

California State Assembly



Hearing Agenda

Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, April 13, 2026
2:30 P.M. – State Capitol, Room 447

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

Items To Be Heard

5227 – Board of State and Community Corrections

Issue 1: Grants Administration

The Board of State and Community Corrections will provide an overview of their budget proposal and information related to the Missing and Murdered Indigenous Grant Program (MMIP).

Panel 1 Missing and Murdered Indigenous People Grant Program

- Colleen Curtin, Deputy Director, Board of State and Community Corrections
- Eddie Escobar, Field Representative, Board of State and Community Corrections
- Joseph James, Chairman, Yurok Tribe
- Matthew Munoz, Tribal Council Secretary, Big Sandy Rancheria Band of Western Mono Indians
- Bill Denke, Chief Ranger and Director of Public Safety, Pechanga Tribal Rangers, Pechanga Band of Indians, Chairman of the California Tribal Police Chiefs' Association
- Anthony Franzoia, Department of Finance
- Kyle Gayman, Department of Finance
- Caitlin O'Neil, Legislative Analyst's Office

Panel 2 Strategies and Outcomes of MMIP Grant Recipients

- Joseph James, Chairman, Yurok Tribe
- Matthew Munoz, Tribal Council Secretary, Big Sandy Rancheria Band of Western Mono Indians
- Morning Star Gali, Executive Director, Indigenous Justice
- Bill Denke, Chief Ranger and Director of Public Safety, Pechanga Tribal Rangers, Pechanga Band of Indians and Chairman of the California Tribal Police Chiefs' Association
- Juan Sanchez, Investigator and MMIP Coordinator, Pechanga Tribal Rangers, Pechanga Band of Indians

Background

The Missing and Murdered Indigenous People (MMIP) Grant program was first established in the 2022 Budget Act. BSCC was charged with administering the grant program and to award competitive grants to federally recognized Indian tribes in California to support efforts to identify, collect case-level data, publicize, and investigate and solve cases involving missing and murdered indigenous people. Grants should focus on activities including, but not limited to, developing culturally based prevention strategies, strengthening responses to human trafficking,

and improving cooperation and communication on jurisdictional issues between state, local, federal, and tribal law enforcement in order to investigate and solve cases involving missing and murdered indigenous people.

Three cohorts of tribes have been awarded approximately \$35.39 million as follows:

Cohort 1: 10/1/23-6/1/2028 (4 Grantees)	
Sherwood Valley Band of Pomo Indians	\$1,000,000
Tolowa Dee-Ni' Nation	\$440,000
Yurok Tribe	\$1,000,000
Cher-Ae Heights Indian Community of the Trinidad Rancheria	\$436,003
Cohort 1: Total Awarded Funds	\$2,876,003
Cohort 2: 8/1/2024-6/1/2028 (18 Grantees)	
Cahuilla Band of Indians (Santa Rosa Band of Cahuilla Indians, Los Coyotes of Cahuilla and Cupeno Indians)	\$999,998
Dry Creek Rancheria Band of Pomo Indians	\$1,000,000
Greenville Rancheria	\$982,870
Hoopa Valley Tribe	\$1,000,000
Ione Band of Miwok Indians (Wilton Rancheria)	\$1,999,675
Jamul Indian Village of California (Manzanita Band, San Pasqual Band, and Sycuan Band of the Kumeyaay)	\$1,999,625
Karuk Tribe	\$1,000,000
Pala Band of Mission Indians	\$1,000,000
Pechanga Band of Indians	\$980,035
Picayune Rancheria of the Chukchansi Indians	\$967,845
Pinoleville Pomo Nation (Robinson Rancheria, Kashia Band of Pomo Indians, and Redwood Valley Rancheria)	\$1,999,661
Pit River Tribe	\$1,000,000
Round Valley Indian Tribes	\$750,571
San Pasqual Band of Mission Indians	\$926,136
Santa Rosa Rancheria Tachi Yokut Tribe	\$981,173
Scotts Valley Band of Pomo Indians	\$498,690

Torres Martinez Desert Cahuilla Indians	\$500,000
Wilton Rancheria	\$991,323
Cohort 2: Total Awarded Funds	\$19,577,602
Cohort 3: 8/1/2025-1/31/2029 (14 Grantees)	
Big Lagoon Rancheria (Two Feathers)	\$500,000
Big Sandy Rancheria of Western Mono Indians of California	\$1,000,000
Coyote Valley of Pomo Indians	\$1,000,000
Enterprise Rancheria of Maidu Indians of California	\$410,000
Greenville Rancheria	\$789,300
lipay Nation of Santa Ysabel (Mesa Grande Band of Mission Indians and Yurok Tribe)	\$1,999,890
La Jolla Band of Luiseno Indians	\$1,000,000
Mechoopda Indian Tribe of Chico Rancheria	\$499,726
Pala Band of Mission Indians	\$1,000,000
Pinoleville Pomo Nation	\$734,369
Round Valley Indian Tribe	\$500,000
Scotts Valley Band of Pomo Indians (Big Valley Rancheria and Middletown Rancheria)	\$2,000,000
Torres Martinez Desert Cahuilla Indians	\$500,000
Yurok Tribe	\$1,000,000
Cohort 3: Awarded Funds	\$12,933,285

Governor’s Proposal

Permanent Position Authority for Grants Administration. The Governor’s Budget proposes permanent position authority for 11.0 positions to provide technical assistance and support for existing state and federal grant programs at the Board of State and Community Corrections (BSCC). No funding is requested. All positions are funded by current General Fund appropriations (\$815,000) and authorized administrative funds from existing General Fund (\$280,000), Federal Trust Fund (\$260,000) and Special Fund (\$475,000) grant appropriations.

The BSCC Corrections Planning and Grant Program (CPGP) Division administers up to 20 state and federal grant programs, some with multiple cohorts running concurrently, totaling approximately \$400 million annually and delivered via 400+ individual grant agreements. In recent years, the number of individual grant agreements has increased from approximately 200 to over 400. Historically, BSCC grants were awarded largely to government agencies with

established administrative infrastructures. Now, nearly 50 percent of CPGP's grants are awarded to community-based organizations, many of them who have limited infrastructure or capacity.

Staff Recommendation: Hold Open.

0820 – Department of Justice

Issue 2: Update on MMIP Related Efforts: AB 3099 Report, Tribal Police Pilot, and MMIP Technical Assistance.

The Department of Justice will provide an update on efforts related to MMIP which includes the AB 3099 report, the Tribal Police Pilot, and resources to address MMIP and other cold cases.

Panel

- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Janet Bill, Director, Office of Native American Affairs, Department of Justice
- Stephen Woolery, Chief of the Division of Law Enforcement, Department of Justice
- Joseph James, Chairman, Yurok Tribe
- Mark Jimenez, Department of Finance
- Victoria Chin, Department of Finance
- Drew Soderborg, Legislative Analyst's Office

Background

Assembly Bill 3099 (Chapter 170, Statutes of 2020). AB 3099 requires the California Department of Justice (upon appropriation) to:

- Provide technical assistance to local law enforcement agencies, as specified, and tribal governments with Indian lands, relating to tribal issues, including providing guidance for law enforcement education and training on policing and criminal investigations on Indian lands, providing guidance on improving crime reporting, crime statistics, criminal procedures, and investigative tools, and facilitating and supporting improved communication between local law enforcement agencies and tribal governments; and
- To conduct a study to determine how to increase state criminal justice protective and investigative resources for reporting and identifying missing Native Americans in California, particularly women and girls. The bill would require the department to submit a report to the Legislature upon completion of the study.

Specifically, the law required the development of guidance for law enforcement training on policing and criminal investigations on tribal lands consistent with PL 280; the provision of educational materials geared towards tribal citizens about the complexities of concurrent criminal jurisdiction under PL 280, including information relating to victims' rights and the availability of services in the state; the sharing of guidance on improving crime reporting, crime statistics, criminal procedures, and investigative tools for police investigations conducted under PL 280; the facilitation and support of improved communication between local law enforcement agencies and tribal governments; and a study to determine the scope of the issue of missing and murdered

Native Americans in California, identifying barriers to reporting and ultimately issuing recommendations to the State Legislature

The DOJ provides additional background related to Public Law 83-280, which is posted on the DOJ's website:

In 1953, Congress enacted Public Law 83-280 (PL 280), expressly transferring criminal jurisdiction over most crimes committed by or against Native Americans on tribal land from the federal government to designated states, including California. As a result, California and tribal governments share concurrent criminal jurisdiction — with the federal government in limited circumstances — on tribal lands in the state. Although PL 280 has been in existence for almost 70 years, its requirements and implications often remain confusing among state, local, and tribal authorities. Generally, the complexity of PL 280 can and has led to public safety uncertainty and frustration among tribal communities and their neighbors. AB 3099 highlights the importance of providing for the consistent application of PL 280 through education, training, technical assistance, and increased coordination among California's sovereign tribal governments and local authorities in the 34 California counties that touch on tribal lands.

The 2021 Budget Act included \$5 million for AB 3099 implementation efforts and as of February 2026, approximately \$1.24 million remains in the balance.

MMIP Investigations and Technical Assistance. The 2024 Budget Act included \$5 million one-time General Fund to the Department of Justice to support efforts related to the identification and investigation of missing and murdered indigenous persons and for the department to act as a liaison between tribal governments, families and other law enforcement agencies. A portion of the funding may also be used for grants to local law enforcement agencies to support investigatory activities with a requirement that any grant recipient shall provide a report on how the funds were used, including a summary of any progress made in the investigations.

Tribal Police Pilot. The 2025 Budget Act included \$5 million and the creation of a Tribal Police Pilot program under the DOJ and the Commission on Peace Officer Standards and Training. The pilot would begin on July 1, 2026, and end on July 1, 2029, authorizes the DOJ to select three tribes to participate, and includes various minimum qualifications, certification, and training provisions, as well as other requirements to establish the pilot.

Staff Recommendation: This is an informational item.

Issue 3: DOJ Overview and Armed and Prohibited Persons System (APPS) Report

The Department of Justice will provide a departmental overview and present their recently released APPS report which is posted on the Assembly Budget Committee's website.

Panel

- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Erin Suhr, Chief Deputy of Operations, Department of Justice
- Jesus Gutierrez, Special Agent in Charge, Bureau of Firearms, Division of Law Enforcement, Department of Justice
- Ari Freilich, Director, Office of Gun Violence Prevention, Division of Law Enforcement, Department of Justice
- Mark Jimenez, Department of Finance
- Victoria Chin, Department of Finance
- Drew Soderborg, Legislative Analyst's Office

Background

Department Overview. Under the direction of the Attorney General, the DOJ provides legal services to state and local entities; brings lawsuits to enforce public rights; and carries out various law enforcement activities, such as ensuring lawful ownership or possession of firearms and ammunition. DOJ also provides various services to local law enforcement agencies, including providing forensic services. Finally, DOJ manages various databases, including the statewide criminal history database. The Governor's budget proposes \$1.3 billion to support DOJ operations in 2026-27—a decrease of \$13 million (or 1 percent) from the revised amount for 2025-26. A little more than half of the proposed funding supports DOJ's Division of Legal Services, while the remainder supports the Division of Law Enforcement and the California Justice Information Services Division. Of the total amount proposed for DOJ operations in 2026-27, \$508 million (or 39 percent) is from the General Fund. This is a decrease of \$19 million (or 3.6 percent) from the revised 2025-26 General Fund amount—reflecting the net effect of a variety of technical and workload budget adjustments. The remaining support for DOJ operations comes from a number of special funds and reimbursements, including from other state departments for the provision of legal services.

APPS. When a firearm owner becomes prohibited from keeping firearms they own or possess, California law generally requires that person to promptly relinquish their firearms and provide documentation to a court and/or law enforcement agency to verify that they did so. If the prohibited individual fails to comply with the law and local law enforcement does not promptly separate the firearms from the individual, that individual is flagged as a prohibited person in possession of a firearm in the APPS database which was established in 2006. The APPS database cross references the California DOJ databases of recorded firearm purchasers against other records identifying individuals who have become prohibited from owning or possessing firearms. While DOJ's APPS system includes records identifying firearm owners in California based on all legal firearm transaction records, individuals in the system only become APPS

cases when they are identified as prohibited and illegally armed. DOJ notes that the APPS database does not identify all individuals who are illegally armed in California. The database does not include records of 1) illegally acquired firearms, such as ghost guns, 2) most long guns that were legally acquired prior to 2014, 3) records of firearms lawfully acquired in other states, if the firearm owner moved to California with those firearms and unlawfully failed to submit forms recording ownership of those firearms to the California Department of Justice, and where a prohibited person is not the recorded owner of a firearm but has effective custody or control over firearms purchased by someone else.

In 2025, DOJ removed a total of 10,746 people from the database of whom 4,461 individuals were removed due to enforcement efforts; this represents a 9.9% increase compared to 2024 and a 38% increase compared to enforcement-related APPS removals in 2021. However, each year, thousands more individuals become new, illegally armed APPS subjects after they fail to comply with the mandated relinquishment processes. In 2025, 12,035 individuals were newly added to the APPS database. Most of these individuals became prohibited because of a criminal conviction, court protection and restraining order, or other court adjudication that required them to provide proof of firearm relinquishment compliance to the court within clear timelines. A total of 1,437 firearms were seized through APPS operations

As of January 1, 2026, there are 27,199 people in the APPS database and an additional 1,341 armed and prohibited persons who are currently incarcerated. Of the 27,199 people in the APPS database, 10,893 are active cases and 16,306 are pending cases. A pending case is one that has been thoroughly analyzed, and all investigative leads have been exhausted. Of the total pending cases, 1,680 are individuals prohibited by federal law only and 4,429 individuals moved out of state.

According to the DOJ, the best time to remove a firearm from a prohibited person is at or near the time they become prohibited, such as when a local law enforcement officer serving a court restraining order takes immediate possession of the restrained person's firearms, or when courts and probation officers ensure criminal defendants relinquish all firearms prior to final sentencing. This strategy both increases public and survivor safety and prevents the need for DOJ to conduct a potentially more costly and lengthy APPS investigation.

Staff Recommendation: This is an informational item.

Issue 4: Various Firearm-Related Budget Proposals

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

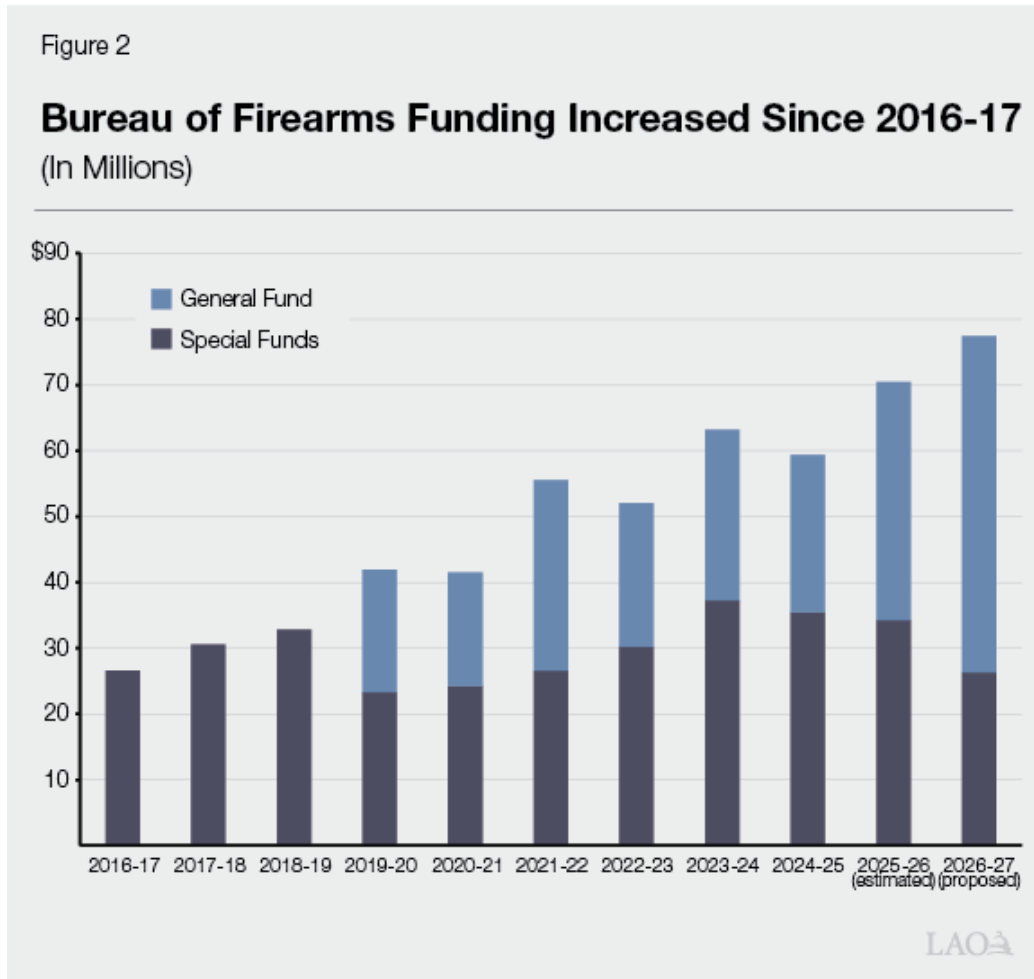
Panel

- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Allison Mendoza, Director, Bureau of Firearms, Department of Justice
- Drew Soderborg, Legislative Analyst's Office
- Mark Jimenez, Department of Finance
- Victoria Chin, Department of Finance

Background

Bureau of Firearms (BOF) Primarily Responsible for Regulating and Enforcing State's Firearm and Ammunition Laws. DOJ's BOF is primarily responsible for the regulation and enforcement of the state's firearm and ammunition laws. This includes conducting background checks for people seeking to purchase firearms and ammunition, licensing firearm and ammunition vendors, and administering various other firearm and ammunition programs. BOF engages in various activities related to these responsibilities. For example, BOF has enforcement teams who are primarily responsible for investigating the illegal purchase or possession of firearms and ammunition, as well as seizing them from people who are prohibited from owning or possessing them.

Overall BOF Funding and General Fund Support Increased Over Past Decade. As shown in Figure 2, support for BOF has increased over the past decade from \$26.6 million in 2016-17 to \$70.4 million in 2025-26—an increase of \$43.8 million (or 165 percent). During this period, BOF also shifted from being fully supported by various special funds and began receiving General Fund support in 2019-20. Of the total \$70.4 million provided to BOF in 2025-26, \$36.2 million (or 51 percent) was from the General Fund and \$34.2 million (or 49 percent) was from various special funds. A large portion of the General Fund support is used to support the Armed and Prohibited Persons System (APPS) enforcement teams, which seize firearms from people prohibited from owning or possessing them. Support for these teams was fully shifted over to the General Fund as part of the 2019-20 budget package. In the past couple of years, the General Fund—rather than special funds—have been used to support the costs of implementing some new firearm-related legislation and workload. (CJIS separately receives millions of dollars annually from several fund sources to maintain and update various databases needed to support BOF's activities.)



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

DROS Special Account Is the Primary Special Fund Supporting BOF. The DROS Special Account is the primary special fund supporting BOF activities. This is because it receives the most fee revenue. Additionally, the statutorily permissible uses of the fund are quite broad. Specifically, the DROS Special Account may generally be used to offset DOJ’s reasonable costs of firearm-related regulatory and enforcement activities pertaining to the sale, purchase,

manufacturing, lawful or unlawful possession, loan, or transfer of firearms. DROS Special Account revenues often fluctuate from year to year, generally reflecting changes in fee levels and the number of firearms sold. DROS Special Account expenditures routinely exceeded revenues prior to 2019-20—resulting in the decline of the fund balance. To help ensure sufficient revenues would be available to support BOF workload, Chapter 736 of 2019 (AB 1669, Bonta) enabled DOJ to increase the DROS fee charged from \$19 to \$31.19. For a couple years after this fee increase, revenues generally exceeded expenditures—thereby allowing the fund balance to steadily grow. However, beginning in 2022-23, expenditures began outpacing revenues, shrinking the fund balance. The Governor’s budget estimates that the DROS Special Account will be insolvent in 2026-27 if no action is taken.

Governor’s Proposal

The Governor’s budget proposes \$20.4 million General Fund in 2026-27 (decreasing to \$259,000 ongoing beginning in 2029-30) to support DOJ firearm workload. This includes the three proposals described below.

Continuation of the Firearms Information Technology Systems Modernization (FITSM) Project. The budget includes \$11.2 million one-time General Fund in 2026-27 to continue the FITSM project. This project would replace 17 existing firearm and ammunition databases and systems.

Staff Comment. April 1 Spring Finance Letters propose the following technical changes to the FITSM proposal: Item 0820-001-0001 be amended by the following one-time amounts to reflect a net-zero technical adjustment to the proposal included in the Governor’s Budget. This adjustment also makes net-zero technical changes to display the administrative costs associated with the proposal.

Schedule (1) – Administration be increased by \$502,000

Schedule (2) – Administration - Distributed be decreased by \$502,000

Schedule (4) – Law Enforcement be decreased by \$8,792,000

Schedule (5) – California Justice Information Services be increased by \$8,792,000

Shift in BOF Costs to General Fund. To address an anticipated insolvency in the DROS Special Account, the budget proposes to shift \$8 million annually through 2028-29 in BOF costs from the DROS Special Account to the General Fund. This amount includes support for five units within BOF.

Chapter 591 of 2025 (SB 704, Arreguín). The budget proposes \$1.2 million General Fund in 2026-27 (decreasing to \$259,000 annually beginning in 2027-28) for the implementation of Chapter 591. Chapter 591 requires the sale or transfer of firearm barrels be completed in person by a licensed firearms dealer. As of July 2027, it also requires the licensed firearms dealer check that a purchaser is allowed to possess firearms and record certain information, such as the date of the purchase. It also directs DOJ require licensed firearms dealers charge a fee of up to \$5 per check (not to exceed actual processing costs). This fee may be increased annually by up to \$1 but may not exceed actual costs.

Legislative Analyst's Office (LAO)

The LAO provides the following analysis and recommendations:

Chapter 591 Envisioned Fee Revenue, Not General Fund, Support. As noted above, Chapter 591 included specific language requiring DOJ to direct firearm dealers to charge a fee with the goal of covering DOJ's costs to check that purchasers are permitted to possess firearms. As such, General Fund should not be provided to support this workload. Because these checks will not begin until July 2027, DOJ will have costs to implement Chapter 591—including updating its systems—prior to revenue being collected. It would be reasonable to provide a loan, such as from another firearm special fund with sufficient resources, to support this workload in the immediate term. This loan would then be repaid with collected fee revenue.

Special Funds Unable to Support BOF Costs... As noted above, the DROS Special Account is estimated to be insolvent in 2026-27 absent any action. The condition of the DROS Special Account would be even worse if it also supported all firearm-workload it could statutorily support that is currently supported by the General Fund. The four other special funds similarly would be unable to absorb BOF workload costs that are currently supported by the General Fund. This is because they face structural shortfalls in which expenditures exceed revenues, generally receive less revenue, or can only be used for a relatively narrow number of activities.

...Which Will Then Require General Fund Support in the Near Term... The constraints on the firearm special funds means that General Fund support will be needed, at least in the short run, to maintain DOJ firearm operations. Accordingly, the Governor's proposal to support FITSM costs from the General Fund is reasonable as the requested amount is only for 2026-27 and ensures that this necessary project continues uninterrupted. Similarly, the proposal to temporarily shift \$8 million in BOF costs from the DROS Special Account to the General Fund ensures that BOF operations will be maintained at current levels.

...Until the Insolvency of the DROS Special Account Is Permanently Addressed. The proposal to temporarily shift \$8 million in BOF support to the General Fund will not permanently address the underlying insolvency of the DROS Special Account. While shifting costs permanently to the General Fund could arguably address the issue, we note that more support could be needed as additional firearm-related legislation is enacted. Additionally, providing General Fund to support firearm-related workload will come at the expense of other General Fund priorities given the multiyear deficits facing the state.

State Typically Sets Fees to Support Regulatory or Enforcement Activities... The state typically establishes fees to fully support state entities' costs to license, regulate, and enforce laws within a particular industry. A key example is the state's licensing and regulatory activities for various professions—such as doctors, and accountants—overseen by the Department of Consumer Affairs (DCA). The entire \$757 million 2026-27 budget for DCA is proposed to be supported by fees charged to each profession. Such fees are regularly adjusted or approved by the Legislature as needed to cover increased workload and costs.

...But Recent U.S. Supreme Court Comment on Firearm Regulatory Fees Raises Questions About This Approach for Firearms and Ammunition. In June 2022, the U.S. Supreme Court issued a decision in the *New York State Rifle & Pistol Association v. Bruen* case that found laws requiring people provide “good cause” to carry a concealed weapon to be unconstitutional. As a result, states that want to regulate a person’s ability to carry concealed weapons (including California) must have “shall-issue” regulatory regimes, meaning such states are required to issue carry concealed permits to people seeking them if they meet nondiscretionary criteria. The decision included the following footnote: “Because any permitting scheme can be put towards abusive ends, we do not rule out constitutional challenges to shall-issue regimes where, for example, lengthy wait times in processing license applications or exorbitant fees deny ordinary citizens their right to public carry.” This footnote suggests that there may be a point where firearm regulatory fees become unconstitutionally high.

Concerns With DROS Special Account Insolvency Led to Greater Use of General Fund... As shown in Figure 2, support for BOF followed a fee-based funding structure through 2018-19, with all BOF costs supported by special funds. This changed in 2019-20 when the state decided to shift full support for the APPS Program from the special funds to the General Fund, in part to address the solvency of the firearm special funds. With the passage of Chapter 736 to increase the fee deposited into the DROS Special Account, the Legislature took steps to shift more of the cost of BOF back onto special funds. Despite that action, DOJ firearm-related costs stemming from increased workload, newly enacted legislation, and the FITSM project continued to push the fund toward insolvency. This looming insolvency of the DROS Special Account has led to DOJ increasingly requesting General Fund resources to support firearm-related workload that can statutorily be supported by the special funds. In 2026-27, the Governor’s budget projects that two-thirds of support for BOF will come from the General Fund.

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

...Suggesting State May Want to Examine Its Regulatory Fee Structure, Particularly Given Limited General Fund Capacity for Ongoing Commitments. The inconsistencies in how the state supports current firearm workload and the changing legal landscape suggests the state may want to examine its regulatory fee structure to more consistently determine what regulatory and enforcement activities should be supported by regulatory fees versus the General Fund. This would then help the Legislature determine the appropriate fee levels for existing and future

costs. This is especially critical given the multiyear deficits facing the state that leave no capacity for new ongoing commitments, meaning any additional General Fund provided for firearms regulation would likely require reduced spending for other existing state programs. For example, FITSM will require significant resources—potentially in the hundreds of millions of dollars—in the coming years to be completed. To the extent that fees are available to support BOF activities, it would minimize the need for General Fund resources. To the extent fee revenues are not available to support DOJ's firearm-related workload, General Fund could be necessary—but would come at the cost of other budget priorities.

Recommendations

Modify Chapter 591 Proposal to Support It With a Loan and Fee Revenue. We have no concerns about the amount requested by DOJ to implement Chapter 591. However, rather than providing General Fund to support its costs, we recommend the Legislature modify the proposal to support it from the DROS Special Account. Eventually, revenue from the \$5 fee created by Chapter 591 should be sufficient to allow the DROS Special Account to support these costs. In the near term, however, we recommend that the Legislature also modify the proposal to support the initial costs of Chapter 591 with a loan from the Firearms Safety and Enforcement Special Fund. This special fund has a sufficient fund balance to support such costs in the coming year and can await repayment from the DROS Special Account until sufficient fee revenues are collected.

Approve FITSM Request. We recommend the Legislature approve the Governor's proposal for \$11.2 million in one-time General Fund support to continue the FITSM project. This will ensure that this necessary project remains uninterrupted.

Modify Proposal to Shift BOF Support to General Fund. We recommend the Legislature modify the Governor's proposal to shift \$8 million in BOF costs from the DROS Special Account to the General Fund annually through 2028-29. Specifically, we recommend approving this shift for only one year. Additionally, given the fiscal difficulties facing the state, the Legislature could consider providing the General Fund as a loan. When and how this loan would be repaid could be considered as part of the Legislature's deliberations on how to support firearm-related workload on an ongoing basis. Such an action would ensure that existing BOF operations are maintained while the Legislature weighs its options for how to support firearm-related workload moving forward. These options would be informed by the recommended framework we discuss in more detail in the following section. These options would also address the long-term solvency of the DROS Special Account and other firearm and ammunition-related special funds.

Direct DOJ Provide a Framework for Determining What Workload Should Be Funded by Fee Revenues. We recommend the Legislature direct DOJ to provide a potential framework by January 10, 2027 for determining what firearm and ammunition workload should be funded by special fund fee revenues. In developing this framework, DOJ can evaluate its entire workload, the potential impact of FITSM and other actions that can help improve efficiency, and existing federal and state statute and case law. The framework should provide clear explanations for how the identified workload should be funded, the calculation of appropriate fee levels and how such calculations were reached, recommendations for how frequently the fees should be

adjusted and the process by which they should be adjusted, and any recommendations for statutory changes specifying the allowable uses for the special fund revenues. Such a report could help inform legislative decision-making on how such workload could be supported in the future.

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

Staff Recommendation: Hold Open.

Issue 5: Federal Accountability Workload and other Various Budget Proposals

The Department of Justice will provide an overview of their Federal Accountability Workload budget proposal.

Panel

- Ashley Harp, Assistant Director of Fiscal Operations, Department of Justice
- Danielle O’Bannon, Chief, Division of Public Rights, Department of Justice
- Christina Bull Arndt, Chief Counsel of Special Litigation, Department of Justice
- Mark Jimenez, Department of Finance
- Victoria Chin, Department of Finance
- Drew Soderborg, Legislative Analyst’s Office

Background

In the past year, the DOJ has filed over 50 lawsuits and more than 60 amicus briefs challenging the federal government, in addition to issuing dozens of comment letters and public guidance statements. DOJ’s federal accountability work in opposition to the Trump administration’s unlawful actions has been broadly successful in protecting California’s interests. DOJ has obtained orders protecting birthright citizenship, stopping the intrusion of federal limitations on voting rights, preventing the dissolution of federal agencies and programs (such as AmeriCorps, Health and Human Services, and the Institute of Museum and Library Services), stopping the federalization of the National Guard in Los Angeles and Portland, and protecting Supplemental Nutrition Assistance Program benefits for hungry Californians. Examples of DOJ’s actions in protecting California’s potential access to over \$175 billion of federal funding include:

- An action challenging the Trump Administration’s directive to freezing federal funding was successful in releasing \$168 billion in federal funds, or 34 percent of the State’s budget.
- DOJ litigation successfully stopped the unlawful revocation of medical and public health research funding through a cap on the amount of allowable “indirect costs,” which could have impacted over \$2 billion in grant funding to the University of California and the California State University.
- Litigation against the federal government’s unlawful termination of critical public health funding saved California a potential loss of roughly \$972 million that supports children’s vaccinations, emergency assistance, and substance use disorder prevention.
- An action challenging the federal government’s failure to disperse NIH grant funding resulted in the protection of \$5 billion of grants for California medical and public health research institutions.

- A challenge to the Department of Education’s unlawful rescission of prior agency actions preserved California’s access to over \$200 million of funding for school districts to support the academic recovery of students following the COVID-19 pandemic.
- DOJ litigation successfully stopped the Federal Highway Administration’s unlawful directive to withhold \$384 million of California funding that Congress approved for electric vehicle charging infrastructure.
- A lawsuit challenging an unlawful action to immigration assistance for transportation funding protected \$15.7 billion in grant funding for California roads, highways, railways, airways, and bridges.
- Rather than oppose the DOJ lawsuit, the federal administration released \$939 million of California funding for educational programs such as summer school, English learning, and adult education.

Governor’s Proposal

Federal Accountability Workload. The Governor’s Budget proposes \$10 million General Fund annually in 2026-27 through 2028-29 to address increased workload stemming from the current federal administration and federal actions that threaten the constitutional rights of Californians. In addition, funds previously authorized on an ongoing basis in the 2025 Budget Act will now be limited term through June 30, 2029.

In the 2024 Budget Act, DOJ received a one-time appropriation of \$5 million General Fund pursuant to SBX1-1. The entirety of the funding has been expended for purposes of litigation. The 2025 Budget Act provided DOJ with \$14.2 million and 44 positions in 2025-26 and \$13.9 million to support this critical workload. DOJ is also funded with \$2.5 million ongoing for litigation to defend against federal actions, originally provided in 2017-18. Based on actual workload in 2024-25, DOJ estimates that budgeted resources will fall significantly short of the Department’s needs. Specifically, from July 1, 2024, through June 30, 2025, DOJ expended 92,212 hours and approximately \$20.4 million on workloads associated with the current Federal Administration. This workload is anticipated to continue and grow on an ongoing basis beginning in FY 2025-26; therefore, the funding currently available (\$16.7 million in FY 2025-26) would not be sufficient to address ongoing costs. DOJ continues to monitor the workload and collaborate with the Department of Finance to address current year funding needs.

Various Non—Presentation Budget Proposals

1. Immigration Enforcement Policies (SB 580). The Governor’s Budget proposes \$238,000 General Fund in 2026-27 and \$229,000 General Fund in 2027-28 to implement the requirements of SB 580 (Chapter 670, Statutes of 2025) which requires the Attorney General to publish model policies relating to interaction with immigration enforcement, consistent with federal and state law. CAS already faces a significant backlog of more than 75 pending applications, some delayed two to three years past due. Processing each application typically requires 4 to 6

months, and the team has an additional 70 applications awaiting review. Contributing factors include repeated updates to the FBI's CJIS Security Policy, an expansion of security requirements from 400 to 700 questions for cloud-based products, and the extensive coordination with agencies and subject matter experts. In addition to these ongoing demands, the team has diverted limited resources to developing a new, streamlined CLETS application, further slowing progress on critical reviews and working sessions.

2. Criminal Procedure Discrimination (AB 1071). The Governor's Budget proposes \$2,651,000 General Fund in 2026-27 and \$2,572,000 General Fund in 2027-28 through 2029-30 to implement the requirements of Chapter 721, Statutes of 2025 (AB 1071). Beginning January 1, 2026, AB 1071 expands the right to discovery under the Racial Justice Act (RJA) to include persons who either (1) are incarcerated and are preparing a habeas petition or (2) are not incarcerated and are preparing to file a motion to vacate their conviction or sentence. Under the lower standards for appointment of counsel, newly appointed counsel may amend any pending petition to raise RJA claims. As a result, DOJ estimates that tens of thousands of individuals who were previously not eligible to seek RJA-related discovery before January 1, 2026 will now become eligible for this discovery.

DOJ will be required to appear in trial court proceedings more frequently to explain the meaning of and limitations of whatever data a petitioner is seeking. Discovery petitions that are granted will be appealed more frequently by petitioners or respondents, thus increasing the workload of DOJ's Division of Criminal Law. The number of habeas petitions will also increase once petitioners are armed with the discovery to support their claims. The workload increase is expected to begin in FY 2026-27 and continue for approximately four years. The majority of new petitions stemming from AB 1071 are expected to be adjudicated during this four-year period, after which workload will stabilize at lower levels as cases transition to new convictions rather than retroactive petitions. There is a possibility that it may also take longer for all of the RJA petitions to work their way through the appellate process; four years is reasonable starting estimate for these types of cases.

Staff Comment. The April 1 Spring Finance Letters propose the following technical changes:

Schedule (1) of Item 0820-001-0001 be increased by \$850,000 in 2026-27 and \$779,000 in 2027-28 through 2029-30; and

Schedule (2) of Item 0820-001-0001 be decreased by \$850,000 in 2026-27 and \$779,000 in 2027-28 through 2029-30 to make a net-zero technical adjustment to correctly display administrative costs associated with the proposal included in the Governor's Budget.

3. Online and App-Based Illegal Gambling Enforcement. The Governor's Budget proposes 3.0 new positions and an increase in Unfair Competition Law Fund (UCL) spending authority of \$1,073,000 in FY 2026-27 and \$1,048,000 ongoing, to conduct investigations and litigation against illegal online and app-based gambling operations and their providers, and provide external consultants as required by the investigations. Online illegal gambling schemes have proliferated in California due to lack of enforcement against the online providers. This lack

of enforcement results from a lack of funding for this work. Currently, the Department's Native American and Tribal Affairs Section (NATA) within the Public Rights Division, is primarily funded by special funds—the Indian Gaming Special Distribution Fund (IGSD, Fund 0367) and the Gambling Control Fund (GCF, Fund 0567)—neither of which can be used presently to support illegal gambling litigation.

In California, several types of gambling operations are considered illegal, particularly “online sweepstakes casinos,” which are entities that operate under the guise of a legal sweepstakes contest but are simply illegal gambling under another name. If funding is unavailable to bring enforcement actions against illegal gambling operations, these operations will proliferate to the detriment of both citizens and regulated gambling entities. As compared to regulated gambling in the State, these illegal operations routinely lack (1) adequate age verification to protect minors, (2) mechanisms to detect and prevent problem gambling, and (3) controls to ensure fair play and payment of winnings. Without enforcement, these illegal operations will become more prevalent and blur the line between legal gambling in the State, which has these consumer protections, and illegal gambling, which does not.

4. California Artificial Intelligence Transparency Act (AB 853). The Governor's Budget proposes a permanent augmentation of 4.0 positions and Unfair Competition Law Fund spending authority of \$1,210,000 in 2026-27 and \$1,176,000 ongoing to enforce the requirements of the California AI Transparency Act (Assembly Bill 853, Chapter 674, Statutes of 2025), which imposes significant new requirements on online platforms, capture devices, and AI companies related to the provenance of image, video, and audio content. According to the DOJ, it currently lacks the legal and technical resources necessary to evaluate AI-generated disclosures, detect non-compliance, and investigate deceptive or misleading AI practices at the scale required by AB 853.

Among its provisions, AB 853 requires companies that use generative AI systems or operate large online platforms to disclose when digital content has been created or altered by AI. Because these requirements create new consumer-protection obligations, DOJ will be responsible for monitoring compliance and enforcing violations under its existing Unfair Competition Law (UCL) authority. Beginning January 1, 2027, the bill requires a large online platform, as defined, to detect whether any provenance data that is compliant with widely adopted specifications adopted by an established standards-setting body is embedded into or attached to content distributed on the large online platform. The law also requires, beginning January 1, 2028, a capture device manufacturer, with respect to any capture device the capture device manufacturer first produced for sale in the state on or after January 1, 2028, to provide a user with the option to include a latent disclosure in content captured by the capture device that conveys certain information, including the name of the capture device manufacturer.

5. Device Protection Requests (SB 50). The Governor's Budget proposes 1.0 position and \$175,000 General Fund in 2026-27 and \$167,000 in 2027-28 and ongoing to address the increased victim services requirements outlined in Senate Bill 50 (Chapter 676, Statutes of 2025). SB 50 establishes new obligations for connected-device account managers, as defined, to terminate or restrict a perpetrator's access within two business days of a verified protection

request. This new mandate directly increases workload for DOJ's Victim Services Unit (VSU), which provides statewide assistance to survivors under Penal Code section 13835.5.

VSU currently assists more than 2,700 victims annually and responds to approximately 600 technology-related inquiries statewide. The expansion of survivor eligibility and the new two-day statutory deadline under SB 50 are expected to substantially increase requests for support and documentation verification, particularly for individuals lacking legal representation.

6. Pharmacy Benefit Managers (SB 41). The Governor's Budget proposes an augmentation of 3.0 positions (2.0 Deputy Attorneys General, and 1.0 Legal Secretary) and Public Rights Law Enforcement Fund spending authority of \$883,000 in FY 2026-27, and \$858,000 ongoing to support the implementation and enforcement of Senate Bill 41. Among other provisions, the bill authorizes the Attorney General to recover specified civil penalties and obtain equitable relief for violations of pharmacy benefit manager (PBM) licensing provisions. The bill also requires a contract between a health insurer and a PBM issued, amended, or renewed on or after January 1, 2027, or the date on which the Department of Managed Health Care (DMHC) has established the PBM licensure process, whichever is later, to require the PBM to be licensed and in good standing with the DMHC.

7. Social Media Warning Labels (AB 56). The Governor's Budget proposes \$595,000 Unfair Competition Law (UCL) Fund in FY 2026-27, and \$581,000 UCL Fund ongoing, and 2.0 positions to support enforcement and compliance activities under existing authority related to the requirements of Assembly Bill 56 (Chapter 671, Statutes of 2025), which requires social media platforms to warn users regarding the association of social media use with significant mental health harms in young users.

AB 56 establishes new social-media requirements, and enforcement is expected will fall to DOJ under existing authority to pursue violations of the Unfair Competition Law (UCL) and related consumer protection statutes. The enactment of this new legislative mandate on social media platforms imposes an obligation on the Attorney General to investigate, and where warranted, bring enforcement actions under the Unfair Competition Law and related consumer-protection statutes, when platforms fail to comply with the new warning-label requirements. It is anticipated that the cases will involve complex technical investigations. Expert witnesses with a background in computer science and related fields will be needed to assist with building and prosecuting the cases. DOJ expects that these investigations will require multiple experts with potential hourly rates ranging from \$500 to \$1,000 (or greater) and providing approximately 150 to 300 hours of work per year, for a total of \$150,000 a year.

8. Transparency in Frontier Artificial Intelligence Act (SB 53). The Governor's Budget proposes a permanent augmentation of 8.0 positions and General Fund spending authority of \$2,204,000 in FY 2026-2027 and \$2,137,000 ongoing for the implementation of the Transparency in Frontier Artificial Intelligence Act (TFAIA) (SB 53), including the review of whistleblower complaints, publication of a legislative report, and enforcement of the Act's requirements. SB 53 establishes a first-in-the-nation framework providing regulatory oversight for the development and use of frontier artificial intelligence (AI) models. The Act establishes disclosure and reporting requirements applicable to the developers of frontier AI models to guard

against catastrophic and other harms. SB 53 charges the Attorney General with the exclusive and ongoing authority to enforce these provisions and requires the Attorney General to accept whistleblower reports and prepare an annual report to the Legislature regarding those reports. DOJ states that external consultants with deep technical expertise will be needed to assist with investigations and enforcement actions under SB 53. The anticipated costs of these external consultants is \$250,000, based on similar/current consultant costs.

Staff Recommendation: Hold Open.

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