

Assembly Budget Committee
Budget Trailer Bill Analyses Package
June 25, 2025

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NOTE: AB/SB 119 and AB/SB 131 are not currently in print but are expected to be in print before the Friday June 27th budget vote for consideration on Monday, June 30, 2025.

SUMMARY

Amends the 2025 Budget Act to implement the June 2025 budget agreement between the Legislature and the Administration.

Major Provisions

Makes the following changes to the 2025 Budget Act:

Human Services

- 1) Removes \$2.8 million General Fund for project planning activities at regional centers associated with the Life Outcomes Improvement System (LOIS) from the Department of Developmental Services budget, as this appropriation is included in the Developmental Services Trailer Bill, AB/SB 143;
- 2) Moves \$200,000 General Fund to fund the efforts toward a CalFresh Strategic Plan from a local assistance item to a state operations item;
- 3) Provides a \$10 million General Fund augmentation to the Department of Social Services to provide immigration-related services, including removal defense;
- 4) Includes \$7.5 million General Fund for the YMCA of Metropolitan Los Angeles for Food Assistance and Legal Aid Services;
- 5) Moves \$31.5 million (\$23 million General Fund and \$8.5 million federal funds) to correct items under child welfare services within the Department of Social Services. These funds are intended for eligible licensed foster family agencies that have experienced a documented increase in the costs of liability insurance. The provisional language specifies how these funds are to be administered;
- 6) Extends the expenditure and encumbrance period for appropriations for the Home Safe, Bringing Families Home, and Housing and Disability Advocacy Programs, and includes provisional language to allow up to five percent of the funding to be transferred to support administration for the programs;
- 7) Removes a transfer of \$11.9 million from the Department of Public Health Licensing and Certification Program Fund to the Long-Term Care Ombudsman Program and instead creates a transfer of \$4 million from the State Health Facilities Citation Penalties Account to the Long-Term Care Ombudsman Program for each of three fiscal years, starting in 2025-26;

Health

- 8) Reinstates \$85 million from the Behavioral Health Services Fund to offset General Fund costs for the Behavioral Health Bridge Housing program.
- 9) Provides \$1.4 million at the Department of Health Care Services for the Human Resources Plus project at the department;
- 10) Provides \$3.5 million at the Department of Health Care Services for the ALS Network;
- 11) Provides \$127,000,000 in 2025-26 for the Behavioral Health Virtual Services Platform under the Children and Youth Behavioral Health Initiative;
- 12) Appropriates \$2,000,000 support the urgent needs and emergent issues of children and youth, including the promotion and enhancement of next generation digital support tools for mental health;
- 13) Includes provisional language authorizing the Department of Health Care Access and Information to contract with an entity to administer specific components of the BH-CONNECT workforce initiative;
- 14) Removes provisional language that would have allocated \$78 million of Behavioral Health Services funds for warmline programs and other legislative priorities;
- 15) Reinstates \$7.4 million in 2025-26 to the Department of Health Care Access and Information for the Diaper Access Initiative;
- 16) Appropriates an additional \$15 million of Transgender, Gender Nonconforming and Intersex Wellness and Equity fund for grants;
- 17) Includes \$500,000 to the Department of Health Care Access and Information in the Department of Public Health for the repairs to the American Reproductive Centers Fertility Clinic in Palm Springs;
- 18) Provides \$3 million to the Department of Health Care Access and Information for the Northeast Valley Health Corporation for infrastructure improvements and expansion;
- 19) Provides \$2 million to the Department of Health Care Access and Information for the Youth Mental Health Academy for a Los Angeles cohort;

- 20) Delays a California Health Facilities Financing Authority hospital loan repayment date for Palomar Health by two years;

Early Care and Education

- 21) Alters the reversion amounts from specific purposes as specified in the 2024 Budget Act for the Emergency Child Care Bridge Program, while maintaining the overall reversion amount;
- 22) Appropriates \$21.7 million federal funds to CDSS for state administration costs for implementation rates, based on the alternative methodology and the single rate structure, subject to Joint Legislative Budget Committee notification;
- 23) Appropriates \$30.1 million general fund to CDSS, for state and local agency administration costs to pay child care providers prospectively, based on enrollment;
- 24) Appropriates \$59.36 million general fund to CDSS for a cost of living adjustment (COLA) to the Cost of Care Plus rates in all CDSS child care programs, and appropriates \$10.17 million general fund and \$19.3 million Proposition 98 for California Department (CDE) of Education child care and preschool programs;
- 25) Provides funding and position authority to the CDE, for 8.0 positions for the California State Preschool Program, to support trailer bill policy workload;

K-12 Education

- 26) Increases funding available for the Expanded Learning Opportunity Program by \$525.5 million ongoing Proposition 98 funding, pursuant to trailer bill legislation. Provides a floor for the Tier 2 program rate of \$1,575 in the Budget Year;
- 27) Adjusts federal funding authority for McKinney Vento and Individuals with Disabilities Education Act (IDEA), based on federal funding availability;
- 28) Provides CDE with authority for augmenting California State Preschool contracts for contractors expanding services for three-year old children;
- 29) Provides CDE with \$2.73 million general fund, \$5.72 Proposition 98, for local agency administrative costs for paying State Preschool Programs prospectively, based on enrollment, beginning July 1, 2026;
- 30) Appropriates \$5 million to Save the Children, for rural after school program services;
- 31) Updates the Mandates Block Grant for the FAFSA mandate costs;
- 32) Reappropriates \$19.33 million in Proposition 98 funding for LCFF costs in 2023-24;
- 33) Reappropriates \$520,000 in Proposition 98 funding for the Discretionary Block Grant;

- 34) Extends encumbrance period for \$2 million one-time for the California School for the Deaf, Fremont;
- 35) Appropriates \$1.7 billion for a Student Support and Professional Development Discretionary Block Grant, pursuant to trailer bill legislation;
- 36) Authorizes a deferral of \$1.875 billion in Local Control Funding Formula payments to local education agencies from June 2026 to July 2026;
- 37) Authorizes a withdrawal of \$455 million from the Public School System Stabilization Account for the LCFF, in the 2025-26 Budget Year;

Higher Education

- 38) Rejects the May Revision proposal to reduce ongoing operational funding for the University of California and California State University by 3 percent;
- 39) Restores the cuts but defers payment until July 1, 2026. Includes budget bill language allowing UC and CSU to access a no-interest loan from General Fund resources in 2025-26;
- 40) Modifies a 5 percent base increase deferral for UC and CSU in 2025-26. Instead provides a 2 percent deferred base increase in 2026-27 instead of 5 percent, and the rest of the increase in 2028-29;
- 41) Provides augmentations to the UC CalBRIDGE program, the Local News Fellowship Program, the UC Davis Transportation Research Center, menopause health centers, ALERTCalifornia, the UC Davis Firearms Research Center, the UC First Star foster youth program, and to the CSU Northridge Student Success and Inclusion Center;
- 42) Provides funding to UC San Diego to create a new bachelor's degree program in South San Diego;
- 43) Provides funding to create the UC PRIME Central Coast Program and the UC San Francisco DDS-ASPIRE program;
- 44) Supports a 2.3% COLA for California Community Colleges;
- 45) Supports 2.35 percent enrollment growth at California Community Colleges;
- 46) Provides \$12 million one-time Proposition 98 General Fund to support the Common Cloud Data Platform project with reporting requirements and Department of Technology review;
- 47) Creates a new structure for the Middle Class Scholarship program by setting a target of covering 35 percent of students' remaining financial need, including intent language to provide \$918 million to cover these costs in 2026-27, and allowing the commission to borrow from the General Fund in 2025-26 to support student payments;
- 48) Provides \$10 million one-time General Fund to support the California Indian Nations College;

- 49) Provides \$20 million one-time General Fund to support college operations for California College of the Arts;
- 50) Appropriates \$6.1 million one-time General Fund to support CalKIDS implementation of AB 2056;
- 51) Approves May Revision budget bill language allocating \$500,000 of State Library funding to support the Braille Institute, and approves \$800,000 one-time General Fund augmentation to the Braille Institute.

Resources:

- 52) Appropriates \$39 million General Fund in 2025-26 and states the intent of the Legislature to appropriate \$78 million General Fund ongoing to transition seasonal firefighter positions to permanent positions;
- 53) Increases wages for incarcerated firefighters via the Emergency Fund with an appropriation of \$10 General Fund ongoing;
- 54) Appropriates \$3 million General Fund for a home hardening certification program contingent upon passage of future legislation;
- 55) Appropriates \$9.5 million General Fund to the Department of Forestry and Fire Protection (CalFire) for local assistance to the California Fire Safe Council for purposes of the Wildfire County Coordinator Program;
- 56) Appropriates \$1.5 million to California Natural Resources Agency for the City of San Diego for vegetation management;
- 57) Appropriates \$2 million General Fund to the Department of Fish and Wildlife for the Wolf-Livestock Compensation Program;
- 58) Reverts \$140 million General Fund from previous Climate-Energy Package appropriations;
- 59) Repeals reversion of up to \$226.7 million General Fund to the California Natural Resources Agency and approves reappropriation of \$125 million General Fund to the Department of Water Resources for the Health Rivers and Landscapes Program;
- 60) Appropriates \$562,000 Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4) funding to the California Natural Resources Agency, \$1.2 million Proposition 4 funding to the Department of Parks and Recreation, and \$246,000 Proposition 4 funding to the Department of Water Resources, for support staff setup of bond appropriations/systems;
- 61) Appropriates Proposition 4 funding to specified conservancies for support funding of wildfire prevention and resiliency funding provided in early action this year, Budget Acts of 2023 and 2024 (AB 100 (Gabriel), Chapter 2, Statutes of 2025);

- 62) Amends a provision related to Harbors and Watercraft Revolving Fund (HWRF) requiring the Administration, no later than January 10, 2027, to develop a comprehensive proposal designed to keep the HWRF in structural balance on an ongoing basis, in consultation with stakeholders;
- 63) Appropriates \$5 million for the Los Angeles Holocaust Memorial;
- 64) Appropriates \$1.5 million for Escondido YMCA infrastructure improvements and repairs;
- 65) Appropriates \$3.1 million for the Child & Family Center for facility purchase, infrastructure improvements, vehicle purchases, and services;
- 66) Appropriates \$1.1 million for the City of Santa Clarita for oil well capping;
- 67) Appropriates \$13.6 million for Clear Lake restoration;
- 68) Appropriates \$5.4 million for the Jewish Community Center of the East Bay for security and infrastructure;
- 69) Appropriates \$3.6 million to the Department of Parks and Recreation (Parks) for the Will Rogers State Historic Park planning and construction of the visitor center and related fire-impacted facilities and makes the funding available for encumbrance or expenditure until June 30, 2028. (\$360,000 for preliminary plans, \$360,000 for working drawings, and \$2.88 million for construction);
- 70) Appropriates \$5 million to the Santa Monica Mountains Conservancy for wildfire prevention and enhancing public access to trails at San Vicente Mountain Park;
- 71) Appropriates \$2.5 million for Rancho Bernardo Community Park;
- 72) Appropriates \$1 million for the San Francisco Parks and Recreation Department for Portsmouth Square;
- 73) Appropriates \$1 million for the Sunset Boulevard Recycled Water Irrigation Improvement Project;
- 74) Appropriates \$1 million for the City of San Juan Bautista for drinking water projects;
- 75) Appropriates \$4 million for the San Lucas County Water District;
- 76) Appropriates \$8 million to the California Department of Resources Recycling and Recovery for California Bioeconomy Innovation Campus in the North San Joaquin Valley (BEAM Circular);
- 77) Appropriates \$6.75 million General Fund one-time for the State Parks Library Pass Program;
- 78) Extends the period to liquidate funds to June 30, 2028 for appropriations to the Green Schoolyards Program from the 2022 Budget Act;

- 79) Reappropriates Public Building Construction funds for the South East Underground Parking Structure; includes provisional budget bill language authorizing the Office of Exposition Park Management to request the use of eminent domain through the Public Works Board to acquire parking rights needed to establish site control for construction of the parking structure;

Food and Agriculture:

- 80) Approves \$6.085 million General Fund (GF), and \$5 million Federal Trust Fund (FF) 2025-26, \$5.4 million GF and \$5 million FF in 2026-27, \$5.4 million GF and \$5 million FF in 2027-28, and \$5.29 million GF, \$5 million FF, and \$147,000 Department of Food and Agriculture Fund (Ag Fund) in 2028-29 and ongoing and 29.0 permanent positions to respond to outbreaks of various animal health diseases including strains of the Highly Pathogenic Avian Influenza (Bird Flu);
- 81) Approves \$24.9 million one-time General Fund in 2025-26 for the Farm to School Network and Incubator Grant Program;

Transportation:

- 82) Reduces authorized spending for the of Department of Transportation from the State Highway Account by \$83 million to account for a technical adjustment of \$100 million between the State Highway Account and the Road Maintenance Rehabilitation Account and the \$17 million for the Olympic and Paralympic Games Route Network;
- 83) Provides \$4 million General Fund to the Department of Transportation for the Sonoma-Marin Area Rail Transit District for freight rail operations and capital, and deferred maintenance;
- 84) Adds a deadline to award funds of June 30, 2027 for funding for the Active Transportation Program at the Department of Transportation;
- 85) Increases funding for the California Highway Patrol Computer Crimes Investigation Unit for investigations related to child sexual abuse material and human trafficking from \$3 million General Fund to \$5 million;
- 86) Funds \$4.9 million Motor Vehicle Account for the California Highway Patrol for the Highway Violence Task Force;

Climate

- 87) Fund shifts \$81 million from the Greenhouse Gas Reduction Fund to the Motor Vehicle Account;

- 88) Appropriates \$1 million to the California Air Resources Board for South Coast Air Quality Management District for mobile air monitoring systems;
- 89) Repeals \$132 million from the Air Pollution Control Fund for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project at the California Air Resources Board, since it is appropriated in AB/SB 127;
- 90) Increases the fund shift from the Greenhouse Gas Reduction Fund to the General Fund for CalFIRE by \$500 million for a total of \$1 billion in 2025-26. Additionally, adopts provisional language to express intent to fund shift the following amounts if a deficit remains in the respective fiscal years: \$1.25 billion in 2026–27, \$500 million in 2027–28, and \$500 million in 2028–29. If no deficit is projected, \$500 million in 2026-27 shall still be fund shifted;

Public Safety

- 91) Includes reporting requirements and other technical changes for courts and behavioral health departments who receive funding to implement Proposition 36;
- 92) Makes permissive Department of Finance’s authority to transfer excess unrestricted fund balance from the Trial Court Trust Fund to the General Fund;
- 93) Provides \$8.4 million to Impact Justice to support California Justice Leaders, the Menopause Project, and the Homecoming Project;
- 94) Adjusts baseline reductions and includes funding for San Quentin Rehabilitation Center and legal services for CDCR in consistent with May Revision;
- 95) Provides \$100 million General Fund to backfill reduced level of federal Victims of Crime Act (VOCA) funding for an array of critical services and programs, which include domestic violence service providers, Rape Crisis Centers, legal assistance, human trafficking services, services to address crime survivor homelessness, and other vital services;
- 96) Provides \$10 million General Fund for Family Justice Centers throughout the state to provide legal services to victims of domestic violence, intimate partner violence, sexual assault, child abuse, elder abuse, transnational abandonment, and human trafficking, and help victims file petitions for protective orders, including domestic violence restraining orders and gun violence restraining orders;
- 97) Provides \$10 million General Fund for World Cup 2026 security in the Bay Area and Los Angeles region;
- 98) Includes reporting requirements to keep the Legislature better informed about the development and implementation of the state’s Next Gen 911 system which will modernize California’s

outdate 911 calling system;

99) Makes various technical adjustments related to reporting from the CDCR to the Legislature;

General Government

100) Provides \$5 million in one-time 2025-26 General Fund for a Belonging Campaign;

101) Eliminates a \$15 million reduction to the Office of Community Partnerships and Strategic Communications, thus restoring the final scheduled year of funding for that office;

102) Provides \$5 million for a one-time 2025-26 General Fund augmentation for the College Corps program and restores ongoing annual General Fund appropriations to the program of \$83.6 million;

103) Eliminates a 25 percent cut to the Youth Job Corps program, thus restoring funding levels of \$68.1 million annually to the program;

104) Provides \$9.3 million in 2025-26 General Fund and annually after that for the Climate Action Corps through an appropriation;

105) Provides \$5 million in 25-26 General Fund for the California Student Success Coach program;

106) Makes technical adjustments to boards and bureau funds within the Department of Consumer Affairs;

107) Repeals the reversion of \$350,000 in administrative funds for the Containerized Ports Interoperability Program and reappropriates that amount through June 30, 2026 instead;

108) Provides \$7.5 million in one-time 2025-26 General Fund for the SEED Initiative;

109) Provides \$2 million in one-time 2025-26 General Fund for the Initiating Change in Our Neighborhoods program;

110) Provides \$1 million one-time for the continuation of the CalAccount Blue Ribbon Commission to evaluate the feasibility of CalAccounts;

111) Updates appropriation for the implementation of the Earned Income Tax Credit;

112) Reappropriates funding for encumbrance or expenditure until June 30, 2026 for the various FTB programs;

113) Provides \$100 million in one-time 2025-26 General Fund for further implementation of the Downtown Fresno Infrastructure Plan;

- 114) Provides \$17 million in one-time 2025-26 General Fund for CA RISE to support funding for employment social enterprises;
- 115) Authorizes Department of Cannabis Control to shift illicit cannabis enforcement costs from the Cannabis Tax Control Fund (licensee fees) to the Cannabis Tax Fund (cannabis excise tax). This is approximately a \$56 million fund shift. Any addition cannabis enforcement costs would place pressure on licensee fees;
- 116) Provides \$4.5 million to support the development of the Southern California Veterans cemetery;

Homelessness

- 117) Provides \$100 million in one-time 2025-26 General Fund for the Encampment Resolution Fund;
- 118) Moves the \$500 million appropriation for Round 7 of the Homelessness Housing, Assistance, and Prevention (HHAP) program to the Housing Budget Trailer Bill;

Housing

- 119) Provides resources necessary for the implementation of the Governors Reorganization Plan for the Business, Consumer Services and Housing Agency contingent on that plan going into effect;
- 120) Provides \$3 million in one-time 25-26 General Fund \$3,000,000 for workforce housing project infrastructure in the San Benito High School District;

Budget Control Sections

- 121) Provides the Department of Finance with authority to reduce vacant position, with notification to the Joint Legislative Budget Committee;
- 122) Allows the Department of Finance to make reductions to the state budget to address unanticipated reductions in the receipt of federal funds;
- 123) Allows for a budgetary loan to local governments in Los Angeles impacted by wildfires and four transit local governments in the Bay Area, subject to enactment of future legislation; and

Jointing to Housing Trailer Bill Provision

- 124) Contains jointing language the makes this bill and SB 101, the main budget bill, inoperative if the two housing trailer bills, AB/SB 130 and AB/SB 131 are not enacted before June 30, 2025 at 11:59 PM.

COMMENTS

On June 13, 2025 the Legislature passed SB 101 (Wiener), the 2025 Budget Act. This bill reflects a budget agreement between the Senate and the Assembly. This bill amends SB 101 to reflect provisions to enact the agreement between the Administration and budget.

This bill contains language that makes this bill and SB 101 inoperative if the two housing trailer bills (AB/SB 130 and 131) are not passed by the Legislature and signed by the Governor by 11:59 PM on Monday June 30, 2025.

According to the Author

This bill implements the budget agreement between the Legislature and the Administration.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill enacts the 2025 budget package, which contains \$228.4 billion General Fund expenditures, \$88.8 billion Special Funds, and \$3.9 billion in bond funds for a total state expenditures of \$321.1 billion. The budget projects a Special Fund for Economic Uncertainty reserve of \$4.5 billion, when combined with the remaining \$11.2 billion Budget Stabilization Account balance results in total reserves of \$15.7 billion.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

SUMMARY

Amends the 2022, 2023, 2024 Budget Act to implement the 2025 budget agreement between the Legislature and the Administration.

Major Provisions

Specifically, **this bill**:

- 1) Repeals the requirement that \$125 million of transportation equity dollars appropriated in the 2022 Budget Act to the California Air Resources Board be for statewide programs (like Clean Cars For All and Financing Assistance;
- 2) Redirects \$61 million in current year savings and reappropriates \$358 million in unspent funding from 2022-23 and 2023-24 to address current year deficiency of \$395 million at the California Department of Corrections and Rehabilitation;
- 3) Repeals Control Section 15.00 related to Proposition 4 Early Action Wildfire Funding and moves appropriations and accompanying provision language for early action wildfire prevention funding approved in AB 100 (Gabriel), Chapter 2, Statutes of 2025, into department-specific budget items;
- 4) Allows \$148.1 million in MCO Tax revenue generated in prior budget years to support final reconciliation of retroactive managed care rate adjustments for prior coverage periods;
- 5) Provides true-up for federal Individuals with Disabilities Education Act funding match, for a Proposition 98 reduction of \$172.5 million in 2024-25;
- 6) Per the 2024-25 Budget Act agreement, reduces the total 2024-25 PSSSA deposit of \$1.05 billion, to the mandatory deposit of \$455 million;
- 7) Makes an adjustment to the California Student Aid Commission budget to reflect revised 2024-25 caseload for the Middle Class Scholarship program; and
- 8) Makes technical and conforming changes to legislative priorities appropriations contained in the 2022 and 2023 budget acts.

COMMENTS

This bill amends the 2024 Budget Act to implement the 2025 budget agreement between the Legislature and the Administration. This bill adjusts the current year 2024 budget act to make technical and conforming changes to implement that overall agreement.

According to the Author

This bill implements changes necessary to the 2024 Budget Act to implement the 2025 budget agreement.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill makes conforming changes to the 2024, 2023, and 2022 budget acts to accompany the overall budget package associated with the three party budget agreement. All costs and savings related to this bill are reflected in that overall package, which will use either AB 102 or SB 102 to amend the 2025 Budget Act to implement the three party agreement. With the revisions made in the 2025 budget package, the 2024-25 budget will have a total expenditure level of \$337.9 billion, with \$233.6 billion coming from General Fund, \$98.6 billion from Special Fund, and \$ 5.7 billion from bond funds.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

SUMMARY

This budget trailer bill implements various health-related provisions of the Budget Act of 2025.

Major Provisions

This budget trailer bill implements various provisions of the Budget Act of 2025 related to the Department of Health Care Services, the Department of Public Health, and the Department of Health Care Access and Information, the Department of Managed Health Care, and the Department of State Hospitals,

Specifically, this bill:

Department of Health Care Services

- 1) Freezes enrollment in Medi-Cal for individuals with undocumented immigration status, ages 19 and older, beginning January 1, 2026. Includes a three-month grace & cure period allowing for re-enrollment.
- 2) Implements a \$30 per-month Medi-Cal premium, effective July 1, 2027, for individuals with Unsatisfactory Immigration Status, ages 19 to 59.
- 3) Specifies that repayment of outstanding premium balances prior to the initiation of the three-month cure period described above shall be a condition of reenrollment for individuals disenrolled from Medi-Cal due to nonpayment of premiums.
- 4) Eliminates full-scope, state-only dental coverage for Medi-Cal enrollees with Unsatisfactory Immigration Status, ages 19 and older no sooner than July 1, 2026.
- 5) Reinstates, beginning January 1, 2026, a Medi-Cal asset test for specified populations of \$130,000 in nonexempt property for a case with one member and \$65,000 for each additional household member, up to a maximum of 10 members, as specified. Requires the Department to make available, on a quarterly basis data, the number of Medi-Cal enrollees who lost eligibility due to the asset limit, and requires the Department to consult with stakeholders to determine the appropriate data elements and level of detail, including, but not limited to, the reasons for termination.
- 6) Eliminates Prospective Payment System rates for state-only-funded services provided by federally qualified health centers and rural health clinics to individuals with Unsatisfactory Immigration Status no sooner than July 1, 2026.
- 7) Implements utilization management for COVID-19 related services in the Medi-Cal program.

- 8) Implements pre-authorization policies to obtain drugs removed from the Department's contracted drug list. Includes noticing requirements, as specified, including the requirement that the Department to provide individual notice to impacted beneficiaries, at least 60 calendar days prior to the drug being removed from the list of contract drugs, that the drug is only obtainable through the prior authorization process.
- 9) Establishes prior authorization for hospice services, as specified, beginning July 1, 2026.
- 10) Eliminates the Workforce and Quality Incentive Program for Skilled Nursing Facilities effective January 1, 2026.
- 11) Increases the minimum state rebate for pharmaceutical manufacturers entering or renewing rebate agreements on or after January 1, 2026, to at least 20% of the average manufacturer price if the federal rebate is less than 50% of that price, and at least 15% if the federal rebate is 50% or more.
- 12) Raises the default state rebate (when no supplemental rebate agreement is reached within 60 days of drug addition to the Medi-Cal list) from 20% to 25% of the average manufacturer price.
- 13) Delays the requirement that a skilled nursing facility must have an alternative source of power for no fewer than 96 hours during any type of power outage until the Department publishes a written notice on its internet website that the Legislature has appropriated sufficient funds for the express purpose of providing an add-on to the Medi-Cal skilled nursing facility per diem rate for the projected Medi-Cal cost of complying with the backup power requirements.
- 14) Adds entities participating in the Home- and Community-Based Alternatives (HCBA) Waiver and the Program of All-Inclusive Care for the Elderly (PACE) to the definition of “contractors” subject to contract termination and sanctions by the Department.
- 15) Requires nondesignated public hospitals participating in the Intergovernmental Transfer (IGT) Program to reimburse the state for administrative costs as a condition of receiving supplemental payments, and requires the department to annually project those costs and retain a corresponding percentage of each IGT amount beginning in 2026–27.
- 16) Requires additional supplemental payments to nondesignated public hospitals in 2025–26 based on General Fund transfers and available federal matching funds, and directs the remaining funds to be distributed using a department-developed methodology; sunsets the provisions on June 30, 2026, and repeals them on July 1, 2030.
- 17) Deletes the requirement that a Medi-Cal provider complete specified cognitive health assessment training to be eligible to receive specified payments. Deletes the requirement that the department consolidate and analyze data and post information related to the benefit every 2 years.
- 18) Establishes the Medi-Cal Anti-Fraud Special Deposit Fund for the deposit of outstanding Medi-Cal payments intercepted as a result of a payment suspension, and specifies that the funds would be continuously appropriated and allocated, but would remain in the fund until the department lifts the suspension, after which the department would be authorized to

return the intercepted Medi-Cal payments to the provider or to offset the payments against any liabilities or restitution owed by the provider to the department.

California Department of Public Health

- 19) Requires the Department to adopt emergency regulations no later than January 31, 2026 related to staffing standards, including nurse-to-patient, specific to acute psychiatric hospitals. Specifies that the Department shall adopt standard regulations no later than July 31, 2027, or one and one-half years after adoption of emergency regulations.
- 20) Provides technical changes converting four 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.
- 21) Allows funding in the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund to support HIV prevention services and fund TGI-serving organizations for facilitating evidence-based therapeutic arts program, makes various changes to allocation start and end dates, and makes other technical changes.
- 22) Provides \$75,000,000 from the AIDS Drug Assistance Program (ADAP) to support current or eligible HIV services and programs, and specifies the allocation of those funds, including authorizing up to \$65,000,000 of that \$75,000,000 to be spent to supplement or fund services, programs, or initiatives for which federal funding has been reduced or eliminated.

Department of Health Care Access and Information

- 23) Authorize the California Health and Human Services Agency through its CalRx program at HCAI to enter into partnerships to increase competition, lower prices, and address supply shortages for generic or brand name drugs to address emerging health concerns, for the development, production, procurement, or distribution of vaccines, as specified, and for the manufacture, purchase, or distribution of medical supplies or medical devices.
- 24) Revises the “behavioral health coach” to a “certified wellness coach” as a category of behavioral health provider and specifies that a certified wellness coach receives appropriate supervision and coordination from staff who are licensed or who hold a pupil personnel services credential or school nurse services credential. Adds crisis referral to, and remove crisis de-escalation and safety planning from, the list of a certified wellness coach’s training and qualifications.
- 25) Repeals the Community Health Worker certificate program.

Department of Managed Health Care

- 26) Delays 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.

Pharmacy Benefit Managers

- 27) Requires Pharmacy Benefit Managers (PBM), as defined, to secure a license from the Department of Managed Health Care on or after January 1, 2027, or the date on which the department has established the licensure process, whichever is later.
- 28) Establishes application requirements for PBMs, and requires PBMs applying for licensure to reimburse the Director of the Department of Managed Health Care for the actual cost of processing the application, including overhead, up to a specified amount.
- 29) Requires PBMs to provide specified data to the Department of Health Care Access and Information regarding drug pricing, fees, and other information, and requires PBMs to pay amounts that are reasonably necessary to cover expenses of the Department of Health Care Access and Information pertaining to data reporting by PBMs.

Department of State Hospitals

- 30) Extends the statutory authority for the Enhanced Treatment Program (ETP) through January 1, 2030 to provide adequate time to support the completion and operation of remaining ETP units that experienced delays due to the COVID-19 pandemic.
- 31) Reduces court reporting requirement for Not Guilty by Reason of Insanity patients from semi-annual to annual.

COMMENTS

This bill is a budget trailer bill that implements provisions of the 2025-26 budget package affecting health-related department.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

By expanding the allowable uses of the ADAP Rebate Fund and extending the duration of certain allocations, this bill would result in a continuous appropriation. By increasing the minimum state rebate threshold for pharmaceutical manufacturers, the bill would also trigger a continuous appropriation. Additionally, by requiring nondesignated public hospitals participating in the IGT Program to reimburse the department for projected administrative costs, the bill could result in the continuous appropriation of additional moneys.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Patrick Le / BUDGET / (916) 319-2099

SUMMARY

This is the Human Services Omnibus 1 Trailer Bill, including statutory changes necessary to effectuate changes in the 2025 Budget Act.

Major Provisions

This bill does the following:

1. Updates the Juvenile Justice Realignment Block Grant formula beginning in 2026-27. Includes specified restrictions on the use of funding for facilities that are unsuitable, and requires reporting on expenditures. For the 2025-26 fiscal year, appropriates \$208.8 million General Fund for appropriate rehabilitative and supervision services.
2. Authorizes Adoption Assistance Program (AAP) payments for placement in an out-of-state residential treatment facility if one or more of the adoptive parents reside in the state in which the residential treatment facility is located and the responsible public agency has confirmed that placement is necessary, among other requirements. Requires counties, commencing September 1, 2025, and annually thereafter, to provide data to the Department of Social Services (DSS) regarding out-of-state residential treatment facilities and the children placed in those facilities, and requires DSS to provide guidance to counties regarding steps necessary to document the requirements of these provisions.
3. Prohibits the AAP rate for an out-of-state residential treatment facility from exceeding the lesser of the rate paid for a foster care placement in a short-term residential therapeutic program or the rate determined by the ratesetting authority in the state in which the out-of-state residential treatment facility is located. Upon the three components of the Foster Care Tiered Rate Structure becoming operative, which includes the amount paid to the foster care provider for care and supervision of the child, a strengths building allocation, and an immediate needs allocation, prohibits the AAP payment rate from exceeding the lesser of the sum of the three components of the Tiered Rate Structure or the rate determined by the ratesetting authority in the state in which the out-of-state residential treatment facility is located.
4. Specifies that DSS shall evaluate the California Fruit and Vegetable EBT Pilot Project (also called the “CalFresh Fruit and Vegetable Pilot”) for the projects that operated between February 1, 2023 and January 31, 2025. The budget includes \$36 million General Fund for 2025-26 and this limitation allows for the evaluation currently underway to complete with the prior implemented funds.
5. Requires that in the event of a declaration by the Governor or the President of the United States of a major disaster, costs for disaster assistance services to prepare for and execute Disaster CalFresh outreach will be continuously appropriated without regard to fiscal years to DSS from the General Fund. Specifies that the amount appropriated to DSS will not exceed \$300,000 per disaster declaration.

6. Requires counties to provide recipients with a prepopulated semiannual report, either via mail or electronically, at the election of the recipient, instead of a blank form. Additionally requires DSS to complete final policy guidance for changes to the prepopulated semiannual report by August 15, 2025.
7. Requires, commencing July 1, 2026, a county to pay, separate from the rebased County In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) payment, a 100% share of the enhanced federal financial participation that would have been received if the state ceases to receive that funding for the provision of services due to noncompliance of timely case reassessment for the federal Community First Choice Option (CFCO) program. Requires, for the 2025–26 fiscal year, the state and county to each pay 50% of the amount of that lost enhanced federal financial participation. These changes correspond to a reduction of \$40.5 million General Fund in 2025-26 and \$87.4 million General Fund in 2026-27 and ongoing included in the 2025 Budget Act. Requires that DSS develop related guidance in consultation with the County Welfare Directors Association of California.
8. Requires, beginning July 1, 2025, all county child welfare agencies to convene child and family team meetings for children and youth receiving family maintenance services, with regulations for this to be adopted no later than January 1, 2030.
9. Provides that with regard to certain mandates no reimbursement is required by this act for a specified reason. With regard to any other mandates, provides that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.
10. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

This bill makes necessary changes that align to the 2025 Budget Act in Human Services.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This trailer bill includes changes that align to the budgets in multiple areas of Human Services, including the Juvenile Justice Realignment Block Grant, In-Home Supportive Services county administrative funding, and Adoption Assistance Program payments.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099

SUMMARY

This is the Human Services 2 Trailer Bill, including statutory changes necessary to effectuate changes in the 2025 Budget Act.

Major Provisions

This bill does the following:

1. Makes changes in the CalWORKs program, including (1) sanction deferral for the first 90 days of participation in the program, promoting early engagement and family stabilization, (2) creation of a family-centered program flow, with changes to appointment structure and plan development, (3) improvement of access to existing child care and transportation supportive services, and (4) repeal the Work Participation Rate county penalty pass-through on a prospective basis. The net changes to May Revision result in net General Fund estimated savings of \$4.6 million in 2025-26 and \$14 million in 2026-27 and on-going, with all savings to be reinvested into the CalWORKs Single Allocation.
2. Requires the development and use of a standardized curriculum for child welfare mandated reporters. The statutory changes are accompanied by investments in the 2025 Budget of \$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).
3. Requires development of a strategic plan to maximize benefits to those eligible for CalFresh benefits. The statutory changes are accompanied by investments in the 2025 Budget of \$200,000 General Fund in 2025-26 and on-going.
4. Requires review of In-Home Supportive Services (IHSS) county program activities in the context of acknowledged funding gaps and consideration of workload relief changes that enable effective county administration of the IHSS program. In accordance with Welfare and Institutions Code section 12306.19, the California Department of Social Services (DSS) conducted an assessment of the ongoing workload and costs to administer the IHSS program. This includes the requirement for DSS to use county-by-county annual fully loaded social worker cost data, reflecting costs for worker salaries, benefits, and overhead associated with administering the 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.
5. Requires review of county program activities in the context of acknowledged funding gaps in the CalWORKs Single Allocation and consideration of 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 in the May Revision updates to program costs.

6. Makes the implementation of the Foster Care Tiered Rate Structure subject to a budget appropriation. Implementation of the Foster Care Tiered Rate Structure is underway with rates scheduled to take effect on July 1, 2027. Additional statutory changes include necessary and technical changes for the Foster Care Tiered Rate Structure.
7. Includes an extension of the waiver of any county match requirement for the Home Safe, Bringing Families Home, and Housing and Disability Advocacy Program funds. The 2025 Budget includes \$83.8 million General Fund for 2025-26 on a one-time basis for the Home Safe Program, \$81 million General Fund for 2025-26 on a one-time basis for the Bringing Families Home Program, and \$44.6 million General Fund for 2025-26 on a one-time basis for the Housing and Disability Advocacy Program.
8. Makes an appropriation and declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

These pending statutory changes align to the 2025 Budget Act.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

These statutory changes align to appropriations made in the 2025 Budget Act.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099

SUMMARY

Senate Bill 121 is the Early Childhood Education Omnibus Trailer Bill for the 2025-26 Budget Act. The bill contains all the major statutory changes pursuant to the Budget Act, including the administration of the cost of living adjustments, enrollment-based rate payment policies, and policy regarding the Alternative Methodology.

Major Provisions

1. Suspends the statutory cost of living adjustment (COLA) to the Standard Reimbursement Rate, the Alternative Payment Program, Local Planning Councils, and Resource and Referral Agencies, for the 2025-26 fiscal year.
2. Provides an ongoing 2025-26 COLA for all child care and preschool programs, based on the Cost of Care Plus rates, established in the 2023-24 Budget Act, with \$70 million General Fund and \$19.3m Proposition 98 funding. The COLA will be applied as a consistent percentage increase to each Cost of Care Plus rate, for each program, based on the amount of Budget Act COLA appropriation total, divided by the amount of Budget Act Cost of Care Plus rate total. The COLA calculation is not included in the rate administration overhead calculation, and does not apply to Local Planning Councils, and Resource & Referral agencies.
3. Extends the Cost of Care Plus rates, pursuant to the 2023 bargaining agreement with Child Care Providers Unified, for all child care and preschool programs, through the 2025-26 fiscal year.
4. Authorizes redirection of statutory COLA for child care and preschool to all child care programs in the Single Rate System, for future fiscal years.
5. Extends the COVID-era enrollment-based pay policy through July 1, 2026, for all programs, based on maximum certificated need.
6. For direct-contract, center-based child care and preschool providers, authorizes a new enrollment-based policy with prospective payments, based on certified enrollment, beginning July 1, 2026.
7. Appropriates \$88.5 million in the Budget Year, for local assistance for child care contractors, for the Departments of Social Services to begin funding all child care and preschool programs prospectively, based on enrollment, beginning July 1, 2026, and maintain existing enrollment-based payment policies in the fiscal year.
8. Extends Department of Social Services (CDSS) reporting to the Joint Legislative Budget Committee, on rate reform based on the alternative methodology, through 2027, and adds

reporting on CDSS efforts to implement prospective pay, based on enrollment by July 1, 2026.

9. Declares Legislative intent, to cease using the Regional Market Rate Survey, and to use an Alternative Methodology, within the Single Rate Structure for all child care and preschool programs. Establishes intent for common, per-child, Alternative Methodology rate features, including variance by program requirements, geography, type of setting, time categories, and child age, and rate enhancements.
10. Removes preschool-age reporting from CDSS child care service reports.
11. Clarifies that a new child can expand family eligibility for state subsidized child care services, by 12 months.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill appropriates \$88.5 million to the CDSS, for local agency costs associated with the enrollment based policy. The bill authorizes \$70 million General Fund and \$19.3 Proposition 98 in ongoing COLA, pursuant to the Cost of Care Plus rate supplement.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Erin Gabel / BUDGET / (916) 319-2099

FN:

SENATE THIRD READING
SB 121 (Committee on Budget and Fiscal Review)
As Amended June 24, 2025

SUMMARY

Senate Bill 121 is the TK-12 Education Omnibus Trailer Bill for the 2025-26 Budget Act, and includes the major appropriations and corresponding statute, including the 2025-26 Deferrals, PSSSA withdrawals, appropriations for Learning Recovery Block Grant, Student Teachers Stipend Program, Universal School Meals grants, the Student Support Discretionary Block Grant, Literacy Coaches, and Career Technical Education, as well as authorization for Plumas Unified School District's emergency loan.

Major Provisions:

- 1) Requires the State Superintendent of Public Instruction (Superintendent) to, in addition to examining the budget of a county office of education, review and consider studies, reports, evaluations, or audits of the county office of education that were commissioned by specified entities that contain evidence that the county office of education is showing fiscal distress according to specified standards and criteria or that contain a finding by an external reviewer that the county office of education is at moderate or high risk of intervention, as provided. The bill additionally authorizes the Superintendent to conditionally approve or disapprove a budget that does not provide adequate assurance that the county office of education will meet its current and future obligations and resolve any problems identified in the studies, reports, evaluations, or audits, as specified.
- 2) Requires the Superintendent to notify the president of the State Board of Education (state board), or the president's designee, if the Superintendent determines that a county office of education will be unable to meet its financial obligations, as provided, including if a county office of education experiences a significant fiscal event that is determined by the Superintendent to have an immediate severe fiscal impact that will cause a county office of education to be unable to meet its financial obligations for the current or subsequent fiscal year. The bill revises the existing statute related to fees and costs to instead require a county office of education to pay 75% of, and the Superintendent to pay 25% of, specified administrative expenses incurred or costs associated with improving the county office of education's financial management practices.
- 3) Extends the encumbrance, expenditure, and reversion periods for the California Prekindergarten Planning and Implementation Grant Program, and the California Universal Preschool Planning Grant Program, through 2028.
- 4) Reduces the Inclusive Early Education Expansion Program allocation for state-level systems building to \$10,000,000, and increases local assistance authority.
- 5) Authorizes the Superintendent, for the California Community Schools Partnership Program funds initially made available for implementation grants that are returned to the State Department of Education, to be available for extending implementation grants, in addition to the statutory "at least" 18 percent set-aside.

- 6) Adjusts the current year and creates budget year deferrals for the Local Control Funding Formula (LCFF), and changes warrants scheduled to be drawn in June of the 2024–25 fiscal year to instead be \$246,604,000. The bill requires, for the 2025–26 fiscal year, warrants for the principal apportionments for the month of June in the amount of \$1,838,224,000, or the total June principal apportionment payment, whichever is less, to instead be drawn in July of the same calendar year, except as provided.
- 7) Allows all funds, including any interest earned on funds, in a county school lease-purchase fund for a school district that remain in the fund on and after January 1, 2026, shall not be reported or returned to the state and would authorize the interest to be used by the school district for capital outlay expenditures for school construction.
- 8) Authorizes a school district, under the Leroy F. Greene School Facilities Act of 1998, as updated by Proposition 2 of 2024, to apply for hardship assistance in cases of extraordinary circumstances, as specified.
- 9) Appropriates an additional \$378,650,000 Proposition 98 General Fund to the department for transfer to the Learning Recovery Emergency Fund, to be allocated by the Superintendent to those local educational agencies (LEAs) operating in the 2025–26 fiscal year, as provided.
- 10) Requires, no later than September 30, 2026, the state board to approve and the department to post on its internet website criteria and guidance for the selection or development of evidence-based inservice professional development programs for effective means of teaching literacy in transitional kindergarten, kindergarten, or any of grades 1 to 5, inclusive, with a list of inservice professional development programs that have been deemed to meet those criteria. The bill appropriates \$200,000,000 Proposition 98 General Fund to the department to make available to local educational agencies to expend from the 2026–27 fiscal year to the 2029–30 fiscal year, inclusive, for purposes of training certificated and classified staff who provide literacy instruction, or who support any teacher who provides literacy instruction, using the professional development programs that meet the criteria and guidance, as provided.
- 11) Requires the California School Accounting Manual accounting system, used to record the financial affairs of any local educational agency, as defined, to be designed to provide a separate accounting of expenditures related to actual payments of legal settlements, judgments, or special assessments by a joint pooling arrangement, as a result of specified childhood sexual assault claims and a separate accounting of those expenditures as a result of all other civil claims, as provided.
- 12) Allows previously appropriated funds for the Multi-Tiered Systems of Support framework, not awarded on or before December 15, 2022, to be available for the Orange County Department of Education to provide support to local educational agencies impacted by the fire-related state of emergency proclaimed by the Governor in January 2025, as provided. The bill authorizes the Orange County Department of Education to expend up to 15% of those funds for administrative costs.
- 13) Requires an extension granted by a county superintendent of schools for the completion of the audit and the filing of the audited statements, to be the shortest amount of time

reasonable, be in increments of no longer than 45 calendar days, and, collectively, not exceed a total of 90 calendar days from the due date established, as provided.

- 14) Makes the provision inapplicable to the 2025–26 fiscal year, referred to as the “split” between community colleges and TK-12 spending within annual Proposition 98 revenues, that requires that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations.
- 15) Clarifies the exclusion, from attendance recovery programs’ attendance denominator calculations, for only those weekend and intersession days that generated attendance for an attendance recovery program.
- 16) Prohibits the Superintendent from making an apportionment for a county office of education if the county board of education or county superintendent of schools neglects or refuses to adopt a local control and accountability plan (LCAP) or an annual update to an LCAP, except as provided.
- 17) Requires members of the state budget committee to be reimbursed to instead require the reimbursement rates to be established by the Superintendent, subject to the approval of the director of the state board, and would prohibit employees of the County Office Fiscal Crisis and Management Assistance Team from being eligible for reimbursement.
- 18) Requires the county superintendent of schools to provide notification, as specified, if a school district experiences a significant fiscal event that the county superintendent of schools determines will have an immediate severe fiscal impact that will cause a school district to be unable to meet its financial obligations for the current or subsequent fiscal year.
- 19) Prohibits a county superintendent of schools from making an apportionment of state, local, or county moneys for a school district if the governing board of the school district or the school district neglects or refuses to adopt an LCAP or an annual update to an LCAP, except as provided. The bill applies these provisions to a charter school, as provided.
- 20) Requires school districts and county offices of education to transmit LCAPs and annual updates to the LCAPs, as provided. The bill extends those provisions to charter schools. The bill requires schools districts and charter schools to also transmit those reports, plans, and annual updates to the county superintendent of schools on a timely basis, and would authorize the county superintendent of schools to withhold payment of any stipend, expenses, benefits, or salaries and wages of the district superintendent, charter school administrator, or members of the governing board, as appropriate, until the delinquent reports have been submitted, except as provided.
- 21) Requires the department, by July 1, 2026, to create a data collection system for salary and benefits data for represented certificated and classified nonmanagement employees. The bill requires the data collected to include salary, benefits, and full-time equivalent employee counts for certificated employees and for specified classified bargaining unit classifications, which the bill would require to be collected in the same manner as for certificated employees, as determined by the department. The bill requires, by August 31, 2026, and by July 1 annually thereafter, school districts, county offices of education, and

direct-funded charter schools to complete the data collection process and to report the data to the department. The bill requires the department, by January 31, 2027, and by November 30 annually thereafter, to report to the Legislature on the progress of school districts, county offices of education, and charter schools in increasing salaries for classified and certificated employees, as provided.

- 22) Increases, commencing with the 2025–26 fiscal year, the statutory transitional kindergarten add-on for LCFF, for the 10:1 student to teacher ratio, to be \$5,545, and would require that increased add-on to be annually adjusted for inflation commencing with the 2026–27 fiscal year, as specified.
- 23) Revises “pupils eligible for free or reduced-price meals” definition to include pupils determined to meet federal income eligibility criteria through a federal Summer Electronic Benefit Transfer for Children (Summer EBT) - compliant Universal Benefit Application.
- 24) Requires, notwithstanding any other law, for purposes of the local control funding formula for the 2025–26 and 2026–27 fiscal years only, the count of English learner pupils enrolled in transitional kindergarten to be equal to the count of English learner pupils enrolled in kindergarten, as specified.
- 25) Requires the Superintendent, notwithstanding any other law, for specified charter schools that were damaged, destroyed, or directly impacted as a result of a state of emergency that was declared by the Governor in January 2025, for the 2025–26 fiscal year, to calculate the difference between the charter school’s certified local control funding formula entitlement in the 2025–26 fiscal year and the 2024–25 fiscal year, as specified, and, if there is a difference, allocate the amount of that difference to the charter school.
- 26) Requires, in any fiscal year, if a decline in Education Protection Account revenue results in a nontransfer of funds into the Education Protection Account fourth-quarter payment, the Superintendent shall recover a local educational agency’s overpayment of Education Protection Account funds from the current year’s second principal apportionment payment, as provided.
- 27) Appropriates for the 2025–26 fiscal year, \$405.3 million from the Public School System Stabilization Account to the Superintendent for allocation for the local control funding formula, as provided.
- 28) Renames the State Assignment Accountability System as the California Statewide Assignment Accountability System and requires the California Commission on Teacher Credentialing (commission) to identify instances of a teacher shortage, as specified, in each instance where, as of Census Day, either (A) a course or class assignment is permanently filled by an employee who is not fully credentialed or who is not appropriately assigned or (B) the local educational agency identifies a vacant position or an unfilled position, as provided.
- 29) Authorizes the commission to adopt an off-the-shelf assessment that otherwise meets the specified requirements for the reading instruction competence assessment. The bill authorizes credential candidates that are required to pass the reading instruction competence assessment in order to earn the clear credential to take and pass the reading instruction competence assessment on or before October 31, 2025, as provided.

- 30) Requires the commission to exempt the specified preliminary multiple subject credential candidates and preliminary single subject credential candidates who complete specified induction program and service requirements on or before June 30, 2025, from the requirement, and any accompanying regulations, to complete a reading instruction competence assessment, as provided. The bill would extend, for purposes of the exemption, the date by which the credential candidates are required to complete the induction program and service requirements by one year.
- 31) Establishes that an applicant for a preliminary multiple subject teaching credential or a preliminary education specialist instruction credential holds a passing reading instruction competence assessment score prospectively if, within the 10 calendar years following the date the score was earned, the applicant has achieved specified reading instruction competence assessment examination scores, as provided.
- 32) Extends the \$250,000,000 Proposition 98 General Fund existing appropriation for the National Board for Professional Teaching Standards Certification Incentive Program and for covering National Board for Professional Teaching Standards Certification fees, to be available for encumbrance until June 30, 2030, and appropriates a new \$30,000,000, available through the same time period. This bill, commencing July 1, 2027, would transfer the administrative duties of the program from the department to the Commission on Teacher Credentialing. Commencing July 1, 2027, the bill requires the department to transfer all unencumbered funds available for the program to be transferred to the commission to award grants for the program.
- 33) Establishes the Student Teacher Stipend Program under the administration of the commission to support prospective educators, as defined, during their completion 500 or more hours of student teaching, as provided. The bill requires local educational agencies awarded funding pursuant to the program to provide stipends of \$10,000 to be paid during the school year in which the credential candidates are completing their student teaching. The bill requires the commission, on or before January 1, 2027, and every year thereafter, to provide a report to the Department of Finance and the appropriate fiscal and policy committees of the Legislature regarding the status of the program. The bill appropriates \$300,000,000 Proposition 98 General Fund to the commission for allocation to support the Student Teacher Stipend Program. The bill requires \$5,000,000 of that amount to be made available to the Kern County Superintendent of Schools for specified purposes, including conducting an educator recruitment multimedia campaign and the establishment of an integrated, online grants management system, as specified. Commencing July 1, 2026, to the extent funds are available, the bill would require up to \$100,000,000 to be made available annually for the commission to award stipends under the program. It is the intent of the legislature that this program be ongoing, and in future years be increased for areas of state priority for educator shortages and priority schools.
- 34) Appropriates \$70,000,000 Proposition 98 General Fund to the commission to augment the Teacher Residency Grant Program to support teacher residency programs that recruit and support the preparation of teachers, to be available through 2030.
- 35) For the Expanded Learning Opportunities Program, commencing with the 2025–26 school year, lowers the unduplicated pupil percentage requirement for Tier 1, and its associated funding and provision of service conditions, from 75% to 55%, revises auditing requirements for local educational agencies between 55% and 74% unduplicated, in 2025-

26 only, for planning purposes, and doubles the minimum funding for local educational agencies under the program to \$100,000 in a fiscal year. The bill clarifies definition for offering services, to include enrollment forms, public posting on program sites, and LEA website. The bill for the 2025–26 fiscal year only, requires the Superintendent to calculate the difference between the prior fiscal year average daily attendance from the first period reported kindergarten and grades 1 to 6, inclusive, and the second period reported kindergarten and grades 1 to 6, inclusive, and, if there is a difference, allocate to the applicable local educational agency the amount of that difference attributable to specified local educational agencies, to mitigate attendance losses due to the LA wildfire.

- 36) For existing attendance recovery programs for pupils to make up lost instructional time and offset absences, applies different schoolday and instructional minute requirements to county community schools, continuation high schools, juvenile court schools, and community day schools that are applicable to statutory requirements for those settings, as provided.
- 37) Requires the Superintendent, by no later than March 31, 2026, to select, subject to the approval of the executive director of the state board, a list of screening instruments that meet specified requirements, including requirement they are developmentally appropriate for three and four year old children, to support the identification of multilingual learners, as defined, enrolled in transitional kindergarten, as provided. The bill appropriates \$10,000,000 Proposition 98 General Fund to the Superintendent to acquire the selected screening instruments and any training materials, as specified, and to support field tests of the screening instruments. Commencing with the 2027–28 school year, the bill requires a local educational agency that serves pupils in transitional kindergarten to screen those pupils whose primary language is a language other than English, as indicated on a home language survey administered upon the pupil’s enrollment, to identify them as multilingual learners using a screening instrument selected by the Superintendent, as provided.
- 38) For the 2025–26 school year, and for each school year thereafter, requires the Superintendent to withhold a portion of a school district’s or charter school’s local control funding formula entitlement if the school district or charter school fails to comply with maintaining an average of at least one adult for every 10 pupils for transitional kindergarten classrooms at each schoolsite, as provided.
- 39) Provides \$1,500,000 in annual Proposition 98 General Fund to the department to allocate those funds existing technical assistance centers to prioritize providing regional support, resources, and expertise to homeless education liaisons to ensure that local educational agencies meet all requirements under the federal McKinney-Vento Homeless Assistance Act. The bill eliminates the requirement that the technical assistance centers be operative only for the duration of the availability of federal grant funds.
- 40) Clarifies that a local educational agency may exempt a pupil who completes a separate, stand-alone one-semester course in personal finance, that is not combined with any other course, from the graduation requirement to complete a one-semester course in economics.
- 41) Adds the California Kids Investment and Development Savings Program to the list of covered financing options that is included in LEA FAFSA outreach.

- 42) Requires an LEA penalty, if a school district, county office of education, or charter school is identified as not having adopted an LCAP or an update to an LCAP by July 1, annually, equal to 20% of the local educational agency's 2nd principal apportionment local control funding formula entitlement, as specified. The bill provides that for each additional business day that the local educational agency does not adopt an LCAP or an update to an LCAP, the 20% penalty increases by 1%, except that the penalty may not exceed 80%, as provided.
- 43) Requires the state board to update public school performance criteria, for purposes of the state accountability dashboard and differentiated assistance, no later than July 15, 2026, taking into consideration the findings and recommendations from the above-described evaluation of the state's technical assistance system and its implementation, and the need to appropriately focus resources and supports where the demonstrated needs are greatest.
- 44) Appropriates, contingent upon specified federal funding appropriated in the Budget Act of 2025 not being available, ongoing \$2,000,000 Proposition 98 General Fund to the Superintendent to award to county offices of education serving as regional English learner lead agencies, as provided. The bill requires the State Department of Education, on or before July 1, 2026, to select, in consultation with and subject to approval by the executive director of the state board, county offices of education to serve as regional English learner lead agencies, pursuant to a process that ensures that no fewer than five and no more than seven regional English learner lead agencies are selected in a manner that ensures statewide coverage. The bill requires the regional English learner lead agencies to be selected for a term not to exceed four years, and would authorize the department, subject to approval by the executive director of the state board, to either renew the selection of the existing regional English learner lead agency or reopen the selection process, as provided.
- 45) Requires schools that participate in the federal School Breakfast Program or National School Lunch Program to establish a pupil's Summer EBT eligibility status through a specified application, as provided.
- 46) Authorizes the Superintendent to calculate the amount of funding generated by short-term residential therapeutic program placements, as well as community treatment facility placements, as defined, based on the average daily population at both short-term residential therapeutic program placements and community treatment facility placements, as provided.
- 47) Revises the financial penalty for existing law that prohibits the governing board of a school district, a county board of education, or the governing body of a charter school from adopting or approving the use of any textbook, instructional material, supplemental instructional material, or curriculum if its use would subject a pupil to unlawful discrimination, as specified. This bill revises the financial penalty calculation, to be based on total state funding allocations.
- 48) Clarifies existing law, which establishes the California Center for Inclusive College (the center) and annually appropriates, commencing with the 2024–25 fiscal year, \$2,000,000 each fiscal year Proposition 98 General Fund to the Superintendent to, in consultation with the executive director of the state board, allocate to a county office of education selected to administer the center, working in partnership with specified entities.

- 49) Adds to the Mandate Block Grant list of programs that are authorized for block grant funding in lieu of program-specific reimbursement to include requirements relating to ensuring pupil compliance with completing the Free Application for Federal Student Aid (FAFSA) or a form for purposes of the California Dream Act, as provided.
- 50) Clarifies when, for the construction and rehabilitation of school facilities, the school district governing board shall have an approved a 5-year school facilities master plan.
- 51) Extends an encumbrance date from the Budget Act of 2017 for \$376,200,000 from the Clean Energy Job Creation Fund for allocation by the Superintendent to school districts, county offices of education, state special schools, and charter schools for specified purposes. This bill would extends that deadline to June 30, 2026.
- 52) Extends the encumbrance period for the development of an online LGBTQ+ cultural competency training platform and \$275,000 of that amount on a one-time basis for the Superintendent and the selected lead partner to establish an advisory committee to inform the development and content of the LGBTQ+ cultural competency training curriculum to assure that it is culturally competent, comprehensive, and meets the needs of LGBTQ+ students, families, and teachers, as provided, to June 30, 2025.
- 53) Extends the deadline to require a regional K–16 education collaborative to commit to creating two occupational pathways, and revises the pathways to be based on the identification of primary priority sectors in collaboration with the California Jobs First Council. The bill also delays the deadline for both criteria by 2 years to instead be June 30, 2028. The bill would extend the period that those moneys are available for encumbrance or expenditure to instead be until June 30, 2030.
- 54) Expands the existing Reading and Literacy Supplementary Authorization Incentive Grant Program by renaming it as the Mathematics Instructional Authorization and Reading and Literacy Supplementary Authorization Incentive Grant Program, including mathematics authorizations in the program, as specified, and increases the award amount a participating teacher is eligible to receive and reducing the local match requirements of the program, to up to \$6,000 per teacher.
- 55) Extends the encumbrance date for \$600,000,000 Proposition 98 General Fund to the State Department of Education for allocation to certain school districts, county offices of education, and charter schools to expend on kitchen infrastructure upgrades that will increase a school's capacity to prepare meals served through a federal school meal program, as defined, including for freshly prepared onsite meals, to serve fresh and nutritious school meals using minimally processed, locally grown, and sustainable food, or for expanding meal options for pupils with restricted diets, as specified, until June 30, 2026.
- 56) Extends the Budget Act of 2024 encumbrance date for \$770,000 to the State Department of Education available on a one-time basis to support costs associated with developing an online training delivery platform and curriculum to support LGBTQ+ cultural competencies for teachers and other certificated employees in grades 7 through 12 through June 30, 2030.
- 57) Repeals the appropriation of \$4,000,000 Proposition 98 General Fund to the Superintendent to select a county office of education to research models of hybrid and remote learning at

public schools across the state and provide guidance, support, and resources to local educational agencies to build their own hybrid and remote learning programs to support innovative learning opportunities and instructional continuity, as specified.

- 58) Requires on or before January 31, 2026, the Superintendent, in consultation with the Chancellor's Office of the California Community Colleges, as applicable, determine the feasibility of streamlining all major ongoing career technical education grant programs' application, reporting, and evaluation processes into a single universal application and collecting program reports and data in a consolidated process, and report as specified. The bill requires the Chancellor, in consultation with the Superintendent, on or before January 31, 2026, to provide information, in writing, with an update on steps that the Chancellor is taking to better align the timelines, application components, and reporting requirements of the K–12 Strong Workforce Program with the identified streamlined application and reporting processes, as specified. It is the intent of the Legislature to maintain all existing, unique program requirements.
- 59) In anticipation of additional Current Year Proposition 98 revenues available in May 2026, compared to the Budget Act, this bill requires the Director of Finance, as part of the budget submitted to the Legislature by January 10, 2026, to provide an updated estimate of the Proposition 98 funding requirement for the 2024–25 fiscal year and the sum of all previous appropriations counting toward that requirement, identify the additional amount required to meet the Proposition 98 funding requirement in 2024–25 and propose a plan for appropriating that amount, to provide up to \$650,000,000 to prevent reductions to ongoing Budget Act priorities for TK-14, and reduce deferral payments to TK-14 in the Budget Year.
- 60) Codifies an extension of provisions of the executive orders issued by the Governor as a result of a state of emergency that was declared in January 2025, including provisions relating to the use by school districts, county offices of education, and charter schools in the County of Los Angeles of temporary facilities located outside of district boundaries, the collection of average daily attendance for those pupils served outside of district boundaries, the suspension of provisions relating to the leasing of local educational agency property to impacted local educational agencies in the County of Los Angeles, the authorization of a site-based charter school within the County of Los Angeles whose schoolsite was damaged or is inaccessible due to the emergency to establish an alternative site anywhere within the County of Los Angeles, and the suspension of any requirement that a classroom-based charter school that provides independent study programs due to facility inaccessibility, damage, or destruction, or pupil displacement, as a result of the emergency, submit a funding determination pursuant to specified law, and any requirement to obtain a material revision from the chartering authority of the charter school to offer nonclassroom-based instruction.
- 61) Appropriates \$1,000,000 Proposition 98 General Fund to the Superintendent to allocate to the California Collaborative for Educational Excellence for the digitization of the state standardized individualized education program (IEP) template. The bill would require the California Collaborative for Educational Excellence, in consultation with the executive director of the state board, to enter into a contract with a California special education student information system vendor to convert the IEP template into a user-dynamic software platform, develop an interactive digital version of the IEP template that is

accessible to the public at no cost, and make those digitized templates available to local educational agencies and to the public, respectively, on or before June 30, 2026.

- 62) Appropriates, contingent upon federal Individuals with Disabilities Education Act funds appropriated in the Budget Act of 2025 not being available due to a reduction in California's receipt of federal funds, for the 2025–26 fiscal year, \$1,000,000 Proposition 98 General Fund to the Superintendent to allocate up to \$1,000,000 to a county office of education, subject to the approval of the executive director of the state board, for the translation of the digitized IEP template into the top 10 most commonly spoken languages in California other than English.
- 63) Requires a basic aid school district that experiences a decrease in local property tax revenues as a result of the Eaton and Palisades Fires in the County of Los Angeles in January 2025 to be reimbursed from the General Fund by the Controller for losses experienced in the 2024–25 and 2025–26 fiscal years.
- 64) Appropriates \$160,000,000 Proposition 98 General Fund to the department to establish the Universal School Meals Support Grant, as the most recent competitive installment of the Kitchen Infrastructure grants. Of that amount, the bill would require \$145,000,000 to be made available to award to local educational agencies to expend for specified purposes for the continued implementation of universal school meals, including staff training, food procurement, and kitchen infrastructure, as specified; \$10,000,000 to be provided to local educational agencies to support the retention and recruitment of food service workers, as specified, and \$5,000,000 to be made available to the department to contract with the Marin County Office of Education for a study of, and report on, particularly harmful ultra-processed foods being offered in school meals in California.
- 65) Appropriates \$1,705,489,000 Proposition 98 General Fund to the department to establish the Student Support and Professional Development Discretionary Block Grant, for allocation to county offices of education, school districts, charter schools, and the state special schools for discretionary purposes, including, among other things, providing standards-aligned professional development for teachers on the English Language Arts/English Language Development Framework, the Literacy Roadmap, and the Mathematics Framework for California Public Schools and addressing rising costs, as provided. The intent of the Legislature is for LEAs to use these funds to support unanticipated costs over the next four fiscal years.
- 66) Extends the encumbrance period for an estimated \$66,000,000 in Teacher Residency Grant Program funds enacted in the Budget Act of 2022 until June 30, 2027, and are available for liquidation to instead be until June 30, 2032.
- 67) Establishes the Secondary School Redesign Pilot Program to develop and identify effective models of middle and high school redesign, as provided, and appropriate \$10,000,000 Proposition 98 General Fund to the Superintendent for the program for allocation to the California Collaborative for Educational Excellence as the lead agency to administer the program. The bill requires participating schools and local educational agencies to participate in the pilot program for 2 years, develop and implement programs to redesign middle and high schools to better serve the needs of all pupils, and collect and report data and resources, as provided.

- 68) Extends the state encumbrance and liquidation period for Expanded Learning Opportunities Grant program funds in the Budget Act of 2023 until July 31, 2026.
- 69) Appropriates \$30,000,000 Proposition 98 General Fund to the Superintendent for allocation to the Riverside County Office of Education for allocation to the Special Olympics of Northern and Southern California for specified purposes, as provided.
- 70) Appropriates \$1,000,000 Proposition 98 General Fund to the Superintendent for allocation to a county office of education to contract with one or more research or nonprofit organizations to study the processes by which other states develop curriculum guidance and to make recommendations about how to improve and streamline California's content standards, curriculum frameworks, and instruction materials adoption processes, as provided.
- 71) Appropriates \$40,000,000 Proposition 98 General Fund to the Superintendent for allocation to local educational agencies that administer literacy screenings to pupils in kindergarten and grades 1 and 2 for risk of reading difficulties and would require those local educational agencies to expend those funds for the procurement of screening instruments, screening administration, and training for school employees to administer pupil screenings in kindergarten and grades 1 and 2, but excluding transitional kindergarten, in order to assess for risk of reading difficulties using certain approved screening instruments, as provided.
- 72) Appropriates \$250,000 Proposition 98 General Fund to the Superintendent to allocate to the administrative agent for the California Collaborative for Educational Excellence to partner with one or more research organizations, institutions of higher education, or other nonprofit organizations with expertise in evidenced-based literacy instruction to develop guidance for the state board to adopt on or before January 31, 2026, to support the follow-up adoption and subsequent implementation of English Language Arts/English Language Development instructional materials by the Instructional Quality Commission and the state board, as provided.
- 73) Appropriates \$215,000,000 Proposition 98 General Fund to the Superintendent to augment the previously established Literacy Coaches and Reading Specialists Grant Program. Of that amount, the bill requires \$200,000,000 to be allocated by the Superintendent to local educational agencies for eligible schoolsites, as defined, to develop school literacy programs, employ and develop literacy coaches and specialists, and develop and implement interventions for pupils in need of targeted literacy support, as provided, and \$15,000,000 to be available for the Superintendent, subject to the approval of the executive director of the state board, to select a county office of education or a consortium of county offices of education with expertise in both literacy instruction and multilingual education, through a competitive process, to provide training for educators to become literacy coaches and provide credentialing opportunities for educators to become reading and literacy and bilingual specialists, as provided.
- 74) Appropriates \$7,500,000 Proposition 98 General Fund to the Superintendent to allocate to the California Collaborative for Educational Excellence to convene a Statewide Literacy Network to support statewide implementation of evidence-based practices aligned to the English Language Arts/English Language Development Framework, the English Learner

Roadmap, the Literacy Roadmap, and the use of data to support effective instruction, as provided.

- 75) Appropriates \$7,500,000 Proposition 98 General Fund to the Superintendent to allocate to the California Collaborative for Educational Excellence to convene a Statewide Mathematics Network to support statewide implementation of evidence-based practices aligned to the Mathematics Framework and the use of data to support effective instruction.
- 76) Appropriates \$10,000,000 Proposition 98 General Fund to the Superintendent to allocate to the county office of education selected to administer the California Dyslexia Initiative to contract with the University of California, San Francisco Dyslexia Center to continue and expand no-cost LEA access to the UCSF Multitudes reading difficulties screening tool for California's diverse pupil population and to support its use.
- 77) Appropriates \$150,000,000 Proposition 98 General Fund to the State Department of Education, subject to pending legislation. The bill would require the department, upon the signing of that legislation, to transfer the funds to the administering entity identified in the legislation, if applicable, by no later than May 1, 2026. If that legislation is not enacted by January 1, 2026, the bill would instead require the appropriated funds, on or after January 1, 2026, to be used for the California Career Technical Education Incentive Grant Program, as provided.
- 78) Appropriates \$30,000,000 Proposition 98 General Fund to the Superintendent for a second allocation to the Kern County Superintendent of Schools for the Mathematics Professional Learning Partnership to support educator training, including mathematics coaches, teachers, and school administrators for implementation of the new mathematics curriculum framework in local educational agencies. The bill would require the Mathematics Professional Learning Partnership to, among other things, continue to support the California Mathematics Project along with its other existing partners, as specified.
- 79) Appropriates \$20 million Proposition 98 General Fund to the State Department of Education to allocate to the Sacramento County Office of Education to, in partnership with the Santa Clara County Office of Education, award competitive grants to local educational agencies participating in specified cohorts of the Children and Youth Behavioral Health Initiative (CYBHI) that are determined to be qualified, as provided. Funding is intended to support LEA capacity and subcontracted services for student mental health, in anticipation of MediCal fee schedule operability by the 2026-27 fiscal year.
- 80) Authorizes emergency apportionment assistance to the Plumas Unified School District, and requires the Plumas County Superintendent of Schools to assume all duties of the governing board of the Plumas Unified School District and to appoint, in concurrence with the Superintendent and the president of the state board or their designee, a state administrator to act on behalf of the county superintendent of schools, consistent with existing provisions of law applicable to emergency apportionments. The bill would continue the authority of the county superintendent of schools and the state administrator over the Plumas Unified School District until certain enumerated conditions are met, including the completion of specified recovery plans for the school district.
- 81) Authorizes the Plumas Unified School District, through the Superintendent, to request emergency apportionments in the form of cashflow loans from the General Fund for a total

of up to \$20,000,000 for up to 30 years. The bill specifies conditions to be followed by the school district in receiving the funds and repaying the loans, consistent with AB 1840 statutes for LEA receivership.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Appropriates all one-time Proposition 98 General Fund allocations for the Budget Act, including \$378.65 million for the Learning Recovery Block Grant, \$405.3 million for the PSSSA for TK-12 education and the LCFF, \$300 million for Student Teacher Stipends, \$160 million for Universal School Meals grants, \$215 million for Literacy Coaches expansion, \$150 million for Career Technical Education, and an intent schedule for an estimated \$1.9 billion in 2024-25 settle-up funds, for the 2026-27 fiscal year.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Erin Gabel / BUDGET / (916) 319-2099

SUMMARY

This is a budget trailer bill within the overall 2025-26 budget package to implement actions related to higher education, and make various appropriations.

Major Provisions

- 1) *UC Student Housing*: Authorizes the use of existing state debt service funding to support affordable student housing projects at the Davis and Santa Barbara campuses.
- 2) *CalKIDS notifications*: Commencing with the 2025–26 school year, requires the governing body of a local educational agency to provide each pupil and the pupil’s parent or legal guardian with information about the CalKIDS college savings account program and the pupil’s potential eligibility for that benefit.
- 3) *Dual enrollment standards*: Requires the California State University, and requests the University of California, to begin on or after October 1, 2025 working on establishing a model uniform set of academic standards for college-level coursework taken for credit at a California public college or university by a pupil simultaneously enrolled in high school, and requires the segments, including California Community Colleges, to post information about the standards to their websites.
- 4) *Cohort default rate*: Authorizes the California Student Aid Commission to use cohort default rates certified in 2020 to determine institutional eligibility for the Cal Grant program through 2026-27.
- 5) *Cal Grant reporting*: Requires institutions participating in the Cal Grant program to provide the California Student Aid Commission with specified aggregated Cal Grant recipient data.
- 6) *Golden State Teacher Grant program extension*: Extends the Golden State Teacher Grant program through June 30, 2026.
- 7) *CalKIDS data-sharing pilot projects*: Extends the data-sharing pilot project between the CalKIDS college savings program and Riverside County Office of Education until 2029-30, and authorizes San Diego Unified School District to join the project.
- 8) *Rising Scholars programs*: Eliminates the limit on the number of California Community Colleges that can operate a Rising Scholars programs for incarcerated and formerly-incarcerated students.
- 9) *Community College reporting*: Approves changes to reporting deadlines for the Native American Student Support and Success Program and the Hire Up Program.
- 10) *Community College deferral*: Defers \$408.4 million in 2025-26 Proposition 98 General Fund costs to 2026-27.

- 11) *Community College Career Passport program*: Establishes the California Career Passport Program to be administered by the office of the Chancellor of the California Community Colleges, in partnership with the Office of Cradle-to-Career Data and the Labor and Workforce Development Agency, for the purpose of developing a Career Passport that provides individuals with a secure digital tool that displays their preparation for employment, academic records, and credit for prior learning. Additionally appropriates \$25 million to the Board of Governors of the California Community Colleges to support the program.
- 12) *Bureau of Private Postsecondary Education funding shift*: Allows the bureau to use Student Tuition Recovery Fund funds to support claim administration activities and positions at the Office of Student Assistance and Relief.
- 13) *Witkin Law Library funding*: Reestablishes the California State Law Library Special Account and would require, until July 1, 2030, \$65 of each notice of appeal fee to be deposited into the California State Law Library Special Account for the support of the California State Law Library upon appropriation. The bill would specify that this requirement is intended to apply retroactively to January 1, 2025.
- 14) *Community College 2023-24 apportionments adjustment*: Amends the Budget Act of 2023 by reducing the appropriation made to the board of governors for apportionments by \$67 million and provides \$6.3 million one-time Proposition 98 General Fund to backfill costs related to the firefighter apprenticeship program and other apprenticeship programs.
- 15) *Community College 2024-25 apportionments adjustment*: Amends the Budget Act of 2024 by increasing the appropriation made to the board of governors for apportionments by \$10.8 million and provides \$100 million one-time Proposition 98 General Fund to support unfunded enrollment growth.
- 16) *Community College e-Transcript*: Provides \$6.6 million one-time Proposition 98 General Fund to support e-Transcript California to cover a shortage in funds for the program.
- 17) *Community College student block grant*: Provides \$60 million one-time Proposition 98 General Fund to support a student support block grant, which authorizes community college districts to use the allocated funds for certain purposes, including, among other purposes, for assistance to students with food, housing, transportation, and other basic needs.
- 18) *Community College credit for prior learning*: Provides \$15 million one-time General Fund to support the Credit for Prior Learning Initiative, with trailer bill language ensuring focus on units that are degree- or certificate-applicable and allowing consideration of international educational experience.
- 19) *Community College financial aid*: Provides \$20 million one-time Proposition 98 General Fund for emergency financial aid.
- 20) *Community College financial aid outreach and support*: Appropriates \$5.1 million Proposition 98 General Fund to the board of governors to provide grants through a community college district to California community-based organizations for financial aid

outreach and application assistance supporting current and prospective community college students.

- 21) *Community College EMT and paramedic pre-apprenticeship*: Provides \$10 million one-time Proposition 98 General Fund to support the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Preapprenticeship Training Academies.
- 22) *Community College Dreamer Resource Liaisons*: Provides \$15 million one-time Proposition 98 General Fund to support Dreamer Resource Liaisons.
- 23) *Community College Career Technical Education grants*: Provides \$5 million one-time Proposition 98 General Fund to develop a grant program for community colleges that are members of the Los Angeles Regional Consortium to assist with workforce recovery efforts and career technical education workforce development associated with Los Angeles regions' recovery from the Palisades and Eaton fires.
- 24) *Community College Healthy Schools Pathway Program*: Provides \$10 million one-time Proposition 98 General Fund to support the Healthy Schools Pathway Program.
- 25) *Community College fire tower*: Provides \$125,000 one-time Proposition 98 General Fund to the Santa Rosa Junior College for the construction of a fire academy tower.

COMMENTS

This bill is a budget trailer bill within the overall 2025-26 budget package to implement actions related to higher education, and makes various appropriations.

According to the Author

This bill is a budget trailer bill within the overall 2025-26 budget package to implement actions related to higher education, and makes various appropriations.

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

This bill is a budget trailer bill within the overall 2025-26 budget package to implement actions related to higher education, and makes various appropriations.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Mark Martin / BUDGET / (916) 319-2099

SUMMARY

This bill makes statutory changes necessary to implement the Budget Act of 2025 related to natural resources.

Major Provisions:

- 1) *Forester Registration Program Fee Increases.* Increases the statutory limits of the Office of Professional Foresters Registration fee schedule, as specified.
- 2) *Firefighter Transition from Seasonal to Permanent Positions.* Requires the Department of Forestry and Fire Protection to begin to employ sufficient permanent firefighting personnel to increase the base period hand crew staffing levels. This bill specifies that the department maintains the ability to hire seasonal, temporary firefighters as needed to allow for surge hiring capacity to address emergency fire conditions or other personnel shortages.
- 3) *Holocaust Memorial.* Authorizes the California Natural Resources Agency, a nonprofit organization, Department of General Services, and Exposition Park to plan, construct, and maintain a memorial to the victims and survivors of the Holocaust at Exposition Park.
- 4) *State Parks Roads and Bridges Program.* Requires the Governor's annual Budget Bill to increase the cap on the amount of funding appropriated by the Legislature from the Highway Users Tax Account, Transportation Tax Fund to the State Parks and Recreation Fund from \$3.4 million to \$12 million.
- 5) *Bay Fill Clean-Up and Abatement Fund.* Clarifies that moneys from the Bay Fill Cleanup and Abatement Fund may be expended on technology services, programs, and personnel that directly support the existing authorized uses of this fund.
- 6) *Habitat Restoration Contracting.* Provides the Department of Water Resources (DWR) authority to contract for the delivery of multi-benefit habitat and environmental projects. This authority is intended to enable the department to continue contracting for full delivery of multi-benefit and habitat restoration projects through public-private partnerships based on available funding.
- 7) *Reduction of Groundwater Bulletin Frequency.* Reduces the frequency of DWR's report of findings related to the state's groundwater basins (Bulletin 118) to the Governor and Legislature from every five years to 10 years. Bulletin 118 is the state's official publication on the occurrence and nature of groundwater in the state, such as the location, characteristics, use, management status, and conditions, as well as findings and recommendations that support the future management and protection of groundwater.
- 8) *Replacing, Removing, or Upgrading Underground Storage Tanks (RUST) Program.* Authorizes tank owners to begin projects while waiting for a final funding agreement for purposes of administrative efficiencies.

COMMENTS

According to the Author

This bill makes changes necessary to implement the Budget Act of 2025.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The funding related to the changes in this bill is contained in the [2025] Budget Act.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Christine Miyashiro / BUDGET / (916) 319-2099

SUMMARY

This bill is the omnibus Climate Change budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025 related to energy and the California Air Resources Board.

Major Provisions:

- 1) California Energy Commission Chairperson Salary Increase Technical Adjustment. Makes a technical adjustment to move the code section for a previously approved increase to the salary of the chairperson of the California Energy Commission (CEC) by five percent for the 2025-26, 2026-27, and 2027-28 years.
- 2) Demand Side Grid Support. Extends existing authority and exemptions related to the Demand Side Grid Support Program at the California Energy Commission to all fund sources.
- 3) Clean Transportation Program Block Grant. Amends the Clean Transportation Program at the California Energy Commission to eliminate the restriction that block grants or incentive programs be administered by public entities or not-for-profit technology entities and authorizes funding for block grants or incentive programs for zero-emission vehicle infrastructure.
- 4) Alternative Fee Structure for the Power Plant Licensing and Compliance Programs. Amends the existing certification process for power plants, energy storage systems, and related facilities at the California Energy Commission. Specifically, it requires a person submitting an application for certification to submit with the application a nonrefundable deposit of \$750,000 and would require the applicant to pay all costs incurred by the Energy Commission in processing the application; require the Energy Commission to provide invoices for additional fees, at least annually, for the actual costs incurred by the Energy Commission in excess of the deposit; increase the annual fee to \$70,000 for each year the facility retains its certification; and specify that the petition fee is nonrefundable.
- 5) Electric Program Investment charge (EPIC) Program Follow-On Funding. Extends the California Energy Commission's follow-on funding authority for the EPIC program to January 1, 2028.
- 6) Electricity Supply Strategic Reliability Reserve Facility Divestiture. Specifies restrictions on operations be applied to facilities constructed and owned by the Department of Water Resources, not just facilities constructed by the department as currently stated in existing statute.
- 7) Mobile Source Laboratory Equipment Support and Maintenance. Specifies existing deficiency fines and fees are a part of the certification, audit, and compliance programs regulating motor vehicle manufacturers at the California Air Resources Board.
- 8) Clean Cars 4 All. Expands the requirement to maintain funding to local air districts using specified funds made available the suite of equity transportation programs at the California Air Resources Board from the 2021 and 2022 Budget Acts.

9) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Appropriates \$132,175,000 from the Air Pollution Control Fund to the California Air Resources Board, when funds are available from the Hino Consent Decree, for HVIP.

COMMENTS

According to the Author

This bill is the omnibus Climate Change budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025 related to energy and the California Air Resources Board.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Appropriates \$132,175,000 from the Air Pollution Control Fund to the California Air Resources Board.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099

SUMMARY

This bill is the omnibus transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025.

Major Provisions:

- 1) Capital Outlay Support Transfer Authority. Authorizes Department of Finance to increase or decrease funding appropriated to the Caltrans' capital outlay support program using items from both the annual Budget Act and any other appropriation, so long as the combined adjustments are cost neutral and limited to the capital outlay support program.
- 2) LA 2028 Olympics Games Route Network. Authorizes the Department of Transportation and local authorities to temporarily permit exclusive or preferential use of high occupancy vehicle (HOV), toll, or other lanes for vehicles displaying an identifier issued by the Olympic and Paralympic Games organizers, for the purposes of operating a Games Route Network during the Olympic and Paralympic Games period. This authority shall remain in effect until January 1, 2029. Additionally, authorizes up to \$20 million from the State Highway Account to fund state transportation projects in support of the games route network, with notification to the Joint Legislative Budget Committee.
- 3) Delay of Implementation of AB 3 (2021). Delays the commencement of the court's additional authority to restrict or suspend a driver's license for specified violations related to sideshows from July 1, 2025 to January 1, 2029.
- 4) Delay of Implementation of SB 287 (2021). Delays the provisions that allow 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 from January 1, 2027 to January 1, 2029.
- 5) Delay of Implementation of AB 1800 (2022). Eliminates the existing January 1, 2027 deadline to include a solicitation for the applicant to enroll in the National Marrow Donor Program's registry as a bone marrow or blood stem cell donor in driver's license and identification card applications, and instead authorizes DMV and the National Marrow Donor Registry to establish an implementation timeline as part of the required memorandum of understanding.
- 6) Digital Experience Platform Project Business Partner Automation Fee. Reestablishes the \$1 Business Partner Automation (BPA) system improvement fee which ended on December 31, 2023, to January 1, 2029, when the DMV director determines that sufficient funds have been received.

COMMENTS

According to the Author

This bill is the omnibus transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Appropriates \$1,000 to the Department of Transportation for the Games Route Network, which can be increased up to \$20 million.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099

SUMMARY

This Labor trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2025.

Major Provisions

This bill makes various statutory changes to implement the Labor provisions of the Budget Act of 2025. Specifically, this bill does the following:

- 1) *Non-Industrial Disability Insurance (NDI) Fix*: Clarifies the definition of “employee” covered under this benefit by adding Career Executive Assignment individuals, who were unintentionally omitted from the coverage, effective October 1, 2025, for a disability benefit period commencing on or after July 1, 2025. It would require these employees claiming benefits for a certain disability benefit period to file a completed claim no later than 41 days following the effective date of this provision.
- 2) *Proposition 2 Supplemental Pension Payment*: Authorizes Proposition 2 supplemental pension payments from the general fund to be applied to the state unfunded liabilities to supplement the state’s appropriation to the Public Employees’ Retirement Fund.
- 3) *Golden Gate Bridget Exemption*: Exempts one of the projects for the Golden Gate Suspension Bridge Seismic Retrofit Project from the new calOSHA lead exposure rule.
- 4) *Employer Assessment Regulatory Alignment*: Combines and streamlines the statute for all six assessments and 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.
- 5) *IHSS Collective Bargaining*: Requires the Department of Human Resources, in collaboration with the State Department of Social Services, to appoint a statewide bargaining advisory committee to review the full cost of care for IHSS provided through the IHSS program under a statewide collective bargaining model. Authorizes \$3.3 million for funding one-time from the General Fund.

COMMENTS

This Labor trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2025.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The bill would require the appropriation of \$584,000,000 from the General Fund to supplement the state's appropriation to the Public Employees' Retirement to be applied to the unfunded state liabilities for the state employee member categories that are in excess of the base amounts for the 2025–26 fiscal year, thereby making an appropriation.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Guy Strahl / BUDGET / (916) 319-2099

SUMMARY

This bill provides statutory changes to facilitate implementation of the Budget Act of 2025 as it relates to housing and homelessness.

Major Provisions

This bill contains the following statutory changes necessary to implement the Budget Act of 2025, specifically this bill;

National Mortgage Settlement Eligible Funds Clarification

- 1) Clarifies that providing legal services for homeownership preservation, including foreclosure prevention, is an eligible use of National Mortgage Settlement funds.

Modifications to Streamlining for Housing Developments on Religious or Educational Property

- 2) Requires local jurisdictions, as part of their General Plan Annual Progress Reports, to provide data about the number of applications submitted, the location and number of developments approved, and the total number of building permits issued pursuant to the Affordable Housing on Faith and Higher Education Lands Act.
- 3) Clarifies that childcare centers may be incorporated into an eligible project pursuant to Affordable Housing on Faith and Higher Education Lands Act without limitation on the number of children.
- 4) Modifies specified height and parking restrictions applicable to Affordable Housing on Faith and Higher Education Lands Act projects.

California Environmental Quality Act (CEQA) Exemption for Specified Housing Developments

- 5) Provides that CEQA does not apply to a housing development project (i.e., projects where at least two-thirds of the square footage is residential) that meets the following conditions:
 - a. The project site is not more than 20 acres, except for a builder's remedy site, which cannot be more than 5 acres.
 - b. The project site is either located within the boundaries of an incorporated municipality or is located within a Census Bureau-defined "urban area".
 - c. The project site has been previously developed with an "urban use," as specified, at least 75% of the perimeter of the site adjoins parcels that are developed with urban uses, at least 75 percent of the area within a one-quarter mile radius of the site is developed with urban uses, or for sites with four sides, at least three out of four sides are developed with urban uses and at least two-thirds of the perimeter of the site adjoins parcels that are developed with urban uses.
 - d. The project is consistent with the applicable general plan and zoning ordinance, as well as any applicable specific plan and local coastal program.

- e. The project will be at least one-half of the applicable "Mullin" density (i.e, at least five units per acre for an unincorporated area in a nonmetropolitan county, 10 units per acre in a suburban jurisdiction, and 15 units per acre in a metropolitan jurisdiction).
 - f. The project is not on an environmentally sensitive or hazardous site, as specified.
 - g. The project does not require the demolition of a historic structure that was placed on a national, state, or local historic register.
 - h. No portion of the project is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging.
- 6) Requires that projects that utilize the CEQA exemption provided by this bill undertake the follow with regards to California Native American tribes (tribes):
- a. Within 14 days of determining that an application for a project is complete, the local government must provide specified information to all tribes traditionally and culturally affiliated with the project site, and invite them to consult on the project;
 - b. Provides that each California Native American tribe has 60 days to notify the local government that it accepts the invitation to consult;
 - c. Requires the local government to begin the consultation within 30 days of notification that a tribe would like to consult, that the consultation must seek to find measures that would avoid significant impacts to a tribal cultural resource, and that deference must be given to tribal information, knowledge, customs, and understanding of the significance of any resources.
 - d. Specifies that the consultation must conclude within 45 days of initiation, subject to a one-time 15-day extension upon request by a participating tribe.
 - e. Requires the local government to include, as binding conditions of the project approval, any enforceable agreements reached during the project consultation, and all of the following measures, unless there is mutual agreement between the California Native American tribe and the project proponent not to include the measure as a binding condition:
 - i. Upon request by a California Native American tribe, the project must include tribal monitoring during all ground-disturbing activities, as specified;
 - ii. Tribal cultural resources shall be avoided where feasible, as specified;
 - iii. The project must stop upon discovery of human remains or burial grounds, as specified;
- 7) Requires that projects that utilize the CEQA exemption provided by this bill undertake the following remediation measures:

- a. The development proponent must assess the site for environmental hazards, and mitigate for any hazards found, as specified, before the issuance of the certificate of occupancy.
 - b. Any housing on a site located within 500 feet of a freeway must include specified air filtration and design mitigations.
- 8) Establishes labor standards for all projects that utilize the CEQA exemption provided by this bill, as follows:
 - a. Establishes, by county, a minimum wage for all construction workers, as specified;
 - b. Requires that construction workers be paid the prevailing wage, as specified, instead of the minimum wage rate in (a), for projects that are 100% affordable housing, for buildings that are over 85 feet in height, and for crafts in projects in San Francisco where at least 50% of the residential workforce has been receiving the prevailing wage, as specified;
 - c. Makes the project proponent liable if the general contractor or subcontractor fails to meet the wage standards established in (a), and enables a joint-labor management cooperation (JLMC) committee to enforce this requirement.
 - d. Enables a JLMC to enforce state law that ensure that contractors are properly licensed, are paying their payroll taxes, and have proper workers comp insurance.
 - e. Specifies that the wage and enforcement standards listed in (a), (c), and (d) above do not apply to projects of 25 units or less.

Climate-Aligned Housing Policy

- 9) Subjects the California Coastal Commission's review of housing project permit applications to the shorter California Environmental Quality Act (CEQA) timelines that apply to other lead agencies under the Permit Streamlining Act.
- 10) Establishes a statewide vehicle miles traveled mitigation bank program that:
 - a. Gives cities, counties, cities and counties, transit agencies, eligible tribal applicants as specified, and project developers the option to meet vehicle miles traveled mitigation obligations under the California Environmental Quality Act (CEQA) by paying into the Housing and Community Development Department's Transit-Oriented Development (TOD) program fund to support VMT-efficient affordable housing and related infrastructure projects, as specified.
 - b. Modifies the TOD program as specified so that it operates in conjunction with this VMT mitigation program, as specified, including requiring at least 20 percent affordability, requiring 55 year affordability covenants on TOD funded housing projects, and establishing prioritization for greater affordability, filling funding gaps, and project readiness.

- c. Directs the Governor's Office of Land Use and Climate Innovation (GO-LCI) by July 1, 2026 and every three years thereafter, to create guidelines for the program, as specified, including methodologies to ensure nexus and proportionality between the development project seeking to mitigate its VMT impact and the TOD project that will provide the VMT mitigation.
 - d. Directs GO-LCI to evaluate the program after the program's first year in operation and, upon appropriation and with the agreement of the University of California, to contract with the University of California to evaluate other specified aspects of the VMT mitigation program.
- 11) Allows housing developments involving more than \$100 million in investment the option of utilizing the same streamlined CEQA process already open to smaller housing projects.
- 12) Provides housing development projects with the option of meeting the air quality requirements to qualify for CEQA streamlining by showing consistency with the California Air Resources Board's Scoping Plan instead of using a quantitative net-zero greenhouse gas emissions analysis.

Accessory Dwelling Unit Local Ordinance Requirement Modification

- 13) Eliminates a provision in state accessory dwelling unit law that any local agency that has adopted an ordinance by July 1, 2018, providing for the approval of accessory dwelling units in multifamily dwelling structures must ministerially consider a permit application to construct an accessory dwelling unit meeting specified requirements, but may impose objective standards including design, development, and historic standards on said accessory dwelling units, but not minimum lot size requirements.

Starter Housing Subdivision Map Streamlining Clarifications

- 14) Prohibits the separate sale, lease, or financing of any individual parcel following ministerial approval of a starter housing subdivision project meeting specified eligibility requirements unless that parcel has a completed residential dwelling on it, with specified exceptions. Allows local jurisdiction to opt out of this prohibition.
- 15) Clarifies that any remainder parcel should not be taken into account when calculating project density for purposes of state law requiring ministerial approval of starter housing subdivision projects meeting specified eligibility requirements.

Temporary Freeze on Building Standards and Codes

- 16) Prohibits the California Building Standards Commission (CBSC) and any other adopting agency, from October 1, 2025, until June 1, 2031, from considering, approving, or adopting any proposed building standards affecting residential units unless any of the following conditions is met:
- a. The CBSC deems those changes necessary as emergency standards to protect health and safety.
 - b. The building standards are related to home hardening and are proposed for adoption by the Office of the State Fire Marshal (SFM).

- c. The building standards are proposed for adoption in relation to the SFM's study of standards for single-exit, single stairway apartment houses with more than two dwelling units in buildings above three stories.
 - d. The building standards are proposed for adoption pursuant to an adaptive reuse standards working group, to reduce potable water use in new residential buildings, or to support risk-based water quality standards for the onsite treatment and reuse of nonpotable water for certain residential buildings, as specified.
 - e. The building standards are necessary to ensure the latest editions of the model codes are incorporated into the triennial edition of the California Building Standards Code.
 - f. The building standards are necessary to incorporate the updates to accessibility requirements that align with minimum federal accessibility laws, standards and regulations.
 - g. The building standards under consideration would take effect on or after January 1, 2032.
- 17) Prohibits a city or county from making changes or modifications to building standards affecting residential units, including to green building standards, from October 1, 2025 until June 1, 2031, unless one of the following conditions is met:
- a. The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025;
 - b. The CBSC deems those changes or modifications necessary as emergency standards to protect health and safety;
 - c. The changes or modifications relate to home hardening; or
 - d. The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to existing provisions governing the proposal of new standards by fire protection districts.
 - e. The changes are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.
 - f. The changes or modifications are related to specified administrative practices.
- 18) Requires CBSC to reject a modification or change to any building standard affecting a residential unit filed by the governing body of a city or county, from October 1, 2025, until June 1, 2031, unless one of the conditions in 17) above is met.

Additional Time for Balcony Inspections When Asbestos Found

- 19) Extends, by up to one-year, the amount of time that the owner of a multifamily building has to complete required balcony inspections when the discovery of asbestos prevents timely inspection completion.

Homeless Shelter Conditions

- 20) Requires a city or county to perform annual inspections on every homeless shelter in its jurisdiction to ensure that the shelter is compliant with existing law requirements relating to substandard housing. Provides that these inspections may be unannounced.
- 21) Specifies that a city shall conduct an inspection for the shelters within the city's jurisdiction; a county shall conduct an inspection for the shelters in the county's jurisdiction; and a city with a population under 100,000 may partner with its county to conduct an inspection.
- 22) Requires a homeless shelter to prominently display information about an occupant's rights and the process to report a complaint about a substandard shelter, including contact information for the owner or operator of the shelter, the city or county, and HCD. The shelter must also provide this information to any new occupant during intake.
- 23) Provides that a plaintiff who prevails in an action pursuant to this statute shall be entitled to recover reasonable attorney's fees and costs and authorizes HCD to bring a civil action pursuant to this statute.
- 24) Amends the annual report that each city and county is required to submit to HCD and BCSH as follows:
 - a. Adds the number of complaints received by the city or county of substandard shelters, including if the city or county did not receive any complaints.
 - b. Requires a city or county to submit a report even if there are no outstanding violations, or any violations corrected, during the applicable period.
- 25) Requires HCD to withhold state funding from any city or county that fails to comply with reporting requirements or fails to take action to correct a substandard shelter violation.

Proposition 1 Affordable Housing Projects and the Article 34 Vote Requirement

- 26) Adds affordable housing projects funded by Proposition 1 of 2024, which includes Homekey+, to the list of affordable housing that is not subject to Article 34 of the California Constitution's requirement that approval of specified affordable housing projects be put up for public vote.

Accessing Equity in Affordable Housing

- 27) Allows affordable housing developers funded by the Housing and Community Development Department (HCD) to utilize equity in their affordable housing projects to

finance further investments in other affordable housing projects, subject to specified limitations.

Homeless Housing, Assistance, and Prevention (HHAP) Program Reporting Consistency

- 28) Requires HHAP recipients to report fiscal and system performance metrics on Rounds 1 & 2 of the program in the same way as they are required to report this information for subsequent HHAP rounds.

Encampment Resolution Fund (ERF) Expenditure Deadline Change

- 29) Changes the ERF expenditure deadline from two fiscal years after appropriation of funds to two fiscal years after award of funds.

Consolidation of the Default Reserve Funds for Affordable Housing Programs at the Housing and Community Development Department (HCD)

- 30) Consolidates the existing default reserve funds from specified affordable housing funding programs at HCD into a single, continuously appropriated backstop against the loss of affordable housing due to loan payment defaults. Requires notice to the Joint Legislative Budget Committee whenever more than 25 percent of the fund is spent in a single fiscal year.

Regional Early Action Planning (REAP) 2.0 Deadline Extensions

- 31) Extends the timeline for a recipient of Regional Early Action Planning Grants to expend those funds no later than December 31, 2026, instead of June 30, 2026, and requires the final report submitted to be June 30, 2027.
- 32) Requires the final invoice submission deadline to reimburse those funds to be June 30, 2027.
- 33) Provides that if an entity has any unexpended funds after December 31, 2026, HCD is authorized to make those funds available to other certain entities for reimbursement of expenditures incurred prior to December 31, 2026.

Housing-Related Production and Affordability Measures

- 34) Makes the following changes to the Regional Housing Needs Assessment (RHNA) process in housing element law:
 - a. Requires the relevant Council of Governments (COG) to provide data assumptions from their projections for overcrowding and percentage of cost-burdened households based on the difference between the region's rates and those comparable regions in the United States.
 - b. Requires COGs to submit a draft allocation methodology and develop a revised methodology in consultation with HCD within 45 days, if HCD finds the draft allocation methodology does not further the objectives.

- 35) Removes several sunset dates within the Housing Accountability Act (HAA) making permanent provisions of the HAA that:
- a. Define when a project application is “deemed complete” to mean when the project applicant has submitted a specified preliminary application or, if the applicant has not submitted a preliminary application, then when the applicant submitted a complete application as specified.
 - b. Define “objective” as meaning involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.
 - c. Require a court to issue an order to correct an action in the case of a local agency requiring a housing development project to comply with an ordinance or standard not in effect when the preliminary application was submitted.
 - d. Provide that the HAA applies to a housing development project that submits a specified preliminary application before January 1, 2030.
- 36) Removes several sunset dates within the Housing Crisis Act (HCA) making permanent provisions of the HCA that:
- a. Prohibit local agencies from requiring more than five hearings on a housing development project that complies with the applicable, objective general plan and zoning standards in effect at the time the application is deemed complete.
 - b. Require a local government to determine whether a site for a proposed housing development project is a historic site at the time the application is deemed complete.
 - c. Require a local government to compile a list or lists that specify in detail the information required from any applicant for a development project, as specified.
 - d. Authorize a housing development proponent to submit a preliminary application, and require a local government to determine the completeness of that preliminary application, as specified.
- 37) Makes the following changes to the Davis-Sterling Act governing common-interest developments (CIDs):
- a. Specifies that reasonable restrictions on Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) in a CID shall not include any fees or other financial requirements.
 - b. Limits fines that may be imposed on an association member in a CID, as specified. Additionally, the bill provides that an association member shall have the opportunity to cure a violation associated with damage to the common area or facilities by themselves or a guest, prior to a board meeting to discuss the violation, as specified.

38) Makes the following change to the State Lands Act (SLA):

- a. Removes school district and community college district real property from the definition of “exempt surplus land,” requiring this land must be disposed of in accordance with the SLA.

39) Makes the following changes to the Permit Streamlining Act (PSA):

- a. Provides that the PSA applies to an entitlement for a housing development project regardless if the permit is discretionary or ministerial. This change would not apply to a post-entitlement permit.
- b. Requires a local agency to approve or disapprove a ministerial permit within 60 days from the date of receipt of a complete application.

40) Makes the following changes to the California Coastal Act:

- a. Prohibits appeals for residential projects (projects that are exclusively residential and made up of four or more units) that are located in a sensitive coastal resource area or are not the principal permitted use in the Local Coastal Plan (LCP).
- b. Requires an annual report by the California Coastal Commission for residential projects that are appealed to evaluate how many residential projects were appealed; how many residential projects waived the timelines for acting on an appeal; and how many residential projects were approved, approved with conditions, denied, or withdrawn on appeal to the CCC. The CCC shall include, for each project: a description of the project, including, but not limited to the number of units in the project, and the percentage of units affordable to low- and moderate-income households; time from the appeal to final decision on each project; and any conditions requested or imposed on a project, and the reason for approval, approval with conditions, or denial.

41) Makes the following additional changes:

- a. Requires the California Residential Mitigation Program (CRMP), upon appropriation by the Legislature, to fund the seismic retrofitting of affordable multifamily housing serving low- and moderate-income households, as specified.
- b. Prohibits specified conduct by a mortgage servicer in connection with subordinate mortgages, as defined, including, among other things, failure to communicate with the borrower in writing for over three years; failure to provide notice of a transfer of loan ownership as required; conducting or threatening to conduct a foreclosure sale after the relevant statute of limitations has run or after providing a form indicating the debt had been written off or discharged; and failure to provide required periodic account statements; among other things. Provides specified legal protections in foreclosure proceedings for borrowers subject to subordinate mortgages.

COMMENTS

This bill contains the following statutory changes necessary to implement the Budget Act of 2025 related to housing and homelessness.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill will result in minimal general fund costs for the administration of the homeless shelter conditions and minimal special fund costs associated with building standard codes. It provides for a continuous appropriation of funds from the Affordable Housing Default Reserve Account fund for the purpose of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted by the department.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

SUMMARY

This bill is the revenue trailer bill for the 2025-26 Budget. This bill contains various statutory changes necessary to implement the Budget Act of 2025.

Major Provisions

This bill contains the following statutory changes necessary to implement the Budget Act of 2025, specifically this bill:

Covered Battery-Embedded Waste Recycling

- 1) Applies the Marketplace Facilitator Act to include any fee imposed pursuant to the Electronic Waste Recycling Act of 2003, replacing a more specific reference to the covered electronic waste recycling fee, to clarify that any fees collected under the Electronic Waste Recycling Act are to be collected by the marketplace facilitator.

Sales and use Tax Remittances by Used Car Dealers

- 2) Allows the California Department of Tax and Fee Administration (CDTFA), in consultation with the Department of Motor Vehicles, to exempt used car dealers from the requirement to file a separate return with CDTFA when used motor vehicles are sold at a retail establishment, in addition to paying applicable sales and use taxes to the Department of Motor Vehicles. This exemption may be provided to used car dealers whom:
 - a. Have accounts in good standing with CDTFA and;
 - b. Have sold more than 1,000 or more vehicles at retail in the current or preceding calendar year.
- 3) Allows exemptions to be made for reporting periods beginning on or after January 1, 2021.

Sonoma County Transaction and Use Tax

- 4) Recasts and restates that the authority for the County of Sonoma, or any city within that county, and the Sonoma County Transportation Authority are determined separately to allow each to increase a transactions and use tax at a rate of no more than 1 percent that, in combination with other transactions and use taxes, would exceed the cap of 2 percent, specified in current law for the combined rate of all taxes imposed in the county.
- 5) Requires that any ordinance exercising this authority be approved by voters before January 1, 2026.

Pass-Through Entity Elective Tax Extension

- 6) Extends the Pass-Through Entity Elective Tax (PTET) from 2026 to 2030, subject to a trigger if the federal cap on state and local tax (SALT) deductions is extended.

- 7) Allows business entities to make a late prepayment, subject to a 12.5 percent reduction in the credit generated from the late payment, beginning in the 2026 tax year.

Historic Rehabilitation Tax Credit

- 8) Directs any historic rehabilitation tax credits from the 2025 calendar year that are unallocated as of July 1, 2025, plus any amount of unallocated tax credits from the prior year, to be made available within 90 days to applicants with qualified rehabilitation expenditures of \$1 million or more for affordable housing projects that were eligible for, but did not receive, a previous tax credit award due to oversubscription.

California Film and Television Tax Credit Expansion

- 9) Increases the amount of tax credits available annually for allocation in the California Film and Tax Credit Program 4.0 from \$330 million to \$750 million for each of the fiscal years 2025-26 through 2029-30.

Military Retirement Exclusion

- 10) Excludes from gross income retirement pay up to \$20,000 from the federal government for services performed in the uniformed services.
- 11) Excludes from gross income annuity payments up to \$20,000 received pursuant to a United States Department of Defense Survivor Benefit Plan.
- 12) Qualified taxpayers include individuals whose adjusted gross income does not exceed \$125,000 and for a surviving spouse, or spouses filing a joint return whose adjusted gross income does not exceed \$250,000 for the same taxable year.
- 13) Applies for taxable years beginning after January 1, 2025 and before January 1, 2030.

Wildfire Settlements Exclusion

- 14) Provides an exclusion from gross income for any qualified taxpayer, for settlement amounts received, or after January 1, 2021, and before January 1, 2030, in connection with a wildfire in the state.

Chiquita Canyon Settlement Exclusion

- 15) Provides an exclusion from gross income for amounts received, on or after March 1, 2024, as compensation for specified costs and losses related to the Chiquita Canyon elevated temperature landfill event in LA County.

Court-Ordered Debt Program Administrative Fees

- 16) Includes Legislative intent language that costs for the Franchise Tax Board to administer the collection of court-ordered financial payments, as specified in statute, not exceed 20

percent of the amount collected for the 2025-26 fiscal year and each fiscal year thereafter. This replaces a prior administrative cap of 15 percent.

Mandatory Single Sales Factor Apportionment for Financial Institutions

- 17) Requires financial institutions to use a single sales factor apportionment formula for purposes of apportioning multi-state income for taxable years beginning January 1, 2025, or later.

California Firearm Excise Tax Law

- 18) Renames Part 16 of the Revenue and Taxation Code as the Firearm, Firearm Precursor Part, and Ammunition Excise Tax and provides that it may be known and cited as the California Firearm Excise Tax Law.
- 19) Clarifies, for purposes of the California Firearm Excise Tax Law, a licensed firearms dealer, firearms manufacturer, or ammunition vendor in this state who transfers physical possession of any firearm, firearm precursor part, or ammunition to a purchaser in this state on behalf of an out-of-state retailer engaged in business in this state is deemed the retailer, as specified.

COMMENTS

This bill contains the following statutory changes necessary to implement the Budget Act of 2025 related to revenues.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The provisions of this bill result in a net General Fund benefit of approximately \$170 million for the 2025-26 fiscal year, including:

- 1) The provisions of this bill related to the Film and Television Tax Credit expansion are estimated to reduce revenues by \$15 million in 2025-26, by \$70 million in 2026-27, by \$144 million in 2027-28, and by \$209 million in 2028-29.
- 2) The provisions of this bill related to the military retirement pay exclusion are estimated to reduce revenues by \$130 million in 2025-26 and by \$80 million annually in future years.
- 3) The provisions of this bill related to the Single Sales Factor for Financial institutions are estimated to increase revenues by \$330 million in 2025-26, by \$280 million in 2026-27, by \$260 million in 2027-28, and by \$270 million in 2028-29.

- 4) The provisions of this bill related to the Wildfire Settlements exclusion are estimated to reduce revenues by \$28 million in 2024-25, by \$15 million in 2025-26, by \$11 million in 2026-27, by \$4.4 million in 2027-28, and by \$1.3 million in 2028-29.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

SUMMARY

This trailer bill includes the necessary provisions required to implement the 2025 Budget Act related to public safety.

Major Provisions

1. Removes reporting requirements for the Board of State and Community Corrections on county community corrections partnership plans and includes technical clean-up of the Recidivism Reduction Fund.
2. Eliminates the Office of Inspector General's CDCR Blueprint monitoring functions the Council on Criminal Justice and Behavioral Health, and the California Rehabilitation Oversight Board.
3. Creates parity for full-time incarcerated college students with full-time incarcerated workers, allowing both groups to participate in additional rehabilitative programming.
4. Updates statutory requirements related to pre-licensure activities and new mental health classifications which includes licensed clinical counselors and marriage and family therapists.
5. Updates changes related to tuberculosis testing procedures consistent with the California Department of Public Health for CDCR employees and streamlines testing requirements for new employees and for headquarters staff and other intermittent visitors to CDCR prisons that do not have contact with the incarcerated population.
6. Establishes a tribal police pilot under the Department of Justice and Commission on Peace Officer Standards and Training involving three tribal entities, sets minimum standards and training, authorizes a participating tribe to establish a domestic violence death review team, and authorizes participating tribes to enter into agreements related to Missing and Murdered Indigenous Persons cases.
7. Clarifies the delegation of certain responsibilities for the Board of State and Community Corrections related to facilities suitability determinations and provides the Board with the Board with the authority to file civil suits.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Includes \$5 million to implement the tribal police pilot established under the Department of Justice and the Commission on Peace Officers Standards and Authority.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099

SUMMARY

This trailer bill includes the necessary provisions required to implement the 2025 Budget Act related to courts.

Major Provisions

1. Streamlines various annual mandated reporting requirements related to courts to remove duplicative reporting requirements (Reports 45, 47, 55), changes the reporting from September 30 to February 1 for Report 53 related to allocations and reimbursements to trial courts, revises references to the Administrative Office of Courts to the Judicial Council, and clarifies that reporting is due to the Legislature when a loan is executed from the Trial Court Trust Fund (Report 94).
2. Repeals the Jury Duty Pilot that was established pursuant to Chapter 326, Statutes of 2022.
3. Authorizes the sale of courthouse property located on 600 Gulling Street, City of Portola and 1100 I Street, City of Modesto.

COMMENTS

According to the Author

Arguments in Support / Opposition

None on file.

FISCAL COMMENTS

Provides \$4.69 million General Fund backfill to the State Court Facilities Construction Fund.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099

SUMMARY

This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2025.

Major Provisions

This bill makes various statutory changes to implement the general state government provisions of the Budget Act of 2025. Specifically, this bill does the following:

- 1) *California Consumer Privacy Act Technical Changes*: Resolves questions about how CPPA and DOJ will coordinate accessing the Consumer Privacy Fund. Per the trailer bill language, each entity will be able to access fines or penalties from its own CCPA enforcement actions, which will be housed in separate subfunds of the Consumer Privacy Fund. If an action or settlement is the result of a joint investigation with the CPPA, the DOJ may deposit a portion of these funds into the CPPA's subfund as a reimbursement of investigative costs. It also sets up a system where 5% of the CCPA fines and penalties in each entity's subfund will automatically go the grant program subfund. CPPA is required to administer the grant program when funds in the grant subfund exceed \$300,000.
- 2) *Programmatic Fee and Assessment Adjustments*: Make changes to some of the programmatic fees and make technical changes for the Financial Protection Fund administered by the Department of Financial Protection.
- 3) *Climate Catalyst Fund*: Extends the sunset of the Climate Catalyst Revolving Fund at the California Infrastructure and Economic Development Bank (IBank) from July 1, 2025 to December 31, 2031, including extending existing law regarding exempting certain financial documents under the Public Records Act. It also requires notice to the Joint Legislative Budget Committee when adopting, revising, or repealing a financing plan or when federal funds transition to state funds. Additionally, it increases reporting requirements and makes technical changes.
- 4) *Secretary of the Senate Reports*: Updates Government Code sections 9795 and 10242.5 which establish the process for state or local agencies to submit reports to the Legislature that are required or requested by law. The changes to these two sections allow reports to be submitted electronically to the Secretary of the Senate, the Chief Clerk of the Assembly, and the Legislative Counsel.
- 5) *CDCR/DGS Surplus Property Disposal*: Clarifies the process regarding the sale of surplus state prison property and maintains the requirement for legislative approval for sales.
- 6) *Indian Gaming Special Distribution Fund*: Deletes the authorization for moneys in the Indian Gaming Special Distribution Fund to support state and local government agencies impacted by tribal government gaming. Now, rather than be compensated from the Special Distribution Fund for tribal gaming impacts, state and local government agencies negotiate Memorandums of Understanding directly with tribal governments to address these impacts.

- 7) *SB Tap Alternative Federal Match*: Modifies the federal match requirements for applicants to the Small Business Technical Assistance Program (TAP) at the California Office of the Small Business Advocate (CalOSBA) so that, if an applicant’s federal contract was canceled, frozen, or rescinded in the 2024–25 fiscal year, then for grants made in fiscal years 2025–26 to 2027–28, inclusive, the applicant may rely on federal contracts from prior years, as specified, to qualify. In addition, requires the Office of Small Business Advocate to review and confirm that the applicant continues to meet state performance standards and provides high-quality, equitable technical assistance services, and to report its findings and actions to the Legislature.
- 8) *Annual Progress Report*: Authorizes the Office of Land Use and Climate Innovation to use the same submittal process for General Plan Annual Progress Reports used by the Department of Housing and Community Development.
- 9) *Vulnerable Communities Definition*: Authorizes the Office of Land Use and Climate Innovation 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.
- 10) Clarifies the authority of the Attorney General to access other state agencies’ records, and the legal separation of state agencies from other state agencies, including legal control over state documents.
- 11) *HOPE Eligibility (Technical Change)*: Clarifies that the definition of “eligible child” includes residents of California who are 18 years of age or older who, prior to attaining 18 years of age, had a parent, Indian custodian, or legal guardian who died due to COVID-19 during the federally declared COVID-19 public health emergency and met the specified family household income limit.

COMMENTS

This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2025.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill would expand the definition of “eligible child”, which would expand eligibility for a HOPE trust account, which are funded through a continuously appropriated fund, thereby making an appropriation.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Guy Strahl / BUDGET / (916) 319-2099

SUMMARY

Makes necessary statutory changes to ratify and implement a memorandum of understanding (MOU) between the state and Bargaining Unit (BU) 9 and an addendum to an MOU between the state and BU 12. The agreements cover state employees represented by two exclusive employee representatives, as follows:

Professional Engineers in California Government (PECG)

- BU 9: Professional Engineers

International Union of Operating Engineers (IUOE)

- BU 12: Operating Engineers

Major Provisions

Memorandum of Understanding with BU 9.

This bill ratifies an MOU entered into on June 19, 2025 between the state and BU 9, which is represented by the Professional Engineers in California Government (PECG). The MOU agreement is as follows:

Compensation

Salary Adjustments

- Effective July 1, 2025, all Bargaining Unit (BU) 9 classifications shall receive a general salary increase of 3 percent (3%).
- Effective July 1, 2027, all BU 9 classifications shall receive a special salary adjustment, increasing the maximum salary range by 4.5 percent (4.5%) and increasing the minimum salary rate by 2 percent (2%). Employees at the old maximum of the classification shall move to the new maximum of the classification. Employees not at the old maximum of the classification shall receive a Special Salary Adjustment of 2 percent (2%).

Personal Leave Program 2025

- Effective with the July 2025 pay period through the June 2027 pay period.
- Three percent (3%) pay reduction for all BU 9 employees.
- Five (5) hours credited monthly for the PLP 2025 Program.

Telework Stipend Program

- Effective June 30, 2025, the Telework Stipend Program will sunset.

Prefunding of Post-Retirement Health Benefits

- Effective July 1, 2025, the employee and employer monthly contributions to prefunding other post-employment benefits for BU 9 will be suspended through June 30, 2027.

Leave

Bereavement Leave

- This section was updated to reflect changes to bereavement leave authorized on January 1, 2023, by Assembly Bill 1949, which added section 12945.7 to the Government Code.

Vacation Leave

- Effective July 1, 2025, the BU 9 vacation leave cap will continue to be 832 hours.
- Effective January 1, 2026, the BU 9 vacation leave cap will be 768 hours.
- Effective January 1, 2027, the BU 9 vacation leave cap will be 704 hours.
- Effective January 1, 2028, the BU 9 vacation leave cap will be 640 hours.

Annual Leave Program

- Effective July 1, 2025, the BU 9 annual leave cap will continue to be 832 hours.
- Effective January 1, 2026, the BU 9 annual leave cap will be 768 hours.
- Effective January 1, 2027, the BU 9 annual leave cap will be 704 hours.
- Effective January 1, 2028, the BU 9 annual leave cap will be 640 hours.

Miscellaneous

Business and Travel Expense

- This section reflects the current travel program that has been in place since October 1, 2024. This is consistent with the BU 9 Side Letter agreement that was signed on September 12, 2024.

On-Call/Standby Time

- This article clarifies that on-call/standby time applies to all BU 9 employees.

Furlough Protection

- For the term of the Personal Leave Program 2025, July 1, 2025, through June 30, 2027, the State will not implement a Furlough Program.

Post-Retirement Health and Dental Benefit Vesting

- This section aligns the health and dental vesting schedules with CalPERS provisions.

Return-to-Office Side Letter

- This Side Letter suspends Executive Order N-22-25 immediately, and reinstates it on July 1, 2026, unless the agreement is not ratified by both parties. Departments shall rescind any existing Return-to-Office notices and revise policies tied to Executive Order N-22-25.

Term

- July 1, 2025, through June 30, 2028.

Duration

- Effective July 1, 2025. The union ratification process will be completed no later than July 3, 2025.

Fiscal

- Fiscal Year 2025-26 Savings: \$38.6 million (\$2.8 million General Fund)
- Total 3-Year Budgetary Cost: \$92.7 million (\$6.6 million General Fund)

Addendum to a Memorandum of Understanding with BU 12.

This bill ratifies an addendum to an MOU entered into between the state and BU 12, which is represented by International Union of Operating Engineers (IUOE). The agreement is, as follows:

Compensation

General Salary Adjustment

- The existing MOU contains a 4 percent (4%) increase to the maximum of the salary range for all BU 12 classifications effective July 1, 2025. This agreement amends that provision and all BU 12 employees shall receive a general salary increase of 3 percent (3%) effective July 1, 2025.

Personal Leave Program (PLP 2025)

- Effective July 1, 2025 pay period through the June 2027 pay period, PLP 2025 will apply to BU 12-represented employees.
- Employees continue to work their assigned work schedules and shall have a reduction in pay equal to three percent (3%) pay reduction.
- Each full-time employee shall be credited with five (5) hours of PLP 2025 on the first day of each pay period for the duration of the PLP 2025 program. On June 1, 2027, BU 12-represented employees shall receive an additional eight (8) hours of PLP 2025.
- PLP 2025 accruals do not expire. PLP 2025 may be cashed out upon separation from state service.
- PLP 2025 leave shall not be considered as “time worked” for overtime purposes except when an employee is “mandated” to work overtime.
- The State shall not seek furlough compensation or additional personal leave program (PLP) reductions from BU 12-represented employees during the term of this MOU.

Health Benefits

Health, Dental, Vision

- The State's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent (80%) of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2027.

Prefunding of Other Post-Employment Benefits (OPEB)

- The employer and employee's monthly contribution for prefunding other post-employment benefits (OPEB) for the 2025-26 and 2026-27 fiscal years of 4.1 percent (4.1%) is suspended and shall not be contributed by the employer and shall not be withheld from employees' salaries from July 1, 2025 through June 30, 2027.
- Commencing July 1, 2027, OPEB contributions shall be restored with the goal of reestablishing a 50-percent cost sharing of actuarially determined total normal costs for both the employer and employees with a three-year phase-in period (see Side Letter). Beginning July 1, 2027, both the employer and employee shall contribute 1.40 percent (1.40%) of pensionable compensation.
- Beginning July 1, 2028, both the employer and employee shall contribute 2.7 percent (2.7%) of pensionable compensation.
- Beginning July 1, 2029, both the employer and employee shall contribute 4.1 percent (4.1%) of pensionable compensation.
- Effective July 1, 2030, both the employer and employee contribution percentages will be increased or decreased to maintain a 50-percent cost sharing of actuarially determined total normal costs. The increase or decrease to the employer or employee contribution in any given fiscal year shall not exceed 0.5 percent (0.5%) per year.

Retirement

- The existing MOU contains changes to employee retirement contributions effective July 1, 2025. Increases to employee retirement contributions provided for in Article 11.1 and Article 11.4 will be suspended through June 30, 2027.

Term

- Upon ratification by both parties, the MOU current term is extended from June 30, 2026, to June 30, 2027.

Fiscal

- Fiscal Year 2025-26 savings: \$30.3 million (\$10.9 million General Fund)

Achieving Additional Savings. Includes uncodified language that approves any memoranda of understanding or addenda to a memoranda of understanding entered into by the state employer and state employee bargaining unit between June 21, 2025 and June 30, 2025 that include measures that achieve savings that contribute to meeting the reductions pursuant to Section 3.90 of the Budget Act of 2025.

COMMENTS

This bill ratifies an MOU entered into between the state and BU 9 and an addendum to an MOU entered into between the state and BU 12

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill results in a savings of \$68.9 million (\$13.7 million General Fund) in fiscal year 2025-26 with the implement the MOU and the addendum to an MOU as described above.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Guy Strahl / BUDGET / (916) 319-2099

SUMMARY

State employment: State Bargaining Unit 6

This bill ratifies an MOU entered into between the state and BU 6 and includes provisions to take effect immediately.

Major Provisions

Memorandum of Understanding with BU 6.

This bill ratifies an MOU entered into on June 12, 2025 between the state and BU 6, which is represented by the California Correctional Peace Officers Association. The MOU agreement is as follows:

Compensation

General Salary Adjustment

- Effective July 1, 2025, all Bargaining Unit (BU) 6 classifications shall receive a general salary increase of three percent (3%).
- Effective July 1, 2027, all BU 6 classifications shall receive a general salary increase of three percent (3%).
- In order to address budget short falls, the parties agreed to a Personal Leave Program 2025 (PLP 2025).

Personal Leave Program 2025

- Effective with the July 2025 pay period through the June 2027 pay period.
- Three percent (3%) pay reduction for all BU 6 employees.
- 5 hours credited monthly for the PLP 2025 Program, except as follows:
 - Fire Captain (9001), Range L and M (192 Hour Schedule) = 7 hours
 - Fire Captain (9001), Range N and P (216 Hour Schedule) = 7 hours

Prefunding of Post-Retirement Health Benefits

- Suspends the employer's monthly contribution for prefunding other post-employment benefits for the 2025-26 and 2026-27 fiscal years of four percent (4%) is suspended and shall not be contributed by the employer from July 1, 2025 through June 30, 2027. The employees' monthly contribution of four percent (4%) of pensionable compensation for prefunding other post-employment will continue uninterrupted.

Retention Differential for Hard-to-Keep/Fill Institutions

- Effective the first day of the pay period following ratification and approval of the MOU, new and current BU 6 employees who work at Salinas Valley State Prison, California State Prison, Sacramento, or R.J. Donovan will be eligible to accrue a \$10,000 retention differential, payable in two (2) payments during the term of the MOU. For the first payment, BU 6 employees shall receive \$416 for each qualifying pay period worked between July 2025 and June 2026, to be paid in a single lump sum during the month of July 2026. For the second payment, BU 6 employees shall receive \$416 for each qualifying pay period worked between July 2026 through June 2027, to be paid in a single lump sum during the month of July 2027.

Location Incentive Bonus

- Effective the first day of the pay period following ratification of this agreement by both parties, cadets who accept work at one of the eligible institutions listed below will be eligible to receive a \$5,000 location incentive bonus, payable in two (2) payments, upon graduation from the academy and reporting to the institution if the following applies: The institution is 50 or more miles away from their current home address, and they are required to relocate from their home address.
 - Eligible Institutions:
 - Salinas Valley State Prison
 - California State Prison, Sacramento
 - R.J. Donovan Correctional Facility
 - Kern Valley State Prison
 - Pelican Bay State Prison
 - High Desert State Prison
 - San Quentin State Prison
 - California State Prison, Los Angeles County
 - California State Prison, Corcoran

Housing Stipends and Recruitment/Retention Incentives

- Housing Stipends:
 - Effective the first day of the pay period following ratification and approval of the MOU, Salinas Valley State Prison will no longer be eligible for the housing stipend.
 - Effective the first day of the pay period following ratification and approval of the MOU, employees employed at the Correctional Training Facility by September 8, 2025 will continue to receive the housing stipend. Employees hired after September 8, 2025, will no longer be eligible to receive the housing stipend.
- Recruitment and Retention Incentives:
 - Effective the first day of the pay period following ratification and approval of the MOU, employees at Salinas Valley State Prison will be

eligible for the recruitment and retention incentive of \$2,600, payable in two (2) semi-annual payments of \$1,300.

- After September 8, 2025, new hires and transfers at Avenal, Calipatria, Centinela, and Ironwood State Prisons are not eligible for the recruitment and retention incentive.

Health Benefits

Health, Dental, Vision

- The State's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent (80%) of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2026, January 1, 2027, and January 1, 2028.
- Removes the language that during their first twelve months, new BU 6 employees are not eligible to enroll in the Union-sponsored fee-for-service plan.

Miscellaneous

Class B Driver's License

- Language was added clarifying that BU 6 employees with a Class C License and/or a Class C License with a Firefighter endorsement are and have been eligible for the Commercial Driver's License pay differential.

Personnel Investigations

- Enhancements were made to this section outlining notice requirements when a BU 6 employee is ordered to attend an interview by CDCR, which now includes routine reviews. The entire section was also rearranged to make it flow better, and headers were added to clearly identify topics within the section.

Random Substance Testing Program

- The parties recognize California law, specifically AB 2188 (Chapter 392, Statutes of 2022), which protects California employees from discrimination based on their off-duty, off-site cannabis use. As such, the parties agree correctional facilities, units, offices, and anywhere BU 6 employees work and interact with supervised/incarcerated individuals will be maintained as a drug-free workplace, consistent with the California Penal Code. Balancing an employer's right to maintain a safe and secure workplace and BU 6 employee's statutory right to choose to use cannabis off-duty, the parties agree to remove the testing requirement for marijuana/cannabinoids (THC) from the random testing panel.

- The testing requirement for marijuana/cannabinoids (THC) under the Federal Motor Carrier Safety Administration's annual minimum testing for covered drivers with a commercial driver's (Class C) license or Class C driver's license with a Firefighter endorsement will remain in place.

Video Recordings

- Within ninety (90) days of ratification and approval of the MOU, for routine matters, BU 6 employees will be granted the opportunity to review Audio/Visual Surveillance Systems (AVSS) data from an institutional fixed camera(s) of an incident they were involved in either prior to or after writing and submitting their initial incident report to the extent operationally and technologically feasible.

Duration

- July 3, 2025, through July 2, 2028.

Term

- Effective the first day following ratification and approval of the MOU. The union ratification process will be complete July 2025.

Fiscal

- Fiscal Year 2025-26 Savings: \$88.4 million (\$88.4 million General Fund)

COMMENTS

This bill ratifies an MOU entered into on June 12, 2025 between the state and BU 6, which is represented by the California Correctional Peace Officers Association.

According to the Author

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

This bill reduces employee compensation by \$88,392,000 (\$88,392,000 General Fund) in fiscal year 2025-26 to implement the MOU as described above.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Guy Strahl / BUDGET / (916) 319-2099

SUMMARY

SB 141 allows a shift in funding for costs related to maintaining and operating the track and trace system and for conducting civil and criminal enforcement to the Cannabis Tax Fund. Also contains a change to the eligibility of local governments related to Board of State and Community Corrections grants. Specifically, this bill:

Major Provisions

- 1) Transfers the Department of Cannabis Control's (DCC) existing expenditure authority associated with its illicit enforcement activities from the Cannabis Control Fund to the Cannabis Tax Fund.
- 2) Authorizes the Board of State and Community Corrections' (BSCC) Proposition 64 Public Health and Safety Grant Program to award grants to local governments that prohibit cannabis cultivation if they authorize retail cannabis sales, and requires the BSCC to prioritize grants to be directed to local illicit cannabis enforcement efforts.

COMMENTS

The Administration requests a statutory change be made to allow DCC's illicit enforcement activities and California Track-and-Trace program costs to be funded from the Cannabis Tax Fund. According to the Administration, without the proposed change, the Cannabis Control Fund would not be able to support any additional enforcement activities without increasing fees on existing licensees.

California continues to struggle with a large illicit cannabis market. More than 60 percent of cannabis sales take place in the illicit market. Authorizing the proposed fund shift will support additional inspections and investigations by adding additional staff over the next three years. The proposed statutory BSCC changes will expand DCC's collaboration with local law enforcement and encourage retail participation to stabilize the legal cannabis market and promote consumer safety.

According to the Author

As part of the 2025-26 budget package, this bill makes statutory changes to implement the 2025 Budget Act.

Arguments in Support

A number of cannabis industry and union organizations support strengthening DCC's efforts to combat illicit cannabis market activity.

Arguments in Opposition

Some youth program and environmental advocates argue that Proposition 64 does not authorize DCC to use Cannabis Tax Fund revenue for the enforcement of illicit cannabis activities.

FISCAL COMMENTS

Authorizing the tax fund shift would result in a reduction of \$56.3 million and 167.5 positions in authorized expenditures from the Cannabis Control Fund, and an increase of \$63.4 million and 176.5 positions in authorized expenditures from the Cannabis Tax Fund, in 2025-26.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Bernie Orozco / BUDGET / (916) 319-2099

SUMMARY

This bill extends the sunset on the Deaf and Disabled Telecommunications Program surcharge.

Major Provisions

- 1) Extends the surcharge for the Deaf and Disabled Telecommunications Program (DDTP) until December 31, 2034 and authorizes the California Public Utilities Commission to make recommendations to the Legislature regarding the appropriations for the DDTP.

COMMENTS

According to the Author

This bill is necessary to implement the Budget Act of 2025.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill extends the Deaf and Disabled Telecommunications Program surcharge until 2035.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099

SUMMARY

This is the Developmental Services Trailer Bill, including statutory changes necessary to effectuate changes in the 2025 Budget Act.

Major Provisions

This bill does the following:

1. Makes training requirements for regional centers to implement implicit bias training subject to an appropriation by the Legislature. Additionally states the intent of the Legislature that regional centers continue to implement the implicit bias training to the extent they are able to, in the absence of a state appropriation. This change corresponds to a reduction of \$5.6 million General Fund in 2025-26 and on-going.
2. Accelerates the expiration date of the hold harmless policy, for providers whose rates exceed rate model recommendations, from June 30, 2026 to February 28, 2026. This will adjust the provider's rates to equal the rates for other providers in the provider's service category and region. This change corresponds to a one-time reduction of \$75 million General Fund in 2025-26 included in the 2025 Budget Act.
3. Requires, beginning in the 2026–27 fiscal year, a provider to be compliant with electronic visit verification, home- and community-based services rules, and applicable annual fiscal reviews and audit requirements as a condition of eligibility for the quality incentive program under rate reform. These changes correspond to a reduction of \$221.7 million General Fund in 2026-27 and ongoing included in the 2025 Budget Act.
4. Requires the Master Plan for Developmental Services Committee to meet at least two times each year and specifies the information to be included in the initial report and recommendation updates, including a narrative summary of the master plan committee meetings and funding and statutory changes needed to effectively implement recommendations from the plan.
5. Repeals the parental fee program, which required the Department of Developmental Services (DDS) to assess a monthly fee to parents of children under 18 years of age who are receiving 24-hour out-of-home care services through a regional center or who are residents of a state hospital when the family's gross income is above 200% of the federal poverty level.
6. Makes the requirement that regional centers receive specialized funding allocations to facilitate applications for payments authorized to protect the health and safety of consumers for non-English speaking individuals served subject to an appropriation by the Legislature. This change corresponds to a reduction of \$3 million General Fund in 2025-26 and ongoing included in the 2025 Budget Act.

7. Makes changes to the Self-Determination Program, including establishing the participants' individual budget generally based on the services authorized in an individual program plan (IPP) instead of being based on purchase of service expenditures, requiring a regional center to certify that participants' spending plans satisfy certain criteria, and requiring DDS to establish statewide standardized processes and procedures for the program, with community input, no later than March 1, 2027. These changes correspond to a reduction of \$22.5 million General Fund in 2025-26 and \$45.5 million General Fund and ongoing included in the 2025 Budget Act.
8. Requires the hourly rate for the tailored day service option for vendored programs to be set by DDS and posted on its internet website, commencing on July 1, 2025.
9. Updates the definition of "CARF" to mean the Commission on Accreditation of Rehabilitation Facilities and updates the definition of group service to include a coach-to-consumer ratio of not less than 1 to 2 instead of 1 to 3. Requires a minimum of two consumers to be funded by specified entities. Removes the requirement that the providers be accredited community nonprofit agencies that provide work activity services or supported employment services, or both.
10. Removes the hourly rate for both supported employment services and group services and requires DDS to set a rate and post the rate to its internet website. Additionally removes the requirements that job coaching hours for group services be allocated on a prorated basis and that a new work activity program receive the statewide average rate, and would instead require that the program receive the rate posted on the DDS internet website.
11. Appropriates \$2,789,000 from the General Fund to DDS for project planning activities at regional centers associated with the Life Outcomes Improvement System (LOIS).
12. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

This bill includes statutory changes necessary to implement the Developmental Services components of the state budget.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill makes changes necessary to achieve targeted reductions in the developmental services system in 2025-26 and on-going.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099