

In Print Budget Bills as of June 26, 2026

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SUMMARY

Amends AB 109, the 2026 Budget Act, to implement the 2026 budget package, as agreed upon between the Governor and the Legislature.

Major Provisions

Specifically, this bill includes the following major changes to AB 109:

K-12 Education

- 1) Adjusts funding for the Expanded Learning Opportunities Program to ensure that the Rate 2 local educational agencies receive at least \$1,800 per pupil.
- 2) Establishes the Office of the Superintendent of Public Instruction, and shifts \$1.5 million from the Department of Education to the Office of the Superintendent of Public Instruction. Shifts \$934,000 and ongoing positions from the State Board of Education to the Department of Education in 2026-27, with \$1.9 million and ongoing positions beginning in 2027-28.
- 3) Appropriates \$1 billion Proposition 98 General Fund ongoing for Community Schools.
- 4) Appropriates \$5 million General Fund on a one-time basis to Save the Children.
- 5) Appropriates \$5 million Proposition 98 General Fund for University of California, San Francisco Dyslexia Center for the Multitudes reading difficulties screener.
- 6) Provides \$5.5 million one-time Proposition 98 General Fund for online educational resources.
- 7) Re-appropriates Proposition 98 General Fund for various programs, including community schools, the discretionary block grants, support for students experiencing homelessness, kitchen infrastructure and training grants, technical assistance for local educational agencies to implement alternative pathways to diplomas, among other priorities.
- 8) Makes various technical adjustments and aligns appropriations with available federal fund authority.

Higher Education

- 9) Includes \$7.5 million one-time General Fund for the UC/CSU Collaborative for Neuroscience, Diversity and Learning.
- 10) Includes \$15 million one-time General Fund for the UC Berkeley Journalism Fellowship program.
- 11) Includes \$3.3 million one-time General Fund to support the UC Central Coast PRIME program.

- 12) Includes \$20 million one-time General Fund to support basic needs, housing, and disability services at the UC.
- 13) Includes \$1.4 million one-time General Fund to support the UC Berkeley Institute of Governmental Studies Local Digitization Project.
- 14) Includes \$750,000 one-time General Fund for UC Berkeley to support AAPI Data Research.
- 15) Includes \$200,000 one-time General Fund to support the UCLA Bruin One Access as a State-CalFresh Enrollment Accelerator.
- 16) Includes \$10 million one-time General Fund to support the UC Climate Change Research Institute.
- 17) Includes \$5 million one-time General Fund to support UC Degree Plus.
- 18) Includes \$5 million one-time General Fund to support Career Online High School.
- 19) Adjust the Proposition 98 split funding between TK-12 and the California Community Colleges (CCC) to 88.9% for TK-12 and 11.1% for CCC.
- 20) Beginning in 2026-27, includes \$47.7 million ongoing Proposition 98 General Fund to allow credit for Full Time Equivalent Students (FTES) to be calculated using the higher of the three-year average or the amount in the current year.
- 21) Includes an additional \$63.8 million ongoing Proposition 98 General Fund to support a total of 2.5 percent enrollment growth at the California Community Colleges.
- 22) Includes a \$35 million one-time Proposition 98 General Fund to support Dream Resource Centers at the California Community Colleges, of the total \$70 million one-time for this program.
- 23) Includes \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers, of the total \$30 million one-time for this purpose.
- 24) Includes \$30.1 million ongoing Proposition 98 General Fund to provide a 5.74 percent COLA to the Student Equity and Achievement Program at the California Community Colleges.
- 25) Includes \$42.6 million one-time Proposition 98 General Fund to support the California Indian Nations College.
- 26) Includes a reappropriation of \$117.4 million one-time Proposition 98 General Fund for Deferred Maintenance, for a total of \$120.7 million.
- 27) Includes an additional estimated \$166.9 million General Fund to support the Middle Class Scholarship Program for 2026-27 academic year awards. This funding level translates into 23.07% award levels.
- 28) Augments the Golden State Teacher Grant program with an additional \$10 million one-time General Fund for the 2027-28 grant cycle.

Resources

- 29) Appropriates \$6.75 million General Fund ongoing for the California State Parks Library Pass Program.
- 30) Provides \$17.5 million State Park and Recreation Fund expenditure authority ongoing to the Department of Parks and Recreation for purposes of covering estimated invoice costs related to the new Reservation System Agreement with the department's contractor.
- 31) Reappropriates \$1 million General Fund to the State Water Resources Control Board for the City and County of San Francisco, Department of Public Works project, Sunset Boulevard Recycled Water Irrigation Improvement.
- 32) Reappropriates \$10 million General Fund to the Wildlife Conservation Board for Point Reyes conservation projects that will enhance coastal wetland resilience, restore Tule Elk habitat and native vegetation, and improve public access.
- 33) Appropriates \$6 million General Fund to the California Department of Fish and Wildlife for Delta-based decontamination control sites to prevent the spread of invasive Golden Mussels.
- 34) Appropriates \$1.4 million General Fund to the California Natural Resources Agency for the treatment of algae blooms in Discovery Bay.
- 35) Appropriates \$2 million General Fund to the California Department of Fish and Wildlife to support recovery of the Mojave Desert Tortoise, which is officially listed as endangered under the California Endangered Species Act.
- 36) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 60.1 FTEs at the Department of Fish and Wildlife, 15 FTEs (\$2.9 million Special Fund) at the Department of Pesticide Regulation, 29 FTEs (\$5.7 million Special Fund) at the State Water Resources Control Board, 75.1 FTEs (\$10.6 million Special Fund) at the Department of Toxic Substances Control, 9 FTEs (\$1.2 million Special Fund) at the Department of Resources Recycling and Recovery, and seven FTEs (\$1.3 million Special Fund) at the Public Utilities Commission. Pursuant to Control Section 4.12, DOF will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.

Energy, Utilities, and Air Quality

- 37) Appropriates \$135.5 million (\$20.5 million from the Air Pollution Control Fund and \$115 million from the Greenhouse Gas Reduction Fund) for light-duty zero-emission vehicle incentives at the California Air Resources Board.
- 38) Appropriates \$135.5 million from the Air Pollution Control Fund for medium- and heavy-duty zero-emission vehicle incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Project at the California Air Resources Board.
- 39) Appropriates \$17 million from the Enhanced Fleet Modernization Subaccount annually for five years for the districts participating in the Clean Cars 4 All program at the California Air Resources Board.

- 40) Appropriates \$963,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund for the implementation of SB 59 (Skinner), Chapter 765, Statutes of 2024 at the California Energy Commission.
- 41) Appropriates \$579.9 million from the Universal Lifeline Telephone Service Trust Administrative Committee Fund for the Lifeline program at the California Public Utilities Commission. This appropriation can be adjusted up to \$664.9 million if enrollment reaches 1,950,000.
- 42) Appropriates \$2 million from the General Fund to the California Energy Commission for heat pump incentives.
- 43) Appropriates \$150 million from the General Fund for the Community Air Protection Program at the California Air Resources Board.
- 44) Reappropriates various appropriations from the Greenhouse Gas Reduction Fund.
- 45) Repeals \$54,000 for wildcatting enforcement at the California Public Utilities Commission.

Health

- 46) Reflects \$575 million General Fund savings in 2026-27, \$2.3 billion in 2027-28 and 2028-29, and \$1.7 billion in 2029-30, as a result of the reauthorization of a new, federally compliant tax on managed care organizations.
- 47) Reflects \$471.6 million General Fund savings in 2026-27 from the transition of Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) from managed care to fee-for-service.
- 48) Appropriates \$39 million to support care coordination resources and clinic and community-based organization navigators to support UIS beneficiaries as they transition from managed care to fee-for-service.
- 49) Reflects General Fund costs of \$1 billion to delay the elimination of prospective payment system reimbursement for community clinics for services provided to Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) until July 1, 2027.
- 50) Reflects General Fund costs of \$303.2 million to delay the transition of certain immigrant populations (e.g. asylees, victims of human trafficking, etc) to restricted scope Medi-Cal until July 1, 2027.
- 51) Allocates \$250 million General Fund to the Department of Health Care Services (DHCS) to support designated public hospitals.
- 52) Allocates \$196.9 million General Fund to DHCS to support county administration workload for the Medi-Cal program.
- 53) Allocates \$10 million General Fund in 2026-27, and \$8 million General Fund in 2027-28 and 2028-29, to HCAI to support a gender affirming care provider network stabilization and uncompensated care grant program.

- 54) Allocates \$7.7 million General Fund to DHCS to support bridge funding for congregate living health facilities.
- 55) Reflects General Fund costs of \$360.8 million to delay elimination of dental benefits in Medi-Cal for the UIS population, until July 1, 2027.
- 56) Reflects General Fund costs of \$258.2 million to delay elimination of Proposition 56 supplemental provider payments for dental services in Medi-Cal, until July 1, 2027.
- 57) Allocates \$400,000 General Fund to DHCS to support application assistance for Program for All-Inclusive Care for the Elderly (PACE) beneficiaries.
- 58) Allocates \$5 million General Fund to DHCS to support a severe schizophrenia pilot program.
- 59) Reflects \$68.3 million General Fund savings from reforms to enhanced care management and community supports services in Medi-Cal.
- 60) Rejects the Governor's proposal to cap Medi-Cal reimbursement rates for PACE, resulting in General Fund costs of \$33.7 million in 2026-27 and \$84.9 million ongoing.
- 61) Rejects the Governor's proposal to eliminate acupuncture benefits in the Medi-Cal program, resulting in General Fund costs of \$5.4 million in 2026-27 and \$13.1 million ongoing.
- 62) Redirects \$35.4 million of Opioid Settlements Fund to offset General Fund expenditures in the Medi-Cal program.
- 63) Appropriates \$42.2 million General Fund to continue the community-based mobile crisis services benefit in Medi-Cal until June 30, 2027.
- 64) Allocates \$30 million General Fund one-time to support rate increases for private duty nursing in the Medi-Cal program.
- 65) Allocates \$7.7 million General Fund one-time to support rate increases for congregate living health facilities.
- 66) Allocates \$113.3 million General Fund to the Department of Public Health (CDPH) to support critical public health information technology systems.
- 67) Appropriates \$30 million General Fund over five years to CDPH to support Sickle Cell Disease Centers for Excellence.
- 68) Allocates \$10 million General Fund to CDPH to support LGBTQ+ community centers.
- 69) Allocates \$3.5 million General Fund to CDPH to support amyotrophic lateral sclerosis (ALS) wraparound services.
- 70) Appropriates \$500,000 General Fund to support a rate study for ground ambulance services at the Emergency Medical Services Authority (EMSA).

- 71) Appropriates \$5 million General Fund to the Department of Health Care Access and Information (HCAI) to support physician access and workforce development in shortage areas.
- 72) Appropriates \$30 million General Fund to HCAI to support an uncompensated care program for abortion services.
- 73) Appropriates \$10 million General Fund to HCAI to support the Abortion Practical Support program.
- 74) Appropriates \$750,000 General Fund to HCAI to support implementation of a study of midwifery education and training.
- 75) Allocates \$90 million General Fund to support grants to distressed hospitals, and authorizes the Department of Finance to augment the grant program by up to \$50 million.
- 76) Allocates \$10 million General Fund to HCAI to establish a health care access stability unit to evaluate hospitals' strategic importance to their communities to assist policymakers to maintain access to critical services in the event of a hospital's financial distress.
- 77) Allocates \$15 million General Fund to HCAI to support workforce training and expansion for promotoras.
- 78) Allocates \$15.5 million General Fund to HCAI to support the procurement of low-cost epinephrine pens and tuberculosis drugs through CalRx.
- 79) Appropriates \$3.9 million General Fund to support dental health services for patients at Department of State Hospital Metropolitan (DSH-Metropolitan) and at Department of State Hospital Patton (DSH-Patton).
- 80) Includes \$1.8 million General Fund for the preliminary plans phase of the DSH-Patton's Electrical Infrastructure Upgrade project.
- 81) Includes \$19.6 million to support patient-related operating expenses, specifically in the areas of utilities, pharmaceuticals, foodstuffs, and outside medical.
- 82) Includes \$469,000 General Fund to conduct an analysis and report to the Legislature on the feasibility of establishing transitional housing facilities pursuant to SB 380 (Jones), Chapter 581, Statutes of 2025.
- 83) Reflects savings of \$102.2 million related to Incompetent to Stand Trial solutions and infrastructure grant funding.
- 84) Includes \$27.6 million General Fund and a reappropriation of up to \$6.3 million from the 2024 Budget Act to support the first year of implementation for the Continuum Electronic Health Record System project.
- 85) Includes provisional language to provide DSH with limited Public Contract Code exemption authority for two years for contracts associated with online services and subscriptions providing health care or pharmaceutical information.

- 86) Reverts \$50.4 million and appropriates \$58.1 million Public Buildings Construction Fund for the construction phase of the Central Utility Plant Replacement Project at DSH-Metropolitan, a net increase of \$7.7 million.
- 87) Reverts \$20 million unspent General Fund from the 2024 Budget Act.
- 88) Shifts \$10.3 million from General Fund to Behavioral Health Services Act (BHSA) Behavioral Health Workforce Initiative reimbursement to support an existing workforce development program, and appropriates \$3.8 million in BHSA reimbursement to add an additional Psychiatric Technician Apprenticeship.
- 89) Restores \$16.7 million of expenditure authority from the Behavioral Health Services Fund for the Commission for Behavioral Health's Innovation Partnership Fund and for advocacy contracts.
- 90) Appropriates \$300 million from the Health Care Affordability Reserve Fund to support premium subsidies for consumers in the Covered California health benefit exchange.

Human Services

- 91) Appropriates \$228 million General Fund for the expansion of 22,770 new child care spaces in 2026-27. Of the 22,770 new child care spaces, 20,700 are voucher spaces and 2,070 are General Child Care spaces. Includes \$41.4 million General Fund to backfill approximately 3,430 of the approximately 6,800 child care spaces, previously funded with Proposition 64 and federal funds, proposed to be eliminated by the Governor. Relative to the Governor's May Revision, the budget includes a total of 26,200 additional child care spaces. This brings the ongoing child care expansion to approximately 149,400 new funded child care spaces above 2020-2021 levels.
- 92) Includes provisional language that allows the California Department of Social Services (CDSS) to use up to 15 percent of funds appropriated to expand General Child Care spaces to fund minor repairs, infrastructure upgrades, and other readiness activities for childcare and development programs. Appropriates an additional \$2 million General Fund for CDSS state operations to support development of the infrastructure set-aside and other activities to maximize existing child care funding.
- 93) Appropriates \$70 million to child care agencies for administration and support costs associated with implementing ongoing provisions of the Memorandum of Understanding with Child Care Providers United. Requires this amount to be allocated to each program proportionally based on each program's total contract amount.
- 94) Appropriates \$223 million General Fund one-time to augment county CalFresh administration to implement the time limit for Able Bodied Adults Without Dependents under H.R. 1 and to help eligible people maintain access to CalFresh. Funds allocated pursuant to this provision are available for encumbrance or expenditure through June 30, 2029.
- 95) Appropriates \$20 million General Fund one-time for the CalFresh Fruit and Vegetable Pilot Program.
- 96) Appropriates \$15 million on a one-time basis for the Bringing Families Home program.

- 97) Appropriates \$10 million on a one-time basis for the CalWORKs Housing Support Program.
- 98) Appropriates \$10 million on a one-time basis to the Southern Central Coast Regional Network Hub for Immigrant Families.
- 99) Reappropriates up to \$6.1 million from the Budget Act of 2022 and appropriates an additional \$392,000 General Fund one-time for child welfare child-specific funding to support enhanced care planning and service navigation to access care in the least restrictive setting for adoptive children and their families and to prevent reentry into the foster care system.
- 100) Reappropriates unspent funds from the Budget Act of 2025 for the CalWORKs Housing Support Program.
- 101) Appropriates \$1 million for automation associated with Federal Children's Savings Accounts.
- 102) Appropriates \$4.75 million to the Department of Developmental Services (DDS) as placeholder funds for development of a standard needs assessment.
- 103) Appropriates \$2.4 million one-time for the Special Education Parent Action Network.
- 104) Appropriates \$4 million for Feeding San Diego.
- 105) Appropriates \$710,000 for Meals on Wheels San Diego County.
- 106) Appropriates \$1.5 million for Every Day Action for infrastructure, vehicles, and operations.
- 107) Appropriates \$1.33 million for the San Diego Food Bank.
- 108) Appropriates \$2 million for Centro La Familia for immigrant support services.
- 109) Appropriates \$25 million for the Child Mind Institute.
- 110) Appropriates \$1.5 million to strengthen the Community Assistance, Recovery, and Empowerment (CARE) Act referral and petition pipeline. Funding may be used for, including, but not limited to, training and support for first responders, homeless outreach workers, and street medicine teams.
- 111) Makes other technical and conforming changes.

General Government

- 112) Includes, for the Department of Veteran's Affairs, \$9 million General Fund for cemetery operations in Orange County, \$7 million general fund for grants related to the Support to Self Reliance program, and \$2 million general fund for grants related to support the Veterans Military Discharge upgrade program.
- 113) Allows for transfer of \$1.7 million General Fund to the State Athletic Commission Fund under the State Athletic Commission.

- 114) Allows for transfer of \$4 million General Fund to the Horse Racing Fund under the California Horseracing Board for partial fee relief.
- 115) Appropriates \$23 million General Fund for the Enteric Fermentation Incentive Program as well as extending the encumbrance period for \$1.5 million in prior appropriated administrative funds.
- 116) Appropriates \$1.5 million General Fund to the State Controller for the Unclaimed Property Program.
- 117) Includes \$14.3 million Public Buildings Construction Fund for preconstruction work related to 1021 O Street and also clarifies that Department of General Services shall not begin any portion of physical construction or otherwise interfere with current operations within the 1021 O Street Building until the execution of a written agreement between the Joint Rules Committee, Department of Finance, and the Department of General Services on the future use of the 1021 O Street Building.
- 118) Includes \$1.3 million Public Buildings Construction Fund for preconstruction work related to the O Street State Parking Garage.
- 119) Includes, for the Secretary of State, \$29 million General Fund for vote counting processes, \$5 million General Fund for voter outreach and education by a schedule set by the Department of Finance, \$5 million General Fund in voter outreach and education support without such schedule, and \$250 thousand General Fund for supporting and strengthening administration of the November 3, 2026 statewide election.
- 120) Allows, subject to notification provisions to the Joint Legislative Budget Committee, for an augmentation of up to \$22 million general fund to the Department of Technology for the Middle Mile Broadband Initiative. Includes provisional language for quarterly reporting, and a revised Middle-Mile Broadband Network Business Plan to be submitted on or before February 1, 2027.
- 121) Includes \$2.5 million General Fund for the Department of Food and Agriculture for a Managed Honeybee Health Program.
- 122) Includes \$1.8 million General Fund for the Actor's Gang Prison Project.
- 123) Includes \$5 million General Fund for the Arts Council related to support for LA28 related arts and cultural programming.
- 124) Includes \$1.5 million General Fund for the Commission on the Status of Women and Girls to implement Women's Wealth Working Group and Gender Equity Summits.
- 125) Includes \$5 million General Fund for the Arts Council for Protagonist Black, which seeks to foster books-in-homes for marginalized communities.
- 126) Includes \$1 million General Fund for the Blue Ribbon Commission related to the development of a California Department of Youth Sports.
- 127) Includes \$80 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono.

- 128) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 20 FTEs (\$2.8 million Special Fund) at the Department of Food and Agriculture. Pursuant to Control Section 4.12, DOF will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.
- 129) Appropriates \$1.4 million in General Fund to fund CalExport, a newly-named international trade and export promotion program within the Governor's Office of Business and Economic Development (GO-Biz).
- 130) Provides \$2 million to GO-Biz to support infrastructure and facility modernization at the Urban Business Resource Center.
- 131) Appropriates \$1.5 million to GO-Biz for the INDSTRY Workforce Development Initiative.
- 132) Provides \$1 million to GO-Biz for California Fringe.
- 133) Appropriates \$12 million to GO-Biz for the Performing Arts Equitable Payroll Fund.
- 134) Provides \$3 million to the Governor's Office of Land Use and Climate Innovation (GO-LCI) for the Central Coast Community Resilience Hub Accelerator.
- 135) Appropriates \$5 million to the Governor's Office of Service and Community Engagement (GO-Serve) for the California Men's Service Challenge.
- 136) Provides \$5 million to GO-Serve for the Reading Corps and Math Corps.
- 137) Adjusts the administrative funding for the California College Corps program to correct technical errors.
- 138) Appropriates \$5 million to GO-Serve for the California Student Success Coach Grant Program.
- 139) Provides \$10 million to GO-Serve for City Year.

Housing and Homelessness

- 140) Appropriates \$500,000 to the Housing and Community Development Department for the Orange County United Way for a regional pilot program to build more online awareness about affordable housing opportunities.
- 141) Transfers 14 positions and \$1.5 million from the Housing and Community Development Department (HCD) to the Housing Development Finance Committee (HDFC) for administration of affordable housing funding programs.
- 142) Provides \$3.9 million to HCD for the Alliance for Community Empowerment.
- 143) Appropriates \$500,000 to HCD for the Napa County Housing Authority.
- 144) Specifies that any expenditures over \$10 million for new program components in the Disaster Rebuilding Fund are only authorized after approval of an expenditure plan by

the Department of Finance and 30 days written notice to specified legislative committees and officials.

- 145) Transfers a total of 3 positions and \$682,000 in General Fund from the California Interagency Council on Homelessness (Cal-ICH) to the California Housing and Homelessness Agency (CHHA) and the Housing Development Finance Committee (HDFC).

Judiciary

- 146) Includes \$62.1 million General Fund and \$1.7 billion Public Building Constructions Fund authority for courthouse construction, and language to fund additional courthouses upon appropriation in 2027-28.
- 147) Maintains \$100 million General Fund for new judgeship costs and associated facility projects and \$150 million General Fund for deferred maintenance.
- 148) Includes provisional reporting language and a net-zero shift of Proposition 36 (2024) General Fund resources, to provide \$20 million for pretrial services, \$10 million for courts, and \$20 million for behavioral health.
- 149) Includes \$3.5 million General Fund to establish a Community Assistance, Recovery and Empowerment (CARE) Court Referral and Petition Pipeline and makes technical changes to CARE funding.
- 150) Provides \$2.2 million General Fund for trial court employee benefits.

Corrections

- 151) Restores \$81.2 million General Fund in operational savings at the California Department of Corrections and Rehabilitation.
- 152) Reduces additional funding for the Office of Inspector General from \$4.3 million to \$2 million General Fund.
- 153) Includes \$9.7 million General Fund for an honor housing unit at Cororan State Prison.
- 154) Modifies or removes various reporting requirements.
- 155) Removes language requiring an additional prison closure by 2027-28.

Public Safety

- 156) Includes provisional language related to the 9-1-1 system and the Next Generation 9-1-1 project, and appropriates State Emergency Telephone Number Account funding of up to \$2 million for an independent technical evaluation and \$1 million for an audit.
- 157) Includes a net-zero shift of \$4.2 million General Fund from Control Section 5.27 to the Department of Justice for federal accountability resources.

Transportation

- 158) Appropriates \$7.2 million from the State Highway Account to continue development of generative artificial intelligence (GenAI) for safer and smarter roadways at the California Department of Transportation.
- 159) Specifies \$15 million of the \$270 million appropriated from the Trade Corridor Enhancement Account for the Trade Corridor Enhancement Program at the California Department of Transportation shall be for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between the 105, 110, and 710 freeways.
- 160) Appropriates \$56 million from the Motor Vehicle Account for the design and development of the State-to-State Verification System at the Department of Motor Vehicles. The system shall not be activated for the purpose of transmitting or sharing data unless specifically authorized by statute prior to July 3, 2026.
- 161) Specifies state funds allocated to the Carl Moyer Memorial Air Quality Standards Attainment Program, the Port and Freight Infrastructure Program, the Solutions for Congested Corridors Program, the Clean Off-Road Equipment program, the Commercial Harbor Craft program, the Clean Truck and Bus Voucher Incentive Project, the Trade Corridor Enhancement Program, and the Clean Transportation Program shall not be allocated for the purchase of fully automated cargo handling equipment or for automation supporting improvements or replacements that are used to support fully automated cargo handling equipment.
- 162) Appropriates \$2 million from the General Fund to the California Department of Transportation for the City of Ventura for infrastructure improvements to Main Street consistent with parklet design.
- 163) Extends the liquidation period for \$300 million appropriated in the Budget Act of 2021 for the LOSSAN Corridor.
- 164) Corrects an error related to the fund source for the Clean California Program.
- 165) Reinstates provisional language regarding flexibility of funding to implement REAL ID at the Department of Motor Vehicles.

Labor and Workforce

- 166) Includes \$5 million one-time General Fund to support a Ports Workforce Training program.
- 167) Includes \$10.8 million one-time General Fund to support the Social Entrepreneurs for Economic Development (SEED) program.
- 168) Includes \$5 million one-time General Fund to support a Hospitality Training Academy.
- 169) Includes \$9 million ongoing Labor and Workforce Development Fund to support the Workers' Rights Enforcement Grant program at the Department of Industrial Relations.

- 170) Includes \$5 million one-time Labor and Workforce Development Fund to support a Jails 2 Jobs pilot program at the Department of Industrial Relations.
- 171) Includes \$30 million Labor and Workforce Development Fund annually for three years beginning in 2026-27 through 2028-29 to support the California Workplace Outreach Project program at the Department of Industrial Relations.
- 172) Includes \$1.35 million one-time Occupational Safety and Health Fund to support a Cal/OHSA Workforce Study at the Department of Industrial Relations.
- 173) Includes \$5 million one-time General Fund to support the Creating Restorative Opportunities and Programs (CROP) at the California Workforce Development Board.
- 174) Maintains 356.2 vacant FTEs (\$39.8 million Special Fund) at various departments, including 118 FTEs (\$11.6 million Special Fund) at the Department of Industrial Relations, 12 FTEs (\$1.9 million Special Fund) at the Department of Health Care Access and Information, 10 FTEs (\$1.8 million Special Fund) at the Department of Managed Health Care, and one position (\$111,000 Special Fund) at the Department of Tax and Fee Administration. Pursuant to Control Section 4.12, DOF will allocate the necessary adjustments to each item of appropriation and position authority to reflect the Legislature's rejection of vacant position eliminations.

Other

- 175) Includes a variety of one-time legislative priorities as part of the June 2026 budget agreement.
- 176) Makes a variety of other technical changes.
- 177) Makes other technical changes to various control sections.

COMMENTS

On June 15, 2026, the Legislature passed AB 109 (Gabriel), which represented the Legislature's budget. This bill, once enacted, would amend that bill to implement the budget changes needed to implement the 2026-27 budget agreement between the Governor and the Legislature.

The 2026-27 budget includes total spending of approximately \$351.7 billion, of which \$251.5 billion is from the General Fund.

According to the Author

This bill implements the 2026 budget agreement with the Governor.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The 2026-27 budget includes total spending of approximately \$351.7 billion, of which \$251.5 billion is from the General Fund. The budget includes over \$28.7 billion in total reserves, with \$15 billion provided in the Budget Stabilization Account.

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 26, 2026

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

FN:

SUMMARY

Amends Budget Acts of 2022, 2023, 2024, and 2025 to make technical and fiscal changes needed to implement the June 2026 budget package.

Major Provisions

Specifically, this bill:

1. Includes \$4.2 billion General Fund for the Medi-Cal program to adjust for current year 2025-26 expenditures, including the repayment of the Medical Providers Interim Payment Fund loan;
2. Reappropriates funds from a prior year to 2025-26 and makes net-zero intra-schedule transfers to address a current year deficiency within the California Department of Corrections and Rehabilitations (CDCR) budget. Specifically, this measure reappropriates \$99.3 million from 2023-24 to 2025-26 and makes intra-schedule transfers totaling \$139.1 million to address a budgetary shortfall in 2025-26. The shortfall is primarily driven by lump sum retirement payments, workers' compensation, and overtime;
3. Makes a technical adjustment to CDCR's budget to properly account for \$114 million in savings achieved through efficiency reductions pursuant to Control Section 4.05 in the Budget Act of 2024-25;
4. Includes a technical adjustment of \$1 million (federal funds) to align the Department of Developmental Services's Federal Trust Fund authority with funds available through their award grant. The change increases the amount from \$3 million to \$4 million;
5. Reappropriates \$8 million in General Fund from the 2025 Budget Act through June 30, 2028, for administrative costs associated with preparing for and implementing Round 7 of the Homeless Housing, Assistance, and Prevention (HHAP) program;
6. Amends the date enabling statute must pass in regards to the State-to-State project at the Department of Motor Vehicles;
7. Revises a 2025 appropriation for Kern County for the Meadows Field Airport;
8. Appropriates \$15.7 million Motor Vehicle Account in 2025-26 for operations and equipment at the California Highway Patrol;
9. Reappropriates \$14 million General Fund from the 2022-23 budget for projects consistent with the State's Natural and Working Lands Climate Smart Strategy and Pathways to 30x30 Strategy;
10. Moves \$20 million Prop. 4 that was previously appropriated in the 2025-26 budget for the Hollister Ranch Public Access Plan from local assistance to state operations;

11. Includes a provision in the 2025-26 budget to allow the Director of Finance to authorize expenditures to facilitate the use of emergency funding authority provide in the 2024 budget act for the Eaton and Palisades Fires in Los Angeles County for requests received by the Office of Emergency Services receive before June 30, 2026;
12. Amends the 2025-26 budget bill to include a reference for recording the amount of transfer of Section 20 of Article XVI of the California Constitution (Proposition 2 of 2014 transfer to the Budget Stabilization Account) and noting that transfer did not occur in the fiscal year. Including this reference allows for greater transparency in the budget bill; and
13. Includes technical changes, encumbrance extensions, and reappropriations of previous budget items.

COMMENTS

The bill amends four previous budget bills to make various changes necessary to implement the 2026 June Budget agreement. These changes include an adjustment to the 2025 budget act to reflect \$4.2 billion in unanticipated costs in the Medi-Cal program. This bill is intended to accompany AB 109, the 2026 Budget Act, which was passed on June 15, 2026 and either AB 111 or SB 111, which amends that act to implement the budget agreement between the Legislature and the Governor.

According to the Author

This bill amends previous budget acts to conform to actions taken in the 2026 June budget package.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill's costs are included in the overall fiscal scoring of the 2026 budget package. According to the Department of Finance, that package results in total General Fund expenditures of \$245.3 billion in 2025-26, which assumes the enactment of the budget bill changes contained in this bill.

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 26, 2026

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

FN:

SUMMARY

This is the Education Omnibus Trailer Bill, enacting the major education statutory provisions for the 2026-27 Budget Act, including Paid Pregnancy Disability Leave, Community Schools, the Student Support Discretionary Block Grant, and increased Special Education funding rates.

Major Provisions

- 1) Provides a discretionary \$500 million deposit Proposition 98 “Rainy Day” fund, the Public School System Stabilization Account in the 2025-26 fiscal year.
- 2) Pays off all Proposition 98 funding deferrals in the Budget Year.
- 3) Provides that 33% of any higher non-Proposition 98 and non-Proposition 2 General Fund tax revenues added to Department of Finance projections through the 2027 May Revision is appropriated to pay all or part of any unpaid Proposition 98 obligations for the 2025-26 fiscal year (currently projected to be \$3.9 billion). Any such funds would be transferred to the Proposition 98 reserve, as a discretionary deposit.
- 4) Adopts a 4.31 percent cost-of-living adjustment, above the statutorily required adjustment of 2.87 percent, for the Local Control Funding Formula for school districts, county offices of education, and charter schools.
- 5) Adopts a 20 percent augmentation for necessary small schools.
- 6) Adopts base rate increases for special education programs, which totals \$2.4 billion ongoing Proposition 98 General Fund.
- 7) Provides a 2.87% COLA to all statutorily-required TK-12 programs, except preschool.
- 8) Provides authority for additional fiscal oversight of single-district county offices of education.
- 9) Appropriates \$4.4 billion (of total Budget Act \$5 billion), for an additional one-time Student Support and Discretionary Block Grant, based on average daily attendance, that includes support for dual enrollment, career pathways approaches, induction, mentorship, community schools, deferred maintenance, and professional development for educators in developmentally appropriate Transitional Kindergarten, English Language Arts and Development, and mathematics, through 2032. Requires a local hearing on declining enrollment and reporting. Prohibits professional fees for employees.
- 10) Provides an ongoing \$1 billion investment to expand the California Community Schools Partnership Program to all school sites with 65% or higher unduplicated pupils, with statutory changes to stabilize the System of Support, authorize County Coordinators, refresh the State Board of Education (SBE) Framework, and codify program minimum standards. Authorizes a new Community Schools certification program, for minimum apportionment standards, beginning in 2032.

- 11) Creates one-time investments in the Community Schools Partnership Program expansion:
 - a. \$400 million for Planning Grants for new LEAs and Promise Neighborhood expansions.
 - b. \$50 million for Middle and High School Redesign consistent with the Community Schools Framework.
 - c. \$56 million for the State Transformation Assistance Center, regional technical assistance, and to design Community Schools certification standards.
 - d. \$6 million for the CYBHI Transforming Together initiative
- 12) Stabilizes the “Tier 2” rate for the Expanded Learning Opportunities Program (ELOP) at \$1,800 per unduplicated pupil for local education agencies with less than 55% total unduplicated pupils. Increases ELOP technical assistance funding by \$2.5 million ongoing, to better support expanded learning in the Community Schools model.
- 13) Prioritizes After School Education and Safety program and 21st Century Community Learning Center after school competitive grants for community schools with no ELOP funding.
- 14) Expands and revises the formula funding for County Offices of Education to provide universal and targeted assistance in the System of Support for struggling schools. Identifies schools annually for universal and targeted assistance based on revised SBE performance criteria, but creates a new three-year assistance and intervention cycle, aligned the LEA’s Local Control Accountability Plans.
- 15) Authorizes the State Board of Education to include an “all pupils” subgroup in the performance criteria for targeted assistance and intervention, and prioritize LEAs for assistance and intervention services.
- 16) Improves accountability provisions for charter schools, and includes the use of verified data in the charter school renewal process until June 30, 2028
- 17) Waives the administrator-teacher ratio requirements for Plumas Unified School District from 2023-24 to 2026-27.
- 18) Authorizes the State Allocation Board to withhold new funding approvals from school districts that default, or are projected to default, with any requirements of facility construction programs under its authority.
- 19) Expands the existing Learning Recovery Emergency Block Grant with \$757.3 million one-time funding through 2027-28, to a restored total of \$7.2 billion.
- 20) Funds and requires up to 14 weeks of Paid Pregnancy Disability Leave for certificated and classified employees in all public local educational agencies (LEAs), beginning January 1, 2027. Allows LEAs to participate in the State Disability Insurance program, to partially meet these obligations.
- 21) Clarifies and facilitates improved data sharing and specify data that is to be included in the annual Teacher Supply Report.

- 22) Increases the fee for a renewal of a teaching credential and a service clear credential to \$125 every five years.
- 23) Directs the Commission of Teacher Credentialing to develop and implement a platform that will allow the Commission to conduct transcript review for candidates to establish subject matter competency.
- 24) Clarifies under the National Board for Professional Teaching Standards Certification Incentive Program that teachers may apply for all aspects of the grant program and apply for the maintenance of certification award multiple times.
- 25) Establishes a technical assistance center for Teacher Residency Grant and National Board for Professional Teaching Standards Certification Incentive Program.
- 26) Extends the Student Teacher Stipend program through 2031-2032, and increases the stipends for student teachers in high-need fields, to \$15,000, with a total increase of \$408 million, one-time.
- 27) Extends the Teacher Residency programs through 2029-30 with an increase of \$250 million, one-time.
- 28) Clarifies that transitional kindergarten classroom instruction must be developmentally appropriate.
- 29) Provides \$100 million, one-time for expanding dual enrollment programs, with a maintenance of effort requirement for grantees, instructional minutes flexibility, up to 75% set-aside for CCAP programs, dual credit clarifications, and technical assistance through the CA Community College Chancellor's Office and CA College Guidance Initiative.
- 30) Funds an additional \$500 million one-time for the Kitchen, Infrastructure and Training program, with a clarification that Family Food Pantries and culinary curricula, including school gardens, are an allowable local decision.
- 31) Creates the Bilingual Teacher Pathway Program, with \$10 million, one-time for LEA consortia in partnership with institutions of higher education..
- 32) Extends the Classified Employees Teacher Credentialing Program through 2028 with \$10 million, one-time.
- 33) Authorizes use of ongoing federal IDEA funding to the Golden State Teachers Grant program, for special education teacher applicants. Increases special education teacher grant levels to \$20,000 per candidate and restores grant priority for teachers in high-need fields.
- 34) Creates a new, \$116 million one-time grant to support identification of Students Experiencing Homelessness, aligned to the federal McKinney Vento definitions.
- 35) Appropriates \$100 million one-time Proposition 98 General Fund for the new California New Americans in Schools (CalNAS) program, to support immigrant pupils.
- 36) Provides \$75 million, one-time, for high school Dream Resources Centers.
- 37) Provides an additional \$40 million one-time Proposition 98 for the implementation costs in 2026-27 for the new reading difficulties screener

- 38) Adopts statutory changes for screen administration timelines in kindergarten, to prohibit screens for purposes of determining a student as “at risk” until after 91 days of instruction.
- 39) Provides an additional \$22.9 million one-time Proposition 98 support for LEAs recovering from the 2025 wildfires.
- 40) Provides \$890,000 ongoing Proposition 98 funding for the Los Angeles County Office of Education science performance task resources.
- 41) Increases the Mandate Block Grant by \$1.7 million ongoing for the Menstrual Products mandated program.
- 42) Extends Literacy Coaches grants through the 2030-31 fiscal year with \$350 million, one-time, including the Literacy Coaches and Reading Specialists Educator Training.
- 43) Extends planning funds for Universal Preschool with \$200 million one-time Proposition 98 General Fund for the Universal PreKindergarten Planning and Implementation Grants, and \$50 million one-time Proposition 98 General Fund for the Universal Preschool Planning Grant Program.
- 44) Extends the Math Professional Learning Partnership to more grantees and through the 2028-29 fiscal year with \$50 million one-time.
- 45) Provides a one-time increase of \$25 million for the Inclusive College Technical Assistance Center., and \$10 million one-time for Alternative Pathways to High School Diplomas.
- 46) Provides an additional \$30 million, one-time, for the Supporting Inclusive Practices Project.
- 47) Extends the Teacher Residency Technical Assistance Center through 2034 with \$30 million, one-time. Adopts trailer bill language for repayment.
- 48) Extends the 21st Century California School Leadership Academy with \$15 million, one-time.
- 49) Provides an additional \$10 million one-time for the Holocaust and Genocide Education Grant Program, and an additional \$1 million for the Museum of Tolerance.
- 50) Approves \$5 million one-time for a Commission on Teacher Credentialing teacher candidate transcript review IT system, and a \$25 annual fee increase on teacher credentials to offset the ongoing policy changes.
- 51) Makes clarifying changes to the Computer Science Supplementary Authorization Incentive Grant Program.
- 52) Extends the encumbrance period for the Literacy Roadmap project.

COMMENTS

According to the Author

Arguments in Support

Non on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill makes a number of large appropriations, including:

- 1) Appropriates \$100 million one-time Proposition 98 General Fund for dual enrollment programs, and provides an additional \$50,000 for local educational agencies that serve justice-involved youth in county-run facilities.
- 2) Appropriates an increase for the Learning Recovery Emergency Block Grant by \$757.3 million one-time Proposition 98 General Fund.
- 3) Appropriates \$250 million one-time Proposition 98 General Fund for the Teacher Residency Grant Program.
- 4) Appropriates an additional \$350 million one-time Proposition 98 General Fund to extend existing Literacy Coaches and Reading Specialists Grant Programs to 2031.
- 5) Appropriates \$4.4 billion one-time Proposition 98 General Fund, for a total amount of \$5 billion, for the Student Support and Professional Development Discretionary Block Grant
- 6) Appropriates \$500 million one-time Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Funds, and includes family food pantries on school sites and hands-on food education, including activities with school gardens, as eligible expenditures.
- 7) Appropriates \$100 million one-time Proposition 98 General Fund, for a total amount of \$146 million one-time Proposition 98 General Fund, to support for students experiencing homelessness.
- 8) Appropriates \$200 million one-time Proposition 98 General Fund for the Universal PreKindergarten Planning and Implementation Grants, and \$50 million one-time Proposition 98 General Fund for the Universal Preschool Planning Grant Program.
- 9) Appropriates \$100 million one-time Proposition 98 General Fund for the new California New Americans in Schools (CalNAS) program.
- 10) Appropriates \$75 million one-time Proposition 98 General Fund for the Dream Resource Center Grant Program.

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 26, 2026

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

FN:

SUMMARY

This is the Higher Education trailer bill associated with implementing the statutory provisions necessary to implement the June 2026 budget agreement.

Major Provisions

Specifically, this bill:

- 1) Requires the California State University Chancellor's office to develop annual enrollment targets and report them to the Legislature and Department of Finance, among other conforming changes;
- 2) Includes provisions associated with Proposition 98 funding of California Community Colleges (CCC), including:
 - a. Appropriates \$147.2 million Proposition 98 General Fund for the Student Support Block Grant;
 - b. Appropriates \$141 million Proposition 98 General Fund for apportionment costs in 2025-26;
 - c. Includes \$159.7 million ongoing Proposition 98 General Fund representing a discretionary 1.44% Cost-of-Living adjustment to apportionments, from which costs related to providing employees with up to 14 weeks of paid pregnancy disability leave shall be reimbursable. This amount is inclusive of an additional \$13.3 million ongoing to provide districts on the Hold Harmless funding level with resources to cover costs associated with the aforementioned paid pregnancy disability leave benefit;
 - d. Applies \$405.4 million in deferred apportionment payments to the 2024-25 fiscal year;
 - e. Appropriates \$55.3 million Proposition 98 General Fund to support 1% enrollment growth in 2025-26;
 - f. Appropriates \$16 million Proposition 98 General Fund to support increased related and supplemental instruction hour costs to apprenticeship programs for the 2024-25 and 2025-26 fiscal years;
 - g. Appropriates \$3.3 million Proposition 98 General Fund to support deferred maintenance needs;
 - h. Reduces the appropriation made for apportionments to the California Community Colleges for apportionments in 2025-26 by \$455.4 million;

- i. Appropriates \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers at the CCC;
 - j. Authorizes the reimbursement of dental and vision benefits under the Part-Time Faculty Health Insurance Program at the CCC;
 - k. Appropriates \$5 million one-time Proposition 98 General Fund to support Pierce College Family Resource Center;
 - l. Appropriates \$1.2 million one-time Proposition 98 General Fund to support Cal-Bridge First Academic Scholar Training;
- 3) Changes the reporting cadence of various CCC reports to be on a triennial basis;
- 4) Requires the California Community College Chancellor's Office (CCCCO) to establish the Credit for Prior Learning Initiative as a systemwide initiative to award credit for prior learning opportunities at community colleges, among other conforming changes;
- 5) Requires the CCCCCO to establish the Common Cloud Data Platform to create a unified, modern data infrastructure to enhance statewide reporting, data sharing, and available analytical tools across participating community college districts and the chancellor's office, among other conforming changes;
- 6) Requires community college districts to provide employees with up to 14 weeks of paid pregnancy disability leave benefits, among other conforming changes;
- 7) For purposes of calculating the base calculation a CCC district's funded credit shall be the greater of the three-year rolling average or the district's current year credit FTES;
- 8) Requires the governing boards of community colleges that provide existing tuition exemptions for students related to nonresident students living along the California-Mexico border to jointly plan how to distribute the authorized 1,350 FTES for these purposes, among other conforming changes;
- 9) Requires the CCCCCO to develop recommendations related to enrollment in competency-based education programs and alternate funding models, in relation to Calbright College, among other changes;
- 10) Increases the age for Cal Grant eligibility to 30 years, beginning in 2026-27 through 2030-31;
- 11) Codifies in statute reporting requirements related to basic need, mental health and rapid rehousing programs at the University of California and California State University;
- 12) Technical and conforming changes to align the California Native American Graves Protection and Repatriation Act (CalNAGPRA) with federal requirements;
- 13) Clarifies that representatives of UC, CSU, and CCCCCO leadership are authorized to report on Title IX activities during legislative budget committee hearings;

- 14) Codifies in statute reporting requirements for the Student Housing Grant programs at UC, CSU, and CCC as well as for student housing data collection, and allows both reports to be consolidated into one annual report;
- 15) Requests that the UC to enter into a memoranda of understanding for data sharing purposes related to the Cradle-to-Career Data System; and
- 16) Establishes the California Early College Demonstration Initiative related to dual enrollment.

COMMENTS

This bill accompanies AB 109 (Gabriel) and two anticipated budget bill amendments to implement the statutory changes in higher education necessary to implement the budget agreement. Because higher education includes Proposition 98 funding for Community Colleges, this trailer bill contains many of the key funding provisions for that system.

According to the Author

This bill is necessary to implement statutory provisions of the 2026 June budget agreement related to higher education.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill contains key Proposition 98 appropriations for Community Colleges and other investments contained in the 2026 June budget package.

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 26, 2026

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

FN:

SUMMARY

This bill is the Early Childhood Education Omnibus Trailer Bill, with all provisions for the 2026-27 Budget Act in child care and development programs administered by the Department of Social Services, and state preschools programs administered by the Department of Education.

Major Provisions

This bill:

1. Revises the definition of the term “attendance” for the California State Preschool program, to additionally include excused absences for medical and educational appointments, and for days a child is not in attendance during an appeal process regarding expulsion or suspension.
2. Revises existing provisions for the California State Preschool program income eligibility requirements by: specifies that the prohibition on requiring a family to report changes to income or other changes for at least 24 months for purposes of eligibility includes when a family member transfers to another California state preschool program or when a child is voluntarily disenrolled by their family for any period of time during eligibility; exempts a family from family fees for up to one certification period instead of up to 12 months; extends eligibility for part-day and full-day preschool programs to children of a parent or guardian employed by a local educational agency; extends eligibility for full-day preschool programs to children whose families need childcare services because they are participating in a CalWORKs program activity; streamlines and revises the priority sequence for program enrollment eligibility; specifies, for purposes of establishing ongoing income eligibility, that ongoing income eligibility means a family’s initial income eligibility for services at the time of enrollment will be in effect, regardless of an increase in income; and expands geographic eligibility to both a state preschool program within the attendance boundary of a school district or certain public schools where at least 80% of enrolled pupils are eligible for free or reduced-price meals, foster youth, or English learners, to enroll 3-year-old and 4-year-old children.
3. Increases a California state preschool program provider’s authority to schedule paid staff training days from 2 days per contract period to 5 days per contract period, without reducing days of service for families.
4. Suspends the annual statutory cost-of-living adjustment (COLA) for the 2026–27 fiscal year, for all California state preschool programs and childcare and development programs, administered by the State Department of Education and the State Department of Social Services. In lieu of this statutory COLA, this bill applies a 2.009% COLA for total program rates, as an increase to the cost of care plus rates.
5. Requires, by no later than January 1, 2027, California State Preschool Program and all child care and development program contractors to reimburse care providers for the full amount of the certificate or voucher without deducting family fees and to collect family

fees; requires the Department of Social Services to work with contractors in need of technical assistance to comply with these provisions.

6. Updates state fiscal accountability standards, including: requires best practices on fraud and overpayments in contractor policies and implementation of best practices on prevention and intervention of fraud and program integrity violations; requires childcare contractors to terminate eligibility if there is substantiated evidence of a fraud or program integrity violation that invalidates the certification; authorizes the Department of Social Services to enter into agreements with county welfare departments to support the investigation and enforcement of fraud and program integrity in any subsidized childcare program administered by the department; and authorizes the department to clarify the process for recovery of funds and imposition of sanctions described in the approved state plan for the implementation of programs under the federal Child Care and Development Fund in instances where fraud or other program integrity violation is established.
7. Changes the timeline for conducting a child care market rate survey, if the market rate survey is used to set reimbursement rates, for the Department of Social Services to contract to conduct a regional market survey every 2 years, to now every 3 years; and authorizes, if an alternative methodology is used to inform the setting of reimbursement rates for subsidized childcare, the department to contract to develop and conduct an alternative methodology to set reimbursement rates for subsidized childcare no less than every 3 years and no sooner than 2 years prior to the submission of the Child Care and Development Fund Plan.
8. Clarifies the eligibility criteria for subsidized childcare services under the act to include participation in a CalWORKs program activity; clarifies that a CalWORKs childcare recipient cannot participate in more than one stage of childcare at any given time; requires, beginning January 1, 2028, or on the date automated changes occur in SAWS, whichever is later, the data available to local contractors on county-level SAWS databases to also include the relationship between the current or former CalWORKs recipient or recipients and the child, the childcare license number, if licensed, and whether the current or former CalWORKs recipient is receiving Medi-Cal or CalFresh benefits.
9. Authorizes the Department of Social Services to set aside up to 15% of funding associated with slot expansion awards in the 2026-27 Budget Act for general childcare and development programs to fund minor repairs, infrastructure upgrades, and other readiness activities for childcare and development programs, in addition to existing start-up cost authority.
10. Authorizes the Department of Social Services to transfer funding across and within Alternative Payment Program contracts and appropriations, and within General Child Care contracts and appropriations, including funds that are not allocated to contracts or otherwise fully expended. The bill would require the department to establish criteria for these transfers of funds that prioritize, among other things, maintaining funding within the same program type for which the funds were initially issued. The bill would also require the department to review subsidized childcare awards and contracts on an individual basis to determine a contractor's readiness to serve children pursuant to the initial award. If the department determines that the contractor has not made sufficient progress toward serving children with awarded or allocated funds, the bill would authorize the department to partially or fully redirect those funds across and within the specified childcare and development programs. The bill annual reporting to the Legislature on transfers made pursuant to these provisions.

11. Amends the family daycare home licensee temporary absences ceiling to not exceed 20% of the hours that the home is providing care per month, subject to waiver by the department. The bill would require a licensee, prior to a substitute adult's initial presence in the home, to provide parent notification, and ensure the substitute adult has obtained a criminal record clearance or exemption, completed specified health and safety training, is immunized against certain illnesses, and meets any other requirements imposed by the department.
12. Requires all staff who provide childcare at those facilities, each family daycare home licensee, and each substitute adult in a family daycare home to complete care to complete at least 15 hours of specified health and safety training that includes pediatric first aid, pediatric CPR, and preventive health practices. The bill would also require those staff to complete a minimum of 12 hours of continuing education annually and would require that training to cover specified topics, including, among others, emergency and disaster preparedness and response planning.
13. Deletes the limited English proficiency exemption for a child daycare license applicant and administrators and employees of a licensed child daycare facility to complete mandated reporter training and to complete renewal mandated reporter training every 2 years, and authorizes the department to implement and interpret, by means of written directives, interim licensing standards, or similar instructions from the department until regulations are adopted.
14. Revises the disaster plan requirement for a license to operate a daycare center or a family daycare home, to specify that plan as an emergency and disaster plan and specify the components that the plan is required to include, including, among other things, evacuation procedures, a contact information list, and procedures for reunification of children in care with a parent or legal guardian after an emergency or disaster. The bill would require a facility to provide training on the plan to each staff member and volunteer, as specified, and review the plan annually. The bill would also require a facility to have specified information readily available during an emergency or disaster, including a roster of children in care for that day, and to have a set of keys available for use during an evacuation. The bill would require a child daycare facility to be in compliance with these provisions on and after January 1, 2027.
15. Amends the Child Care and Development Infrastructure Grant Program to implement a program for disaster-related infrastructure grants to support certain categories of childcare facilities that are impacted by a state-or federally declared disaster, and require a grant recipient to provide program data to the Department of Social Services and to participate in overall program evaluation.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill appropriates \$25,674,000 from the Federal Trust Fund to the State Department of Social Services for disaster relief efforts related to disasters occurring in 2023 and 2024 and would make these funds available for encumbrance until September 30, 2029.

This bill authorizes the cost of living adjustment for all child care and preschool programs, at 2.009%.

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 26, 2026

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

FN:

SUMMARY

This is the Human Services Omnibus Trailer Bill, which includes statutory changes related to the 2026-27 Budget Act.

Major Provisions

This bill does the following:

1. Allows the Department of Finance (DOF), if the necessary data is unavailable, to make a calculation related to cost of living or annual adjustment factors. Permits DOF to use a reasonable estimate of that data to perform the calculation.
2. Authorizes users of information technology systems and services under the jurisdiction of the California Department of Social Services (DSS) Community Care Licensing Division to use electronic signatures and to electronically pay any fee or civil penalties assessed by DSS. Requires a user who elects to make an electronic payment to be responsible for any associated payment processing costs. Authorizes DSS to adopt, amend, or repeal any rules and regulations that may be necessary or proper to carry out these provisions.
3. Authorizes, beginning July 1, 2026, the appropriation of General Fund moneys to help support the Home Care Services licensing program, along with fee revenues. Deletes the provision concerning the repayment of the General Fund loan for initial costs.
4. Makes various changes, commencing January 1, 2029, to transition license renewal for home care organizations from every two years to annually. Establishes the initial license fee as \$5,603. Establishes, until January 1, 2029, the two-year license renewal fee as \$5,603 and, beginning January 1, 2029, establishes the annual license fee as \$2,802. Establishes, beginning January 1, 2029, a late fee, a payment processing fee, and a fee for monitoring a licensee on probation.
5. Extends the requirement for DSS to adopt regulations from on or before January 1, 2026 or on or before January 1, 2028, to require biennial inspections to ensure that licensed home care organizations possess specified policies.
6. Requires DSS to submit and post on its internet website an evaluation report for the California Guaranteed Income Pilot Program (GIPP) by no later than June 1, 2028. Additionally extends the sunset for the GIPP from January 1, 2028 to January 1, 2029, and would repeal these provisions on January 1, 2030.
7. Prohibits funds deposited and investment returns accrued in a Federal Children's Savings Accounts, or "Trump" account, from being considered as income or assets when determining eligibility and benefit amount for any means-tested program until an account beneficiary withdraws or transfers the funds from the account. Makes these provisions operative on July 1, 2026, or on the date that DSS notifies the Legislature that the California Statewide Automated Welfare System or the California Automated Response and Engagement System (CWS-CARES) can perform the necessary automation to implement these provisions, whichever date is later.

8. Approves a match waiver for the CalFresh program, capping the amount that a county is required to contribute during the 2026–27 to 2028–29 fiscal years, inclusive, to the lower of the amount the county expended in its contribution in the 2024–25 fiscal year or the amount the county was required to contribute to receive its full allocation of General Fund moneys under the Budget Act of 2024, and would require the county to receive the full General Fund allocation for administration of CalFresh once the county has reached that amount. Make those provisions inoperative on July 1, 2030, and would repeal them as of January 1, 2031.
9. Requires, commencing October 1, 2027, or once the Statewide Automated Welfare System can perform specified automation activities, that CalFresh and California Food Assistance Program (CFAP) overissuance claims arising out of the same error or intentional program violation be recovered through minimum allotment reductions consecutively by program.
10. Requires DSS to utilize certain information that is necessary to assess performance of, monitor the efficacy and impact of administrative funding of, facilitate technical assistance with county welfare departments related to, and inform the public about service delivery in, the CalFresh program. Requires county welfare departments and the California Statewide Automated Welfare System Consortium to provide the information and access to necessary data identified by DSS within 60 days, unless an extension is provided pursuant to a consultation with county and labor representatives that is required on information and processes under this requirement.
11. Increases, commencing October 1, 2026, the maximum aid payments in effect on July 1, 2026, by 1.8 percent for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which each county provides cash assistance and other benefits to qualified low-income families using federal, state, and county funds.
12. Shifts the timing of the administrative reassessments for the CalWORKs and the In-Home Supportive Services (IHSS) programs so that only one program is reassessed each year. Under current law, both the CalWORKs and CalFresh reassessments are due in the 2027-28 fiscal year. Instead, requires the next CalWORKs reassessment to occur in 2028-29 and every third fiscal year thereafter and requires the next IHSS reassessment to occur in 2029-30 and every third fiscal year thereafter.
13. Requires, beginning July 1, 2026, a county that has not reached a collective bargaining agreement with the employee organization for its IHSS providers after the release of the factfinding panel's recommended settlement terms released prior to June 30, 2026, to have 90 days to reach an agreement with the employee organization. If no agreement is reached within 90 days, requires a withholding of specified 1991 Realignment funds to occur on October 1, 2026.
14. Revises the date for the California Department of Aging to take various actions, including, among others, revising the intrastate funding formula for area agencies on aging, identifying older adult and family caregiver support programs and services, and developing a statewide consumer engagement plan, from no later than September 30, 2026 to no later than September 30, 2027.
15. Authorizes DSS, and conforms statute, to issue all-county letters or similar written instructions to implement, interpret, or make specific requirements and protocols to replace cash and nutrition benefits, pending the adoption of regulations by June 30, 2030.

16. Extends the sunset date from January 1, 2027 to June 30, 2028 for the California Fruit and Vegetable EBT Pilot Project. The 2026 Budget Act includes a one-time General Fund appropriation of \$20 million for the California Fruit and Vegetable EBT Pilot Project.
17. Revises current law related to the Stop The Hate program and requires DSS, in consultation with the Commission on Asian and Pacific Islander American Affairs, to submit an implementation report on March 1, 2027. Removes the provisions relating to administrative costs, as these are captured in provisional language in the budget bill. Makes the remaining provisions inoperative on June 30, 2029, and repeals them as of January 1, 2030. The 2026 Budget Act includes a one-time General Fund appropriation of \$30 million for the Stop The Hate program.
18. Makes statutory changes to align the definition of immigrant youth eligible for services and authorizes the funding related to social services to support these youth. Requires contracts to provide for legal and social services to immigrant youth. Authorizes the contracts to include administrative and supervisory costs and court fees, as well as client services and requires those contracts to prioritize the provision of social services to eligible immigrant youth, either directly or through partnerships, as specified.
19. Establishes, upon an appropriation by the Legislature, the Tribal Foster Care Prevention Initiative to provide state funding to assist any federally recognized Indian tribe located in California, or with lands that extend into California, in funding the costs associated with services aimed at preserving families and preventing the entry of children into foster care. Requires a federally recognized Indian tribe that seeks funding for this purpose to submit an annual letter of interest to DSS by May 1 of each year. Requires DSS, subject to an appropriation in the annual Budget Act for this purpose, to provide each federally recognized Indian tribe that enters into a specified agreement and submits a letter of interest an annual allocation. Requires a federally recognized Indian tribe that receives funds to submit a progress report regarding specified information, including the number of Indian children and their families served, to DSS on or before September 30 following the close of the fiscal year in which funding was received. The 2026 Budget Act includes an on-going General Fund appropriation of \$2.4 million for the Tribal Foster Care Prevention Initiative.
20. Revises and recasts, commencing January 1, 2028, provisions governing payment of Adoption Assistance Program (AAP) benefits on behalf of a child residing in an in-state, out-of-home placement by, in part, only permitting these payments if the child is residing in a licensed short-term residential therapeutic program (STRTP) and limiting authorization to a 12-month cumulative period of time, subject to an extension of a one-time 6-month cumulative period of time. Authorizes, commencing January 1, 2028, benefits to be paid on behalf of an otherwise eligible child for wraparound services in lieu of an out-of-home placement if, among other things, the responsible public agency has confirmed that the wraparound services are necessary. Permits the authorization of payment for wraparound services for a 12-month cumulative period of time, and permits consecutive reauthorizations of these services.
21. Prohibits the AAP rate for an in-state, out-of-home placement funded by AAP, or for wraparound services funded by AAP, from exceeding the rate paid for a foster care placement in a STRTP, or, until the three components of the Tiered Rate Structure (TRS) become operative and the Legislature makes an appropriation for that purpose, and instead prohibits the AAP payment rate from exceeding the sum of the three components of the TRS.

22. Requires DSS to develop, and distribute to counties, a curriculum, no later than January 1, 2028, that includes, at a minimum, education on maintaining AAP benefits, adolescent development and trauma, the importance of maintaining Medi-Cal, the benefits of using adoption-competent clinicians, and how to secure trauma-informed services. Requires DSS to consult with county placing agencies and community partners in the development of this curriculum.
23. Requires DSS, subject to an appropriation by the Legislature for these purposes, to, directly, or through contract with a service provider, ensure transition support services are made available to adoptive families, and requires the responsible public agency to refer the family to postpermanency services at the local level to support the adoptive family in navigating postpermanency services. Requires DSS, subject to an appropriation by the Legislature for these purposes, to interview adoptive parents who agree to submit the information regarding the reason an out-of-state placement was necessary and the current status of their adoptive children who returned to California on or after July 1, 2025, and requires DSS to submit a report on this to the Legislature.
24. Clarifies that the Ombudsperson of the Office of Youth and Community Restoration may privately communicate or meet with any youth individually or in a group and specifies permitted equipment that the ombudsperson may use in these communications or meetings.
25. Specifies that the copy of the rights and responsibilities provided to youth in juvenile facilities, their parents or guardians, or otherwise displayed in juvenile facilities is required to be designed and provided by the Ombudsperson of the Office of Youth and Community Restoration.
26. Appropriates \$344,000 from the General Fund to DSS for the 2026–27 fiscal year for the purpose of implementing CalFresh transparency initiatives, and would make these funds available for encumbrance or expenditure until September 30, 2029.
27. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

This bill enacts statutory changes that will enable and govern appropriations for Human Services programs funded in the 2026 Budget Act.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill enacts statutory changes that will enable and govern appropriations for Human Services programs funded in the 2026 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 26, 2026

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

FN:

SUMMARY

This is the Developmental Services Trailer Bill, which includes statutory changes related to the 2026 Budget Act.

Major Provisions

This bill does the following:

1. Authorizes the Department of Developmental Services (DDS) to make direct care purchases in individual amounts of less than \$10,000 commencing with the 2026–27 fiscal year for community-based facilities, and requires DDS to establish and maintain a written policy and procedures manual for these purchases. Defines “direct care purchases” to mean a good or service necessary for an individual’s health, safety, or continuity of care.
2. Removes obsolete reporting requirements on DDS, including reports on how DDS will provide access to crisis services after the closure of a developmental center, the use of DDS employees in providing services in the community to assist in meeting the goal of successfully transitioning developmental center residents to community living, best practices for regional center administrative management and purchase of services, and the estimated amount of General Fund expenditures used to backfill federal funding as a result of the decertification of intermediate care facility units at the Sonoma Developmental Center.
3. Authorizes DDS to establish a distinct service code and rate model for the family teaching home model that is separate from the service code and rate model for the family home agency and that considers costs for housing, staffing, and census. If established by DDS, requires family home agencies that provide family teaching homes to use the service code and rate model for those family teaching homes.
4. Authorizes tailored day services to be delivered on the same day as supported employment individual placement services.
5. Adopts oversight provisions related to Early Intervention Programs, including requiring the State Department of Education to enter into an interagency agreement with DDS to facilitate a seamless transition between services in Part C and under Part B of the federal Individuals with Disabilities Education Act and to collaborate with the State Department of Developmental Services as they develop and disseminate written directives for transition practices between those parts. Authorizes DDS to issue directives to local educational agencies and regional centers until regulations are adopted and requires the directives to be issued no later than June 30, 2029, as a condition to receive federal Part C grant funds. Requires regional centers to assess toddlers who qualify for early intervention services and are transitioning to or may be eligible for a state preschool program.
6. Removes the requirement for a work activity program or supported employment program to comply with the requirements of the Commission on Accreditation of Rehabilitation Facilities (CARF), and would instead require a regional center to monitor, evaluate, and

audit habilitation services providers for program effectiveness using service standards established by DDS.

7. Requires DDS and the Department of Rehabilitation (DOR) to develop an interagency agreement, with respect to the delivery of habilitation services and vocational rehabilitation programs, to create an integrated employment services system between DOR and regional centers, with the goals of having each individual experience uninterrupted services, minimized handoffs, and fewer barriers, and increase timely access to employment. Requires DDS, beginning December 1, 2026, to semiannually report milestones on the development of the integrated employment services system on the DDS internet website until the integrated employment services system is developed.
8. Authorizes individuals and families to voluntarily choose to receive specified services remotely until December 31, 2028, if remotely receiving those services or supports would effectively meet the needs identified through the planning team process. Requires providers to document the remote services each individual receives on a monthly basis. Requires DDS to include information and data regarding remote services in quarterly updates to the Legislature beginning in March 2027, and to report to the Legislature no later than February 1, 2028, survey results, information, and data on remote services. Authorizes DDS to implement these provisions by means of written directives or similar instructions.
9. Restricts the allocation of federal financial participation funds to offset the costs to DDS for the required criminal background check and other implementation costs for the Self-Determination Program. Beginning July 1, 2026, and ending June 30, 2030, requires that up to \$1,000,000 of reappropriated funds be made available to DDS to meet the needs of participants, including costs associated with local community resource fairs and the development and delivery of standardized statewide training for individuals, family members, and members of the local volunteer advisory committees. Beginning on July 1, 2030, and subject to an appropriation of at least \$1,000,000 for these purposes, requires that those funds be made available to DDS for those same activities.
10. Requires, notwithstanding any other law, that hourly workers employed by a regional center vendor providing supported living services be compensated for hours worked in excess of 40 hours per workweek at a rate of one and a half times the employee's regular rate of pay.
11. Requires DDS-approved performance measures to be incorporated into contracts between the state and regional centers, and requires DDS to give consideration to the availability of regional center operations funding when establishing and revising these measures. Also requires the contracts to include a provision requiring each regional center to render services in accordance with applicable provisions of federal law and written directives from DDS.
12. States the intent of the Legislature to modernize the DDS financial and case management information technology systems for use by regional centers through DDS and implementation of the Life Outcomes Improvement System (LOIS), and requires LOIS to serve as the system used by all regional centers to improve the user experience, promote access, and manage eligibility and services for individuals and families who are applying for or receiving regional center services. Specifies requirements for regional centers to prepare for and assist the transition from their existing information technology systems to LOIS and, upon readiness of LOIS for implementation, requires each regional center to

discontinue the use of all other case management and financial technology systems. Requires DDS to submit quarterly written updates to both the relevant budget subcommittees and policy committees of each house of the Legislature, as well as the Legislative Analyst's Office, on the planning for LOIS, and to submit to the Legislature a copy of the Post Implementation Evaluation Report for LOIS, which will include plans for stakeholder consultation and oversight as the project moves into maintenance and operations.

13. Requires DDS, beginning July 1, 2026, to monitor and post information on compliance with the Home and Community Based Services (HCBS) Final Rule on its internet website and update the information no less frequently than every six months.
14. Sunsets an existing grievance process on February 1, 2027, and establishes a new procedure to apply to grievances filed on or after February 1, 2027. Requires, under that new procedure, grievances to be filed with DDS and for DDS to refer the grievance to the applicable regional center or state-operated facility. Requires the grievance to be reviewed within five days and requires the grievant to be given an opportunity to present evidence, information, or testimony and make legal and factual arguments related to their grievance. Requires the grievance reviewer to send, produce, and sign a resolution plan within 60 days of the date that the grievance was referred by DDS, subject to a possible extension under certain conditions. Authorizes the grievant to request a review of the resolution plan by DDS, and would require DDS to make a determination on it within 21 days. Requires DDS to review a sample of resolution plans and annually post the deidentified results of that review, as well as certain additional information related to grievances, on its internet website. Authorizes DDS to implement these provisions by means of written directives or similar instructions. Requires DDS to convene stakeholders and legislative staff by August 1, 2027, to receive input and feedback regarding implementation of these provisions, and to submit a report to the Legislature on the implementation of these provisions no later than December 1, 2027.
15. Exempts, operative through December 31, 2030, contracts and contract amendments to procure services necessary to implement provisions from the requirements of the Public Contract Code, the State Administrative Manual, and from approval by the Department of General Services (DGS). The bill would instead require DDS to adopt regulations by no later than December 31, 2030.
16. Requires DDS to continue and enhance robust ongoing technical assistance, training, and operational guidance to service providers and to use the data collected through the quality incentive program to understand and address provider capacity needs in the system and inform and develop the infrastructure necessary to track and achieve quality outcomes. Requires DDS to evaluate the reasons why some providers have been unable to access the quality incentive rate increment in the 2026–27 fiscal year and requires DDS and the regional centers to support service providers with meeting the qualifying prerequisites to maximize access to the quality incentive rate increment in the 2027–28 fiscal year and ongoing.
17. Requires DDS to issue and adjust funding allocations to the regional centers and specifies that those funding allocations and adjustments may be done, at DDS discretion, by letter, contract, or contract amendment, and require that those funding allocations be consistent with, and subject to, funding appropriated in the annual Budget Act. Also makes those funding allocations and adjustments exempt from the Public Contract Code and the State Contracting Manual and not subject to the approval of DGS.

18. Requires DDS, no later than March 1, 2028, in consultation with stakeholders, to issue guidance to regional centers on maintaining necessary quality assurance oversight of service providers, special incident reporting, provider directory structure, and rate controls while removing barriers to statewide accessibility of services. Requires service providers to give preference to providing services to individuals served by the service provider's initially vendorizing regional center.
19. Removes, effective January 1, 2027, a requirement for a vendor to maintain a physical location within a regional center's service area unless a physical location is required for the delivery of services. Authorizes DDS to repeal or amend any regulations necessary to implement this provision.
20. Limits the state's authority to contract only with agencies whose governing boards meet, no later than January 1, 2028, additional requirements, including, among other things, that the board be composed of no more than 17 individuals with specified expertise, including California law, management, board governance, fiscal or financial, and developmental disability programs. Requires the board to complete trainings in specified subject areas, to appoint an advisory group with specific designations, and to review the performance of the regional center executive director on an annual basis.
21. Subjects, until July 1, 2030, contracts of \$350,000 or more to approval by the governing board of each regional center. Increases this amount to \$450,000 as of July 1, 2030, and increases this amount by \$50,000 every five years thereafter. Exempts purchase of service authorizations from this requirement.
22. Requires, by no later than July 1, 2027, the governing board of a regional center to retain or employ an attorney to provide general legal advice and counsel. Requires the attorney to have at least five years of specified legal experience and requires the attorney to be present at all regional center board meetings and executive committee meetings where final decisions are made, except as specified.
23. Removes the prohibition on DDS from directly operating a regional center program for longer than 120 days before contracting with a new governing board. Authorizes DDS to operate a regional center during the interim period between governing boards through contract. Requires DDS to notify the Joint Legislative Budget Committee every six months until the transition to the new governing board is complete.
24. Reappropriates funds from the Budget Acts of 2023, 2024, and 2025 for appropriations related to Local Volunteer Advisory Committees and extends the period in which the reappropriated funds may be encumbered until June 30, 2030.
25. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

This bill enacts statutory changes that will enable and govern appropriations for Developmental Services programs funded in the 2026 Budget Act.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill enacts statutory changes that will enable and govern appropriations for Developmental Services programs funded in the 2026 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 26, 2026

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

FN:

SUMMARY

This budget trailer bill implements health-related provisions for the Budget Act of 2026.

Major Provisions

This budget trailer bill implements health-related provisions for the Budget Act of 2026.

Specifically, this bill:

- 1) Implements federal H.R. 1 (Public Law 119-21) Medicaid requirements, including requiring Medi-Cal expansion adults to undergo eligibility redeterminations every six months instead of annually, demonstrate community engagement through at least 80 hours of monthly work, community service, or enrollment in an educational program, as specified.
- 2) Makes various state-level changes related to H.R. 1 implementation, including applying work and community engagement requirements to individuals without satisfactory immigration status and requiring counties to accept specified signature methods for renewal forms.
- 3) Requires DHCS to conduct outreach regarding H.R. 1 changes, establish a data dashboard, and coordinate beneficiary outreach and education across public social services programs to minimize barriers to administrative disenrollments.
- 4) Specifies that individuals without satisfactory immigration status who are eligible for Medi-Cal are eligible for services only through the fee-for-service delivery system, beginning January 1, 2027.
- 5) Requires the Governor's 2027-28 May Revision to include monthly Medi-Cal premium levels for individuals without satisfactory immigration status, set at no less than \$30 and no more than \$50 per beneficiary.
- 6) Delays the elimination of full-scope dental benefits for individuals without satisfactory immigration status aged 19 or older from July 1, 2026, to July 1, 2027.
- 7) Delays the elimination of the Prospective Payment System for federally qualified health centers and rural health clinics serving individuals without satisfactory immigration status to July 1, 2027.
- 8) Extends the California Advancing and Innovating Medi-Cal (CalAIM) initiative to December 31, 2031.
- 9) Prohibits the granting of provisional or preferred provisional enrollment status in Medi-Cal to an applicant or provider as a result of DHCS's failure to act within specified timeframes, beginning July 1, 2026, and ending June 30, 2027.

- 10) Lowers the Medi-Cal resource asset limit test from \$130,000 for an individual and \$195,000 for a couple to \$21,000 and \$31,000, respectively, beginning July 1, 2027.
- 11) Deposits remaining medical loss ratio remittance amounts into the General Fund instead of the Medi-Cal Loan Repayment Program Special Fund.
- 12) Removes the 2026-27 and 2027-28 fiscal years from the legislative statement of intent to not appropriate cost-of-doing-business adjustments for county Medi-Cal eligibility administration, enabling DHCS to impose financial penalties when counties fail to meet specified performance standards.
- 13) Requires a general acute care hospital seeking to provide skilled nursing services in a distinct part to submit an application and supporting documentation to the California Department of Public Health.
- 14) Expands the standby perinatal services pilot project to include, if qualified, a nonprofit hospital in Lake County among the first three hospitals selected, and makes various changes to staff and procedural criteria for hospital participation.
- 15) Establishes a temporary moratorium on licensure of new home health agencies (HHAs), limits changes of ownership for existing HHAs, and revises HHA licensure and disclosure requirements.
- 16) Recasts detoxification as withdrawal management to align with the American Society of Addiction Medicine (ASAM) Criteria, 4th Edition, and requires licenses that provide detoxification-only services to expire on July 1, 2027.
- 17) Establishes the Hospital Fair Pricing Penalties Fund and requires administrative penalties collected from hospitals for fair pricing violations to be deposited into the fund for use by the Department of Health Care Access and Information, upon appropriation, to carry out fair pricing enforcement.
- 18) Delays the deadline for specified community clinics, intermittent clinics, and rural health clinics to comply with the California Health and Human Services Data Exchange Framework from July 1, 2026, to July 1, 2027.
- 19) Renames the California Reproductive Health Equity Program within the Department of Health Care Access and Information to the California Reproductive and TGI Health Equity Program, expands the program's purposes to ensure affordability and access to both reproductive health services and gender-affirming care, and makes conforming changes.
- 20) Requires health care service plan contracts and health insurance policies to cover certain treatments for menopausal symptoms, as medically necessary, and requires medical necessity determinations and utilization review criteria for menopause-related treatments to be based on current generally accepted standards of menopause care.
- 21) Requires coverage of certain menopausal symptom treatments under the Medi-Cal program, subject to medical necessity and federal financial participation, and requires the Department of Health Care Services to establish and maintain a reimbursement policy for menopause care services.

- 22) Requires the Health Care Affordability Reserve Fund to be used, upon appropriation, to cover the cost of abortion services for which federal funding is prohibited for individuals enrolled in a qualified health plan through Covered California in the individual market.
- 23) Requires counties, beginning with the 2029-30 fiscal year, to calculate the maximum funding level of their prudent reserve every three years and include a plan for spending funds that exceed that level in their integrated plan.
- 24) Requires DHCS, beginning July 1, 2028, to establish a methodology for determining annual minimum expenditure levels for Behavioral Health Services Fund distributions to counties, set at the average annual distributed amount from the preceding three years, and requires counties to spend at or above that level beginning in 2029-30, with limited authority to draw from the prudent reserve when distributions fall short or local behavioral health needs change.
- 25) Authorizes DHCS to impose corrective action plans, monetary sanctions, or payment withholds on counties that fail to meet minimum expenditure requirements, with sanctions deposited into the Behavioral Health Services Act Accountability Fund.
- 26) Renames the DSH independent evaluation panel as the independent placement panel, modifies the designation process for case reviews and placement recommendations, and extends these provisions indefinitely.
- 27) Allows funding from the AIDS Drug Assistance Program (ADAP) Rebate Fund to cover costs related to state and local public health department disease intervention and investigation activities for specified communicable diseases, housing support, and other programs or initiatives relating to HIV treatment or overdose prevention and harm reduction, to the extent funds are available.
- 28) Authorizes the California Department of Public Health to spend up to \$134,840,000 in fiscal year 2026-27, \$134,490,000 in fiscal year 2027-28, \$126,590,000 in fiscal year 2028-29, and \$130,090,000 in fiscal year 2029-30, from the fund to implement specified programs.
- 29) Authorizes the California Department of Public Health to spend up to \$50,000,000 from the ADAP Rebate Fund to support state or local agencies, or community-based organizations providing federally funded HIV prevention and surveillance services and programs for which federal funding has been delayed, reduced, canceled, or eliminated as a result of federal policy actions.
- 30) Makes various technical and conforming statutory changes.

COMMENTS

This budget trailer bill implements health-related provisions for the Budget Act of 2026.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill, subject to receipt of any necessary federal approvals, would extend the CalAIM initiative to December 31, 2031, thereby making an appropriation.

By adding to the purposes of the ADAP Rebate Fund described above, the bill would make an appropriation.

The bill would also authorize the department to use the money in the Abortion Access Fund to provide grant funding to safety net providers for abortion services through the program and would expand the purposes of the California Reproductive Health Equity Fund to include grant funding for gender-affirming care services, thus 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 26, 2026

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

FN:

SUMMARY

This budget trailer bill extends the Skilled Nursing Facility (SNF) Quality Assurance Fee (QAF) and Long-Term Care (LTC) Reimbursement Act from December 31, 2026, to December 31, 2027.

Major Provisions

This budget trailer bill implements health-related provisions for the Budget Act of 2026.

Specifically, this bill:

- 1) Extends the application of the Medi-Cal quality assurance fee currently levied on skilled nursing facilities from December 31, 2026 to December 31, 2027, and would repeal the quality assurance fee provisions on January 1, 2029.
- 2) Declares that it is to take effect immediately as an emergency statute, in order to extend and maintain the financing and reimbursement structures that support the state's skilled nursing facilities and ensure continued access to long-term care for seniors and persons with disabilities.

COMMENTS

- 1) The Skilled Nursing Facility (SNF) Quality Assurance Fee (QAF) and Long-Term Care (LTC) Reimbursement Act was originally established by AB 1629 (Frommer, Chapter 875, Statutes of 2004) and last extended by AB 186 (Committee on Budget, Chapter 46, Statutes of 2022) to govern the financing of Freestanding SNFs and Subacute units in the Medi-Cal Program.
- 2) The financing methodologies specifies facility-specific reimbursement rate-setting system for certain skilled nursing facilities. Reimbursement rates for freestanding skilled nursing facilities are funded by a combination of federal funds and moneys collected pursuant to the skilled nursing uniform quality assurance fee. Currently both statutes sunset on December 31, 2026.
- 3) This bill provides a one-year extension of currently authorized methodologies in order to provide the Department of Health Care Services with additional time to develop a new multi-year reimbursement methodology, effective January 1, 2028.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill is declared as an urgency statute in order to extend and maintain the financing and reimbursement structures that support the state's skilled nursing facilities and ensure continued access to long-term care for seniors and persons with disabilities.

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 26, 2026

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

FN:

SUMMARY

This bill is the June Public Resources Omnibus trailer bill that includes statutory provisions to implement the Budget Act of 2026.

Major Provisions

- 1) *SB 345 Cleanup*. Provides technical clarification and clean-up language to SB 345 (Hurtado): California Fire Service Training and Education Program: California Fire and Arson Training Act: fees.
- 2) *Generation and Handling Fee Cleanup*. Provides technical changes related to the Generation and Handling Fee, which among other things, include the following:
 - a. Authorizes the Department of Toxic Substances Control and the California Department of Tax and Fee Administration tax to continue to administer and collect the fee if it was due and payable on or before September 30, 2022, rather than on or before June 30, 2022.
 - b. Makes various changes to the Hazardous Substances Tax Law.
 - c. Changes the standard of proof for imposing a penalty from “willfully or knowingly” (intentional and conscious act) to “preponderance of the evidence” (more likely than not) of a feepayer who provides incorrect information or withholds information that results in a deficient payment or nonpayment.
- 3) *Plastic Market Development Payment Program*. Extends the Plastic Market Development Payment Program from July 1, 2027, to July 1, 2029, and increases the maximum payment rate per ton from \$150 to \$250.

COMMENTS

According to the Author

This bill is the June Public Resources Omnibus trailer bill that includes statutory provisions necessary to implement the Budget Act of 2026.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill appropriates up to \$35 million in 2026-27, \$30 million in 2027-28, and \$25 million in 2028-29 from the Beverage Container Recycling Fund (BCRF) for the implementation of the Plastic Market Development Payment Program.

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 26, 2026

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

FN:

SUMMARY

The bill is the omnibus Public Resources budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Major Provisions

- 1) **Zero-Emission Vehicle Incentives.** Establishes a new light-duty zero-emission electric vehicle incentive program for first-time zero-emission electric vehicle buyers, with specific parameters on vehicle price, weight, and in-state use.
- 2) **Energy Commission Salary.** Specifies the vice chair of the California Energy Commission shall receive an annual salary that is the midpoint between the annual salary of the other commission members and that of the chairperson, starting July 1, 2027.
- 3) **Western Climate Initiative.** Specifies that a contract with the Western Climate Initiative (WCI), Inc. is considered a membership contract to clarify procurement processes and streamline payment for administration of environmental program services.
- 4) **Wildfire Fund Clean Up.** Replaces the phrase “additional annual contributions” with “annual contributions” in statutes related to the Wildfire Fund, among other technical and clarifying changes.
- 5) **Demand Side Grid Support.** Authorizes the California Energy Commission to transfer approximately \$22 million in appropriated, unused state General Fund and special fund monies from the Distributed Electricity Back-up Assets (DEBA) program to the Demand Side Grid Support (DSGS) program.

COMMENTS

According to the Author

The bill is the omnibus Public Resources budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Transfers \$22 million from the Distributed Electricity Back-Up Assets program to the Demand Side Grid Support program at the Energy Commission.

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 26, 2026

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

FN:

SUMMARY

The bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Major Provisions

- 1) Authorizes the Department of Motor Vehicles (DMV) to participate in American Association of Motor Vehicle Administrators (AAMVA)'s State-to-State (S2S) Verification System to enable compliance with federal REAL ID Act requirements, while establishing first-in-the-nation privacy, oversight, and accountability safeguards to protect Californians. Specifically, the bill:
 - a. Authorizes DMV to share social security numbers solely for the purpose of verifying and exchanging driver's license, ID card, and driver history records with other participating states.
 - b. Limits data sharing to only that required by federal law: name, date of birth, social security number (SSN), state of record, license/ID number, credential type, REAL ID indicator, and Commercial Driver License Information System indicator. Limits sharing of SSN to only last 5 digits, until a match is confirmed. Requires DMV to disclose on its website a list of the information shared through the S2S system.
 - c. Prohibits sharing of sensitive data including address, photograph, gender marker, biometric data, and AB 60 (undocumented-eligible) license status, unless required by federal law.
 - d. Requires annual reporting to the Legislature's budget and privacy committees, and on DMV's website (starting Feb. 1, 2028), detailing requests by jurisdiction, reason, and any detected misuse, breaches of contract, or AAMVA policy changes that might affect Californians' privacy.
 - e. Requires DMV, to adopt and maintain a monitoring plan to minimize data sharing, respond to data breaches and abuses of the S2S system by any participating jurisdiction, notify affected Californians if their data has been accessed for purposes other than DL/ID verification, and take other actions to protect the privacy of Californians, including keeping audit-logs of all data requests, implementing anomaly detection, heightened review of high-risk jurisdictions, and limiting, delaying or declining bulk, batch, exploratory or automated queries.
 - f. Establishes a stakeholder advisory group including representation from the Department of Justice, with members appointed by the Senate and Assembly, including privacy, immigrant rights, LGBTQ+ rights, and reproductive justice advocates to convene twice annually by November 1, 2026, to inform the Monitoring Plan.

- g. Requires DMV to notify AAMVA, Department of Justice (DOJ), and any affected Californians if a jurisdiction is suspected of misusing S2S data. Requires DMV to refer any suspected misuse to the DOJ for potential prosecution.
 - h. Authorizes the Attorney General (AG) to bring actions on behalf of any affected Californians against AAMVA, participating states, or others to enforce the provisions and seek injunctive relief.
 - i. Conditions DMV's participation on a contractual agreement with AAMVA that is consistent with these statutory requirements, including data minimization, breach notice, access restrictions, suspension triggers for misuse, and a 14-day (or shorter) data retention cap for other states. Prohibits DMV from agreeing to any amendment to its contract with AAMVA that reduces, conflicts with, delays, or waives the privacy protections of California residents or the department's ability to detect, prevent, and respond to unauthorized requests.
 - j. Requires DMV to notify the Legislature at least 30 days in advance of any material modifications of contractual data-sharing terms with AAMVA.
 - k. Requires the State Auditor to conduct an audit of DMV's compliance with these requirements no later than January 1, 2030. Does not impair ability of Legislature to request an audit prior to that date.
- 2) Authorizes automated enforcement of the State Highway System portion of the Games Route Network for the 2028 Los Angeles Olympic and Paralympic Games.
 - 3) Increases the cap on the mobile driver license pilot program from 15 percent to 60 percent of licensed drivers.
 - 4) Requires the High-Speed Rail Authority Office of Inspector General to produce publicly available reports of its reviews and investigations, subject only to limited exceptions, and create a clear statutory framework for retention and protection of workpapers and other communications.
 - 5) Suspends penalties for not maintaining the prescribed ratio of fare revenues to operating costs on transit operators during the 2026-27 fiscal year and exempts transit operators from meeting specified efficiency standards through the 2026-27 fiscal year.
 - 6) Requires the California Department of Transportation to reserve \$30 million of state transportation funds for the High Road Construction Careers program.
 - 7) Increases the cap on the State Route 710 Rehabilitation Account, for the purpose of providing repairs to homes for affordable sales, from \$1.2 million to \$15 million.
 - 8) Eliminates requirements for the Department of Motor Vehicle to send driver license expiration courtesy notices via mail, print driver license handbooks, and mail new disabled person parking placards every two years, among other changes to streamline customer communications and operations.

COMMENTS

According to the Author

The bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Increases the cap on the State Route 710 Rehabilitation Account from \$1.2 million to \$15 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 26, 2026

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

FN:

SUMMARY

This bill is the housing trailer bill for the 2026-27 Budget. The bill contains various statutory changes related to the Governor's Reorganization Plan (GRP) No. 1 of 2025 necessary to implement the Budget Act of 2026. Specifically, this bill:

Major Provisions

- 1) Enacts the statutory changes necessary to reflect portions of the changes in law made by the Governor's Reorganization Plan (GRP) No. 1 of 2025, including:
 - a. Assigning and reorganizing the functions of state government among executive officers and agencies by eliminating the Business, Consumer Services and Housing (BCSH) Agency as of July 1, 2026.
 - b. Establishing the Business and Consumer Services Agency and the California Housing and Homelessness Agency, composed of specified departments that are currently within BCSH, effective July 1, 2026.
- 2) Appropriates \$300,000 to the Department of Housing and Community Development for the purpose of supplementing existing contracts pursuant to statutory requirements to translate specified guidelines.

COMMENTS

- 1) The bill contains various statutory changes related to housing necessary to implement the Budget Act of 2026.
- 2) Additional provisions codifying GRP No. 1 are contained in AB/SB 179.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

- 1) Appropriates \$300,000 to the Department of Housing and Community Development for the purpose of supplementing existing contracts pursuant to statutory requirements to translate specified guidelines.

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 26, 2026

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

FN:

SUMMARY

This Labor trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

Major Provisions

This bill makes various statutory changes to implement the Labor provisions of the Budget Act of 2026. Specifically, this bill does the following:

- 1) *Division of Worker's Compensation Administrative Director Salary Amendment*: Removes the salary cap for the Administrative Director of the Division of Workers' Compensation (DWC) within DIR. Which is intended to establish parity among leadership in the compensation structures for the DWC and DIR, and to support future recruitment and retention.
- 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) *Assessment Payment Via Electronic Funds Transfer*: Authorizes DIR to require payment of the annual employer assessment by electronic funds transfer (EFT).
- 4) *Subsequent Injuries Benefits Trust Fund Reforms*: Makes changes to the Subsequent Injury Benefits Trust Fund (SIBTF) program to better align program requirements with the existing workers' compensation benefit program. Statutory changes specify the circumstances under which the above program changes do not apply.
- 5) *Workers' Compensation Appeals Board – Remove Sunset for Appeal Timeline Provisions*: Repeals the sunset date and make permanent a change to Labor Code 5909 provisions governing how the Workers Compensation Appeals Board's (WCAB) time to act on petitions for reconsideration is calculated.
- 6) *Streamlining Reporting Requirements*: Aligns reporting requirement timelines relating to various grant programs, to streamline the process for the California Workforce Development Board.

COMMENTS

This trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill would require the appropriation of \$1,000,000 from the General Fund to the Department of Finance for administrative cost to implement the Fair Share from Big Corporations Act as enacted by AB 177 or SB 177, 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 26, 2026

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

FN:

SUMMARY

This is the General Government trailer bill which contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

Major Provisions

This bill makes various statutory Changes to implement the General Government provisions of the Budget act of 2026. Specifically, this bill does the following:

- 1) *California Education Learning Lab*: Moves the California Education Learning Lab from the Governor's Office of Land Use & Climate Innovation to the Government Operations Agency.
- 2) *Middle-Mile Broadband Enterprise Fund*: Extends the date the funds in the fund are continuously appropriated to July 1, 2031.
- 3) *Department of Food and Agriculture Administration Cap Exemption*. Adjusts how the Department of Food and Agriculture manages interdepartmental expenses.
- 4) *State Racetrack Leasing Authority – Clerical Support*. Shifts clerical and administrative duties from the Department of Finance to the Department of Food and Agriculture for state racetrack leases.
- 5) *Onboarding Deferred Departments*: Requires FISCAL to work in consultation with the Department of Finance and the Department of Technology in ongoing maintenance and roadmap activities of the system
- 6) *Repeal of Notification Requirement*: Suspends the mandate for the new disclosure requirement for Los Angeles County, making the requirement inoperative in 2026-27, and does not provide funding for reimbursable costs incurred prior to 2026-27.
- 7) *AB 91 Clean-up*: Provides technical clean-up to AB 91 (Harabedian, 2025) to implement the provisions of AB 91.
- 8) *Establishing Continuously Appropriated Fund – Victims of Consumer Fraud Restitution Fund*: Allows for the continuous appropriation of the Victims Consumer Fraud Restitution Fund to permit the Attorney General to use available funds for remedies of disgorgement related to actions filed under specified unfair competition and false advertising laws.
- 9) *NextGen 911*: Includes several statutory changes related to the Next Generation 911 project at the California Office of Emergency Services (OES), including the following:
 - a. Requires an independent technical evaluation of the development and implementation of the Next Generation 911 system before Cal OES may issue a request for proposals or award a Next Generation 911 network services contract.

- b. Requires an independent technical evaluation, among other things, to describe the state's options for delivering reliable Next Generation 911 system services to the state and the strengths and weaknesses of each option.
 - c. Requires the independent evaluator to provide a final report on the independent technical evaluation on or before May 1, 2027, and to provide an initial evaluation and preliminary report on the independent technical evaluation on or before December 15, 2026, as specified.
 - d. Requires Cal OES to submit a quarterly report to the Legislature, as specified, beginning on or before October 1, 2026, regarding the development and implementation of, and the total and current year funding spent on, the Next Generation 911 system. The quarterly report shall include, among other specified information, documentation of the progress toward, and major challenges facing, statewide development and implementation of a Next Generation 911 system.
- 10) *Codifying Jobs First*: Establishes the Office of Regional Economic Development Initiatives within the Governor's Office of Business and Economic Development (GO-Biz) to support regional partners in developing, maintaining, and implementing their regional economic development strategies.
 - 11) *LCI Form Authority*; Requires local jurisdictions to submit specified portions of their Annual Progress Reports to the Governor's Office of Land Use and Climate Innovation (GO-LCI), using standards, forms, and definitions adopted by GO-LCI.
 - 12) *State Clearinghouse Fee Authority – Office of Land Use and Climate Innovation*: Authorizes the Office of Land Use and Climate Innovation to undertake a public rulemaking process to assess a fee on electronic California Environmental Quality Act (CEQA) documents submitted to the State Clearinghouse to support the costs of maintaining the State Clearinghouse system.
 - 13) *Farm to School Codification*: Codifies the California Farm to School Act, which supports schools procuring locally grown food, provides hands-on food education, and assists farmers increase capacity to supply food to schools.
 - 14) *Contract and Procurement Efficiencies*: Authorizes the Department of General Services to implement various contract and procurement efficiencies.
 - 15) *Middle-Mile Broadband Contract JLBC Notification*: Requires that the Middle Mile Broadband Network's third-party administrator get Joint Legislative Budget Committee approval before entering any contracts over \$8 Million.
 - 16) *Fee Increases*: Establishes the Office of Regional Economic Development Initiatives within the Governor's Office of Business and Economic Development (GO-Biz) to support regional partners in developing, maintaining, and implementing their regional economic development strategies.
 - 17) *State Athletic Commission*: Increases the fee for a professional contest or exhibition from \$1,250 to \$2,500 and increases the maximum amount of the fee for the sale of TV rights from \$35,000 per event to \$50,000 per event. In addition, asks the Commission to consider a study to evaluate its revenues, expenditures, current fees, and potentially identify new fees to address the Athletic Commission Fund structural deficit ahead of the 2028 Sunset

Review process. Lastly, the bill requires the Commission to provide the Joint Legislative Budget Committee with a fund condition statement of the Athletic Commission fund on or before February 1, 2027, and a second statement on or before February 1, 2028.

18) *Projected Surplus Temporary Holding Account*: Eliminates the December 31, 2030, sunset date for the Projected Surplus Temporary Holding account in the State Treasury, thereby making the account operative permanently.

19) *NextGen 911 Advisory Board*: Includes various changes to the State 911 Advisory Board, including having the board members elect a chair and allowing the board to make formal recommendations.

20) *Property Tax Law Disclosures*: Repeals a disclosure requirement which was previously printed on tax bills for certain properties related to SB 989 (Hertzberg) Chapter 712, Statutes of 2022.

COMMENTS

This bill makes the necessary changes to implement the Budget Act of 2026.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The provision enacted by SB 172 or AB 172 makes various ongoing appropriations, thereby making it 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 26, 2026

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

FN:

SUMMARY

This bill makes statutory changes necessary to implement the Budget Act of 2026 related to courts

Major Provisions

- 1) Extends the deadline for superior courts to provide court users with access to lactation rooms as required by Chapter 200, Statutes of 2022, from July 1, 2026 to July 1, 2029; and
- 2) Extends the sunset for remote court proceedings from January 1, 2027 to January 1, 2032, clarifies the standard in which a court may require an in-person appearance at specified civil matters, and beginning January 1, 2027, requires courts to provide a reason for requiring an in-person appearance on the record, in a minute order, or a form created by the Judicial Council.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Includes \$100,000 General Fund in 2026-27 to the Judicial Council to support facility modifications for additional public lactation rooms in the superior courts.

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 26, 2026

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

FN:

SUMMARY

This bill implements the Fair Share from Big Corporations Act, which requires the Department of Finance to present, on or before March 1, 2027, one or more options to the Legislature for holding the state's largest corporations accountable for the taxpayer costs of their employees enrolled in the Medi-Cal program.

Major Provisions

This bill implements the Fair Share from Big Corporations Act, which includes the following provisions:

- 1) Requires the Department of Finance, on or before March 1, 2027, to present to the Joint Legislative Budget Committee one or more options for holding the state's largest corporations accountable for the taxpayer costs of their employees enrolled in the Medi-Cal program.
- 2) Requires one of the options presented by the department to include a premium paid by employers with at least 250 employees to offset taxpayer costs of their employees enrolled in the Medi-Cal program who are not offered employer health coverage.
- 3) Requires the options presented to be accompanied by the following:
 - a. Data prepared by the Employment Development Department (EDD) and the Department of Health Care Services (DHCS) regarding the number of workers in the state's largest corporations enrolled in Medi-Cal
 - b. Proposed statutory language necessary to implement the options
 - c. An analysis of the cost of, and timeline for, implementing the options in the 2027 legislative session.
- 4) Makes the provisions of the bill inoperative if the Medicaid program-related provisions of House Resolution (HR) 1 are repealed on or before March 1, 2027.
- 5) Appropriates General Fund expenditure authority of \$10,000 to the Department of Finance to prepare the options to be presented to the Legislature.

COMMENTS

This bill implements the Fair Share from Big Corporations Act.

According to the Author

Arguments in Support

None on File

Arguments in Opposition

None on File

FISCAL COMMENTS

Appropriates General Fund expenditure authority of \$10,000 to the Department of Finance to prepare the options to be presented to the Legislature

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 16, 2026

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

FN:

SUMMARY

This housing trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

Major Provisions

This bill makes various statutory changes to implement the housing-related provisions of the Budget Act of 2026. Specifically, this bill:

Housing Development Finance Committee Bond and Tax Credit Reservation

- 1) Requires, beginning, January 1, 2027, and until January 1, 2037, the California Debt Limit Allocation Committee (CDLAC) to allocate a minimum of 90 percent of the state's annual cap on tax-exempt private activity bonds to qualified residential rental projects. Provides that the amount may be reduced to no less than 80 percent for a one-year period upon unanimous approval of CDLAC.
- 2) Requires, beginning January 1, 2027, that CDLAC reserve at least half of the bonds allocated to qualified residential rental projects, for projects awarded funding by the Housing Development and Finance Committee (HDFC).
 - a. Specifies that the reservation described above in #2, remains in effect until July 1, 2029, unless reauthorized by the Legislature.
 - b. Provides that if the reservation described above in #2, is not reauthorized by the Legislature, then the reservation decreases from at least 50 percent to 40 percent of the qualified residential rental projects, for projects awarded by the HDFC.
 - c. Provides that if the annual demand survey, as specified, demonstrates demand exceeding the reservation required in #2b above, the reservation shall automatically increase up to 50 percent to meet the demonstrated demand.
- 3) Requires the CDLAC and when applicable, California Tax Credit Allocation Committee (CTCAC), to make a ministerial allocation of private activity bonds and low-income housing tax credits for a project awarded funding by HDFC, after transmission of the application from HDFC.
- 4) Provides that until November 1, 2027, projects that have received a multifamily affordable housing program award prior to January 1, 2027, and that are not seeking additional state subsidy, shall apply directly to CDLAC, and also to CTCAC when applicable, for an allocation from the reservation. Requires CDLAC to notify HDFC of the recommended allocation awards for approval and requires CDLAC make an allocation of the private activity bonds from the reservation, provided that the project meets the federal threshold requirements for bonds.

- 5) Allows any unused portion of the HDFC reservation, not allocated by November 1 of the calendar year, to be reallocated by the CDLAC for other purposes for the 2027 calendar year.
- 6) Provides that for the 2028 calendar year, and every year thereafter, any unused portion of the HDFC reservation not allocated by September 1 of the calendar year or any portion determined to be unused by HDFC may be reallocated by CDLAC consistent with federal law.

Housing Development Finance Committee

- 7) Codifies the Governor's Reorganization Plan No.1 of 2025 related to the Housing Development Finance Committee with the following changes:
 - a. Adds the State Treasurer or their designee, the Controller or their designee, and specified nonvoting members to the executive committee.
 - b. Requires the executive committee to submit supplemental information regarding its activities to the Joint Legislative Budget Committee and to the relevant budget and policy committees of the Legislature, by April 1 of each year until April 1, 2029.
 - c. Requires the executive committee to evaluate project monitoring fees to support the long-term viability of the programs and the financial sustainability of projects.

Technical Modifications to Existing Affordable Housing Programs to Facilitate Streamlined Application and Award Procedures

- 8) Makes changes to existing state affordable housing funding programs such as the Joe Serna, Jr. Farmworker Housing Grant Program and the Multifamily Housing Program, to facilitate streamlined processing of housing awards consistent with the intent of the Governor's Reorganization Plan No. 1 of 2025 and the Affordable Housing Finance Workgroup.

Affordable Housing and Sustainable Communities Modifications

- 9) Divides the administration of the Affordable Housing Sustainable Communities (AHSC) Program between the Strategic Growth Council (SGC) and the HDFC beginning with new funding rounds initiated on or after July 1, 2026.
- 10) Directs HDFC to administer the portion of the AHSC Housing Allocation with a focus on infill housing project.
- 11) Directs the SGC to administer the AHSC Sustainable Communities Allocation to support flexible infrastructure and community improvement investments that advance greenhouse gas reductions objectives, support sustainable land use patterns, strengthen communities, and facilitate affordable housing opportunities throughout the state.
- 12) Provides allocation targets and additional consideration to AHSC Housing Allocation applications that are connected to sustainable communities-related investments, as specified.

- 13) Provides allocation targets and additional consideration to AHSC Sustainable Communities Allocation applications that promote development of affordable housing, as specified.
- 14) Specifies that at least one-fifth, but not more than one-third of the AHSC Sustainable Communities Allocation shall be awarded for projects involving the acquisition of easements or other approaches to protecting agricultural lands that are under pressure of being converted to nonagricultural uses.

Development Impact Fees

- 15) Requires a state entity within the California Housing and Homelessness Agency, including the Housing Development and Finance Committee, the Department of Housing and Community Development, and the California Housing Finance Agency, to consider quantifiable in-kind local contributions, as specified, when awarding competitive multifamily affordable housing funding for new construction projects, to the extent feasible.
- 16) Requires the awarding agency to reduce the total award amount for the project, as specified, if a city, county, or city and county is a lead applicant for a project in an affordable multifamily rental or ownership housing development administered by a state entity within that agency and has not committed to waiving any development impact fee, as defined, that it would otherwise impose on the project.
- 17) Applies to any notice of funding opportunity issued after July 1, 2027.

Disaster Rebuilding Program

- 18) Establishes the Disaster Rebuilding Assistance Program to be administered by California Housing Finance Agency (CalHFA) to support construction, reconstruction, and renovation loans for properties damaged or destroyed in a qualified disaster.
- 19) Authorizes the program to include certain forms of assistance, including programs for construction loan loss guarantees and construction loan rate buydowns, and any additional programs that the agency determines to be appropriate.
- 20) Requires the agency to first provide the Department of Finance and the Joint Legislative Budget Committee if the agency expends more than \$10 million on any additional program, with the spending plan for the program and how the assistance will be provided.
- 21) Requires the agency, upon completion of the initial phase of the program, to conduct an evaluation of the program, as specified, and to report the results to the Legislature and various committees by January 10, 2027.
- 22) Requires the agency to report to the Legislature on program activities and outcomes, as specified, on or before March 1, 2028, and each year thereafter.

Homeless Housing, Assistance, and Prevention Program Round 7

- 23) Provides \$900 million in the 2026-27 fiscal year for the implementation of round 7 of the HHAP program to be administered as additional disbursements of round 6. Specifies that 97 percent shall go to large cities, counties, and continuums of care, as specified, and three percent shall be available for tribes.
- 24) Requires the Housing and Community Development Department (HCD) to disburse 50 percent of an eligible city, county, or continuum of care's total round 7 program allocation only upon fulfillment specified prerequisites, as applicable, including, but not limited to:
- a. Fiscal readiness, as specified.
 - b. Housing element compliance.
 - c. Pro-housing designation, applicable to HHAP recipient cities and the counties in which they are located only, with a 12-month grace period and a specified timetable for HCD processing of applications.
 - d. Provision of qualified matching funds, as defined and applicable to HHAP recipient cities and the counties in which they are located only, that is equal to or greater than 35 percent of the recipient's total program allocation.
 - e. Adoption of ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance
- 25) Requires HCD to disburse the remaining round 7 allocation to an eligible city, county, or continuum of care only upon fulfillment of specified prerequisites, as applicable, including, but not limited to:
- a. Improvement on at least half of the region's most recent system performance measures compared to the baseline data from the most recent calendar year.
 - b. Fiscal readiness, as specified.
 - c. Housing element compliance.
 - d. Ongoing pro-housing designation, applicable to HHAP recipient cities and the counties in which they are located only
 - e. Provision, over the duration of the grant period, of qualified matching funds, as defined and applicable to HHAP recipient cities and the counties in which they are located only, equal to or greater than the 35 percent of the recipient's total program allocation required for the first round 7 disbursement, plus an additional 35 percent for the second disbursement.
 - f. Continuing to maintain ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance and reporting on specified activities and outcomes related to addressing previously identified encampments.

- 26) Establishes a mechanism for HCD to reallocate funds if a grantee fails to meet an expenditure deadline for any prior round of the program, after technical assistance and the opportunity to correct. Authorizes HCD to reduce the grantee's future allocation in amount equal to the amount of funds left unspent at the expenditure deadline and to reallocate these funds to other eligible applicants in the same region unless no such applicant exists, in which case HCD shall reallocate the funds as a bonus among recipients that have achieved a prohousing designation.
- 27) Streamlines and harmonizes system performance measures (SPMs) across all funding rounds.
- 28) Provides flexibility in financial reporting by allowing jurisdictions the option to submit reports on a monthly up to quarterly basis.

Residential Care Facilities for the Elderly

- 29) Clarifies that when development includes both a licensed residential care facility for the elderly licensed and units that are not age restricted, as specified, then specified laws prohibiting separate entryways and amenities apply only to nonage-restricted housing units and do not apply to age-restricted units.

Building Standards

- 30) Allows California Department of Health Care Access and Information (HCAI) to make modifications to the building standards for clinics during the intervening period.

COMMENTS

This bill contains statutory provision related to housing necessary to implement the 2026 Budget Act.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill would require expenditures related to continuously appropriated funds and the provisions of this bill are necessary to implement the requirements of the 2026-27 Budget.

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 26, 2026

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

FN:

SUMMARY

This bill is a taxation trailer bill for the 2026-27 Budget. This bill contains various statutory changes necessary to implement the Budget Act of 2026. Specifically, this bill:

Major Provisions

- 1) Extends the California Competes Tax Credit (CalCompetes) program, which provides financial incentives to attract and retain private companies that agree to hire and invest in California, until January 1, 2035, and allows a maximum amount of \$180 million in credits in each fiscal year. The current CalCompetes program is authorized until January 1, 2030.
- 2) Conforms state tax treatment of the new individual retirement accounts established by federal House Resolution (H.R.) 1 for the benefit of children under the age of 18, with federal law, commencing with tax year 2026. This tax conformity aligns treatment of these accounts with conformity for similar tax-advantaged savings and retirement accounts.
- 3) Commencing July 1, 2026, increases the amount available for manufactured homes property tax disbursements from the Senior Citizens and Disabled Property Tax Postponement Fund to \$300,000 per year. Currently, the disbursements specifically for manufactured homes are capped at one percent of the amount available in the fund in each fiscal year.
- 4) Makes other technical corrections to Revenue and Taxation code section 17941, related to changes included in section 26 of SB 122 (Committee on Budget and Fiscal Review).

COMMENTS

This bill contains various statutory changes related to tax to implement the 2026 Budget Act.

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

- 1) The provisions of this bill result in future revenue impacts when tax credits are claimed in the future.
- 2) In addition, conforming state tax treatment with the new individual retirement accounts will result in minor one-time costs for the Franchise Tax 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

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