to require ongoing reporting requirements to keep the Legislature informed about program implementation.

- Approves the liquidation extension of \$3,009,000 General Fund from the 2022 Budget Act, and \$2,023,000 Disaster Resistant Communities Account from the 2021 Budget Act, from June 30, 2025, to June 30, 2027. This will allow time to complete the acceptance and deployment of four Swiftwater Tow Vehicles and nine Type III Fire Engines.
- Extends the liquidation period of \$794,000 General Fund from fiscal year 2021-22 from June 30, 2025, to June 30, 2027, for critical infrastructure maintenance at the California Specialized Training Institute.
- Approves an increase of \$23,165,000 General Fund for the construction phase of the Relocation of Red Mountain Communications Site project. The project relocates the existing Red Mountain public safety radio communications site off Sovereign land and constructs three towers, with all other ancillary components, to maintain coverage for the Northwestern region of the state.
- Approves a net-zero Fire and Rescue repositioning technical adjustment to separate ongoing baseline funding for the Fire and Rescue reposition program into its own item with provisional language specifying the purpose of the funding and providing an extended encumbrance or expenditure period, until June 30, 2027.
- Provides \$100 million GF for Victims of Crime Act (VOCA) backfill funding.

