



HIGHLIGHTS OF GOVERNOR'S PROPOSED 2021-22 MAY REVISION

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TABLE OF CONTENTS

Overview.....	2
Summary of Charts.....	5
Health.....	8
Human Services.....	13
K-12 Education.....	19
Early Care and Education.....	23
Higher Education.....	25
Natural Resources and Environmental Protection.....	31
Transportation.....	37
Energy.....	40
General Government.....	41
Taxation and Revenue.....	50
Public Safety.....	52

OVERVIEW

A Budget of Opportunity

Record tax relief.

Record reserves.

Record surpluses.

Record investment in California's families and businesses.

More than 61,000 Californians have died from COVID-19. And, over the past year, all 40 million Californians have sacrificed to bring the virus under control, preserve businesses and neighborhood institutions, and enrich communities under the most difficult of circumstances.

Now is a moment of opportunity to bring our state back together, to take the lessons of the pandemic year and build a better state for 2021 and beyond. Helped by the leadership of President Biden, Vice President Harris, and the Democratic Congress, Governor Newsom and the Legislature will now craft the most consequential state budget in our history.

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Governor Newsom's revised budget proposal is mammoth and ambitious by design. The federal government has learned the lessons of the failed austerity following the 2009 recession. The American Rescue Plan Act and other federal legislation represent the opposite of austerity. These federal acts invest big and bold in the nation's child care system, schools, public health, and relief for families and businesses. To execute this plan for the entire American economy, states and local governments also need to invest big and bold. That is what the California budget will do this year.

Here are just a few highlights of what the Governor is proposing:

- A big expansion of this spring's Golden State Stimulus so that the program reaches about two-thirds of Californians. Under the Governor's proposals, additional direct payments would go to middle-class families making up to \$75,000.
- The highest level of state school funding in history.
- College savings accounts for 3.7 million low-income children in public schools.
- 100,000 more subsidized child care slots and high-quality, free transitional kindergarten for all four year olds in California.

- More funding for UC, CSU, and community colleges, in addition to the action this spring to undo last year's cuts to the university systems.
- A new children's behavioral health initiative.
- \$7 billion for additional acquisitions under Project Homekey, along with other investments in homelessness prevention and affordable housing, building upon the state's innovative homelessness programs during the pandemic.
- A multibillion-dollar package of drought response and water resilience investments.
- \$100 million more over three years for the CalVIP program, which supports evidence-based violence reduction strategies in communities disproportionately affected by homicides, shootings, and assaults.
- An additional \$1.5 billion in COVID-19 relief grants for small businesses and nonprofits, thereby boosting California's relief grant resources to a total of \$4 billion—an important supplement to the \$6.2 billion tax cut for businesses in the federal Paycheck Protection Program passed this spring.
- Billions more relief for past-due utility bills, supplementing funds available for tenant rent relief.
- Expanding Medi-Cal eligibility to all Californians over age 60, regardless of immigration status.
- Huge spending in infrastructure and deferred maintenance, including large proposals in transportation and broadband.
- More funding to the Employment Development Department, to attempt to improve services for Californians receiving unemployment benefits.
- A cost-of-living adjustment for the SSI/SSP program and a CalWORKs grant increase.
- \$1.5 billion in grants to clean up litter and beautify public spaces.
- More funding to clean up toxic waste sites.
- An end to the phony practice of pretending parts of core programs, such as In-Home Supportive Services, Medi-Cal, and developmental disability services, would be "suspended" automatically in future years.

The Governor's plan parallels most initiatives in the Legislature's spring budget blueprints: the Assembly's revised blueprint to Preserve, Respond, Protect, and Recover, as well as the Senate's Build Back Boldly plan. This reflects the shared values of Governor Newsom and the Legislature and the close working relationship that the Legislature has with the administration.

Looking ahead, the Assembly will pursue opportunities to improve on the Governor's plan. To grow opportunity, more investment will be needed in child care and in making college more affordable and accessible for more California residents. Public benefit programs in health and social services can serve more people, more effectively too. Public health and homelessness prevention programs also require stable investments to cope with the

demands of future years. Moreover, there are opportunities to use one-time state funds to invest in California's diverse communities, including lifting up community institutions serving populations that have been negatively affected by the pandemic, racial injustice, and the inequality that we all have noticed anew in recent months.

The Senate and Assembly will work closely with the Governor to move California ahead. A balanced budget will be passed by the Legislature by June 15 and thereafter, there will be numerous budget revisions as the revenue situation becomes clearer and more federal investment flows to the state treasury.

SUMMARY OF CHARTS

**2021-22 May Revision
General Fund Budget Summary
(\$ in millions)**

	2020-21	2021-22
Prior Year Balance	\$5,658	\$27,435
Revenues and Transfers	\$187,020	\$175,921
Total Resources Available	\$192,678	\$203,356
Non-Proposition 98 Expenditures	\$98,166	\$130,421
Proposition 98 Expenditures	\$67,077	\$66,374
Total Expenditures	\$165,243	\$196,795
Fund Balance	\$27,435	\$6,561
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$24,260	\$3,386
Public School System Stabilization Account	\$1,984	\$4,601
Safety Net Reserve	\$450	\$450
Budget Stabilization Account / Rainy Day Fund	\$12,494	\$15,939

General Fund Expenditures by Agency
(in millions)

	2020-21	2021-22	<u>Change from 2020-21</u>	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$7,848	\$11,328	\$3,480	44.3%
Business, Consumer Services & Housing	790	1,177	387	49.0%
Transportation	240	1,843	1,603	667.9%
Natural Resources	4,809	8,888	4,079	84.8%
Environmental Protection	2,492	1,214	-1,278	-51.3%
Health and Human Services	43,939	54,159	10,220	23.3%
Corrections and Rehabilitation	12,386	13,794	1,408	11.4%
K-12 Education	65,643	64,412	-1,231	-1.9%
Higher Education	17,801	20,589	2,788	15.7%
Labor and Workforce Development	140	843	703	502.1%
Governmental Operations	2,157	3,644	1,487	68.9%
General Government:				
Non-Agency Departments	969	1,735	766	79.1%
Tax Relief/Local Government	1,182	513	-669	-56.6%
Statewide Expenditures	4,847	12,656	7,809	161.1%
Total	\$165,243	\$196,795	\$31,552	19.1%

General Fund Revenue Sources
(in millions)

	2020-21	2021-22	<u>Change from 2020-21</u>	
			Dollar Change	Percent Change
Personal Income Tax	\$124,151	\$123,298	-\$853	-0.7%
Sales and Use Tax	27,936	28,986	1,050	3.8%
Corporation Tax	20,120	18,106	-2,014	-10.0%
Insurance Tax	3,348	3,428	80	2.4%
Alcoholic Beverage Taxes and Fees	385	390	5	1.3%
Cigarette Tax	60	58	-2	-3.3%
Motor Vehicle Fees	40	36	-4	-10.0%
Other	6,124	5,064	-1,060	-17.3%
Subtotal	\$182,164	\$179,366	-\$2,798	-1.5%
Transfer to the Budget Stabilization Account/Rainy Day Fund	4,856	-3,445	-8,301	-170.9%
Total	<u>\$187,020</u>	<u>\$175,921</u>	<u>-\$11,099</u>	<u>-5.9%</u>

HEALTH

Cross Cutting Issues

- Eliminates potential suspensions of various health and human services expenditures that were adopted in the 2019 Budget Act, including for Proposition 56-funded supplemental payments to Medi-Cal providers.
- Proposes \$1 billion from the federal American Rescue Plan Act's Coronavirus State Fiscal Recovery Fund (ARPA) in 2021-22, \$1.7 billion (\$1.3 billion ARPA, \$300 million General Fund, and \$100 million Federal Trust Fund) in 2022-23, and \$431 million (\$300 million General Fund) ongoing for the Children and Youth Behavioral Health Initiative. Includes a public awareness campaign on adverse childhood experiences and toxic stress, and development of a curriculum of trauma-informed training specific to the education sector, by the Surgeon General.

Department of Health Care Services

- Implements the Children and Youth Behavioral Health Initiative by creating a virtual platform to integrate behavioral health services with screening, clinic-based care, and app-based support services; provides grants to qualified entities to increase behavioral health services at or affiliated with schools; develops and expand age-appropriate, evidence-based programs offered through plans as well as the CalHOPE Student Support Program; provides dedicated funds from the Behavioral Health Continuum Infrastructure Program to build infrastructure targeted at individuals age 25 and younger; and provides Medi-Cal dyadic service benefits.
- Increases the Governor's Budget proposal for behavioral health infrastructure (\$750 million General Fund) by \$10 million ARPA and shifts \$300 million General Fund to ARPA. Also includes \$1.4 billion (\$1.2 billion General Fund and \$220 million ARPA) for the program in 2022-23 (some of these amounts are included in the Children and Youth Behavioral Health Initiative described above). Of the funding, a minimum of \$10 million ARPA in 2021-22 and \$255 million (\$220 million ARPA and \$25 million General Fund) in 2022-23 is available for increased infrastructure targeted to individuals age 25 and younger.
- Includes \$250 million one-time General Fund to provide competitive grants for increased infrastructure targeted to justice-involved individuals with a serious mental illness who are deemed incompetent to stand trial (IST). Related to an intent to reallocate Relinquished County Jail Bond Authority to purchase or modify community mental health facilities, this proposal is intended to provide community based alternatives to incarceration or unnecessary state hospitalization.

- Expands Medi-Cal eligibility to all qualified individuals aged 60 and older, regardless of immigration status, beginning no sooner than May 1, 2022, reflecting estimated costs of \$69 million (\$50 million General Fund) in 2021-22 and \$1 billion (\$859 million General Fund) ongoing.
- Proposes \$315 million (\$31.5 million General Fund) to provide population health management services that would centralize administrative and clinical data from DHCS, health plans, and providers.
- Proposes to establish the Medi-Cal Providing Access and Transforming Health Payments (PATH) to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release, with an investment of \$200 million (\$100 million General Fund).
- Includes \$90.5 million (\$45.3 million General Fund) in 2021-2022 and \$362.2 million (\$181.1 million General Fund) annually between 2022-23 and 2027-28 to extend Medi-Cal eligibility from 60 days to 12 months for most postpartum individuals, effective April 1, 2022.
- Adds doula services as a covered Medi-Cal benefit, beginning January 1, 2022, at an estimated cost of \$403,000 (\$152,000 General Fund) in 2021-22 and \$4.4 million (\$1.7 million General Fund) annually.
- Includes \$16.3 million (\$6.2 million General Fund), increasing to \$201 million (\$76 million General Fund) by 2026-27, to add community health workers to the class of health workers who are able to provide benefits and services to Medi-Cal beneficiaries, effective January 1, 2022.
- Includes \$9.3 million General Fund to continue medically tailored meals beyond the current pilot program and until the full implementation of CalAIM In-Lieu of Services (ILOS).
- Proposes to extend Medi-Cal telehealth services by providing a reimbursement rate for audio-only services at 65 percent of the fee-for-service rate, and via a comparable alternative to prospective payment system (PPS) rates for clinics to maintain an incentive for in-person care. Provides that this reimbursement will only be available to providers within California or border communities, and who are able to provide in-person services to any client served by audio-only telehealth.

- Allocates \$222 million in 2020-21 to the Medi-Cal Drug Rebate Fund to maintain a reserve. The reserve is intended to alleviate the General Fund impact related to drug rebate volatility.
- Includes \$12.6 million (\$4.4 million General Fund) to reimburse specialty pharmacies for services provided to beneficiaries with complex drug therapies in the fee-for-service delivery system, effective July 1, 2021.
- Includes one-time funding of \$73 million (\$36.5 million General Fund) in each of 2021-22 and 2022-23 to resume annual Medi-Cal redeterminations upon conclusion of the federal public health emergency and continuous coverage requirement.
- Includes \$24 million (\$11 million General Fund) to address frozen rates for ICF/DD and pediatric subacute facility rates.
- Includes \$300 million one-time Coronavirus Fiscal Recovery Fund to help public health care systems cover costs associated with critical care delivery needs provided during and beyond the pandemic.
- Proposes the elimination of Medi-Cal dental managed care.

Department of Public Health

- Includes \$1.08 billion for COVID-19 response costs to support testing and laboratory operations, vaccinations, medical surge capacity, contact tracing management, and other state operations needs.
- Proposes \$3 million for an assessment of the state's public health and emergency response to the pandemic with a commitment to include a significant public health infrastructure proposal in the January 2022 budget.
- Proposes \$100 million over the next five years to support youth behavioral health education and outreach programs as a part of the Children and Youth Behavioral Health Initiative proposal.

Department of State Hospitals

- Includes \$28.3 million General Fund to provide competency restoration service for IST patients in community mental health treatment settings. Beginning in 2024-25 ongoing costs increase to \$49.8 million General Fund.

- Includes a \$17.1 million General Fund backfill for lost revenues as the state will no longer be able to take new Lanterman-Petris-Short patients. Beginning in 2023-24 the ongoing cost increases to \$146 million General Fund.
- Includes \$13.3 million General Fund to contract with counties to provide competency restoration services for IST patients residing in county jail facilities. Beginning in 2022-23 ongoing costs increase to \$22.5 million General Fund.
- Includes \$12.7 million General Fund to partner with local county jails to re-evaluate individuals deemed IST on a felony charge waiting in jail 60 days or more pending placement to a DSH treatment program.
- Withdraws the Governor's Budget Community Care Demonstration Project proposal.

Office of Statewide Health Planning and Development

- Increases the Governor's budget investment in the geriatric workforce and the behavioral health workforce.
- Invests an additional \$50 million General Fund one-time for new residency programs through the Song Brown program.

Covered California

- Reflects General Fund savings totaling \$732.7 million over 2020-21 and 2021-22 combined that result from new federal subsidy levels replacing the state subsidy program.
- Reflects reduced revenue from the individual mandate penalty of about \$345 million over 2020-21 and 2021-22 combined. The Franchise Tax Board is currently processing returns for the 2020 tax year, the first year in which the individual mandate penalty is in effect - data which is reflected in this estimate.
- Proposes to subsidize \$1 premiums for health plan consumers (required due to federal policy concerning abortion) at a General Fund cost of \$20 million ongoing.
- Sets aside \$333.4 in a new Health Care Affordability Reserve Fund. The total equals estimated individual mandate penalty revenue in 2020-21 and 2021-22, less the 2021-22 cost of the zero-dollar premium plan proposal described above.

Mental Health Services Oversight and Accountability Commission

- Invests an additional \$30 million (Mental Health Services Fund) into the Mental Health Student Services Act.

Emergency Medical Services Authority

- Includes one-time \$10 million General Fund for planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for the state and locals, emergency medical services providers, and health care providers.
- Includes \$10.8 million to store and maintain critical emergency equipment and medical supplies acquired during the pandemic; and staff resources to improve the on-boarding, deployment, and training for emergency medical responders.

HUMAN SERVICES

Department of Social Services

CalWORKs

- Proposes \$475 million General Fund in both 2021-22 and in 2022-23 to expand the existing CalWORKs Housing Support Program (HSP).
- Proposes \$8.7 million General Fund in 2021-22 and ongoing for counties to continue providing CalWORKs services for no more than 180 days when a child has been removed from the home and is receiving out-of-home care. This is called the Family Reunification CalWORKs Assistance Payment.
- Includes a 5.3-percent increase to CalWORKs Maximum Aid Payment levels, which is estimated to cost \$142.9 million in 2021-22. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.
- Proposes the changes to CalWORKs overpayment collections. First, beginning April 2020 through the end of the pandemic or June 30, 2022, whichever is sooner, authorizes a county to reduce the collection of all non-fraudulent related CalWORKs overpayments that are considered administrative errors from 10 percent to 5 percent of a family's aid payments. Second, reduces the CalWORKs Overpayment collection timeframe from 5 years to 2 year.
- Proposes \$1.9 million General Fund ongoing to restore Indian Health Clinic funding to pre-2009 funding levels.

Food and Hunger

- Proposes \$2 million (\$1.1 million General Fund) ongoing for the Department of Aging to continue CalFresh Expansion outreach efforts to older adults.

In-Home Supportive Services (IHSS)

- Proposes to retain the IHSS State and County Sharing Ratio. Under current law, the state and counties share the nonfederal cost for locally negotiated increases to wages and benefits for IHSS providers, a ratio of 35 percent county and 65 percent state, up to the state participation cap, which is set at \$1.10 above the state minimum wage. For increases above that amount, the county is responsible

for 100 percent of the nonfederal share. Effective January 1, 2022, when the state minimum wage reaches \$15 per hour, county-negotiated increases to IHSS wages and benefits would have flipped to a ratio of 65 percent county and 35 percent state. The May Revision now assumes the continuation of the 65 percent state and 35 percent county sharing ratio and the continuation of the 10 percent over three years option. This assumes increased state costs of \$57.3 million General Fund in 2021-22 and \$123.8 million ongoing General Fund to reflect this change.

- Includes \$200 million one-time General Fund to incentivize, support, and fund career pathways for IHSS providers, allowing these workers to build on their experience to obtain a higher-level job in the home care and/or health care industry. The May Revision calls this the Long Term Care Career Pathways initiative.
- Eliminates the IHSS 7 percent reduction in service hours resulting in a cost of approximately \$248 million General Fund in 2022-23 and \$496 million ongoing General Fund.

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

- Includes \$131.5 million General Fund in 2021-22 and ongoing to restore SSP, Cash Assistance Program for Immigrants, and California Veterans Cash Benefit recipients COLA for individuals back to 2011 payment levels. The proposed SSP COLA does not apply to couples' grants.
- Proposes \$175 million General fund for the Housing and Disability Advocacy Program (HDAP) annually through 2023-24 to assist disabled individuals who are experiencing homelessness. Additionally, waives the Interim Assistance Reimbursement requirement through the end of 2023-24 for this program.

Foster Care and Child Welfare

- Includes \$39.2 million General Fund to assist counties with serving foster youth with complex needs and behavioral health conditions, within California, as well as youth who return from an out-of-state congregate placement.
- Includes \$280 million General Fund in both 2021-22 and 2022-23 to expand the existing Bringing Families Home program. This program provides housing-related supports to eligible families experiencing homelessness in the child welfare system.

- Includes \$122.4 million General Fund one-time in 2021-22 to be expended over three years to assist counties with new prevention services implementation efforts allowable under the new federal Family First Prevention Services Act Part I. These one-time resources will assist counties to build locally driven services and supports for children, youth and families at risk of entering foster care.
- Includes \$24.5 million General Fund and federal TANF block grant funds in 2021-22 to provide caregivers with up to four months of Foster Care Emergency Assistance payments pending resource family approval and up to twelve months for cases that meet good cause criteria.
- Includes \$39.4 million General Fund in 2021-22 to continue development of a new technology platform for Child Welfare Services, called the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES).
- Includes \$3.4 million General Fund ongoing for increased county social worker workload associated with the Child and Adolescent Needs and Strengths assessment tool.
- Includes \$7.1 million General Fund to reflect Continuum of Care Reform true-up related to county Child and Family Teams actual expenditures for fiscal year 2018-19.
- Includes \$3 million General Fund in 2021-22 to provide a Master of Social Work Programs stipend for tribal members or Native Americans who commit to working in tribal social services programs dedicated to serve children and families through after graduation.

Immigration Services

- Includes \$105.2 million one-time General Fund for the Rapid Response Fund to provide support for migrant family arrivals at the Southern California border and additional funding for other emergency responses, including wildfires and drought.
- Includes \$20 million General Fund and \$5 million Proposition 98 General Fund in 2021-22 to provide additional support for Unaccompanied Undocumented Minors (UUM) through Opportunities for Youth pilot project (\$4.7 million General Fund), the UUM legal services (\$14 million General Fund), state operations (\$1.3 million General Fund) and the California Newcomer Education and Well-Being Project (\$5 million Proposition 98 General Fund) will be available through 2022-23.

- Includes \$25 million one-time General Fund in 2021-22 to fund filing fees for Deferred Action for Childhood Arrivals (DACA) and naturalization.

Additional Housing, Homelessness, and Community Housing Supports

- Proposes \$150 million one-time General Fund to support transitioning participants into permanent housing through Project Roomkey.
- Proposes \$100 million General Fund in both 2021-22 and 2022-23 for the Home Safe program for access to health, safety, and housing supports for individuals involved in or at risk of involvement in Adult Protective Services.
- Proposes \$500 million in both 2021-22 and 2022-23 for the Community Care Expansion Program. Proposed funding for construction, acquisition and/or rehabilitation of adults and seniors in care facilities who are homeless or at risk of becoming homeless and will further stabilize these facilities with physical upgrades and capital improvements.

Department of Developmental Services

- Proposes \$23.8 million ongoing General Fund to provide children aging out of Early Start provisional Lanterman service eligibility up to age five.
- Proposes \$8 million General Fund in 2021-22, increasing to \$11 million General Fund ongoing in 2022-23, for Systemic, Therapeutic, Assessment, Resources and Treatment (START) mobile crisis teams. The teams provide 24-hour crisis prevention and response services to individuals with intellectual or developmental disabilities.
- Proposes \$10 million General Fund in 2021-22 to establish an intensive caseload ratio (1:40) to improve service delivery to consumers in underserved communities.
- Proposes \$24 million (\$11 million General Fund) to address frozen rates for Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) and Pediatric Subacute Facilities.
- Eliminates the suspension of the Provider Supplemental Rate Increase and lift the implementation of the Uniform Holiday Schedule resulting in a cost of \$173.7 million General Fund in 2022-23 and \$309.6 million ongoing General Fund.
- Proposes \$4 million General Fund in 2021-22 for one-time planning resources to create an outcome-focused performance incentives program for regional center

operations. Beginning in 2022-23, ongoing costs increase to \$61 million General Fund.

- Proposes \$2.9 million General Fund in 2021-22 to establish a training and certification program for direct service professionals tied to wage differentials. The program aims to reduce staff wage inequity, stabilize service access, and professionalize and diversify the workforce. Beginning in 2023-24, ongoing costs increase to \$51 million General Fund.
- Proposes \$2.2 million General Fund in 2021-22 to create a differential for bilingual service provider staff. Beginning in 2023-24, ongoing costs increase to \$6.5 million General Fund.
- Proposes \$6.8 million General Fund to improve consumer onboarding into the Self-Determination Program, to include: participant choice specialists, intensive transition support services, and regional center training. Beginning in 2024-25, ongoing costs decrease to \$2.2 million General Fund.

Department of Aging

- Proposes \$106 million General Fund available over three years, to strengthen older adults' recovery and resilience from isolation and health impacts caused by the pandemic. This investment will increase service levels of existing programs based on local need including: Senior Nutrition, Senior Legal Aid, Home Modifications and Fall Prevention, Behavioral Health Friendship Line, Senior Digital Assistance, Family Caregiver Support, Senior Employment Opportunities, Elder Abuse Prevention, and Aging & Disability Resource Connection.

California Health and Human Services Agency

- Eliminates the suspensions that were threatening Health and Human Services investments that were initiated in the 2019 Budget. These suspensions include, but are not limited to reversing the 7-percent reduction in In-Home Supportive Services hours, Developmental Services provider rate increases, and a multitude of other investments affecting children in foster care and low-income seniors.
- Proposes \$20 million one-time General Fund to improve and deliver language access services across the spectrum of Health and Human Services programs. This proposal would build on a 2021 Governor's Budget proposal for the Health and Human Services Agency to develop and implement an HHS-wide policy framework to improve language access standards across programs and services.

- Proposes \$2.5 million one-time General Fund for Health and Human Services Agency to lead efforts and stakeholder engagement in building out information exchange for health and social services programs. The May Revision calls this effort the Health Information Exchange Leadership.
- Withdraws the proposed \$40 million loan from the Hospital Building Fund and proposes repaying \$156 million in budgetary loans from various special funds that were included in the 2020 Budget Act.
- Proposes \$7.6 million General Fund in 2021-22 and \$7.2 million ongoing General Fund for 33 positions to stand up the Office of Youth and Community Restoration and perform the core functions laid out in SB 823 (Chapter 337, Statutes of 2020), including: (1) review of county's juvenile justice plans, (2) reporting on youth outcomes and identifying best practices, (3) providing technical assistance to counties, and (4) performing the ombudsperson duties.
- Proposes one-time \$10 million General Fund for the Emergency Medical Services Authority (EMSA) for planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for the state and locals, emergency medical services providers, and health care providers. The May Revision calls this effort the Statewide Emergency Medical Services Data Solution.
- Proposes \$10.8 million at EMSA to store and maintain critical emergency equipment and medical supplies acquired during the pandemic; and staff resources to improve the on-boarding, deployment, and training for emergency medical responders.
- Proposes \$35 million General Fund over five years for Universal Basic Income pilot programs. These pilot programs would be city or county administered, require a local-match commitment, and shall target low-income Californians.

K-12 EDUCATION

Proposition 98

- Estimates that the Proposition 98 guarantee is growing by \$9.3 billion in ongoing funding, for a total of \$93.7 billion in the 2021-22 Budget Year.
- Estimates that the Proposition 98 guarantee has grown to \$79.3 billion in 2019-20, and \$92.8 billion in 2020-21, for a three-year increase of \$17.7 billion.
- Estimates per pupil spending at \$13,977 in Proposition 98 funding, and \$21,152 from all funding sources in the Budget Year.
- Anticipates an \$8.1 billion one-time payment to schools in 2022-23 due to the Gann Limit.
- Proposes to eliminate the entire Supplemental Payment from the 2020-21 Budget Act.
- Increases the Public School Stabilization Account contributions to a total of \$4.6 billion, triggering the local educational agency reserves cap policy in 2022-23.
- Retains \$2.6 billion of the remaining \$3.6 billion in prior year education funding deferrals.

In Person Instruction

- Assumes Distance Learning statutory authority expires, requiring schools to resume full-time, in-person instruction in the Fall for state funding.
- Proposes improvements to the Independent Study program to require schools to provide technology, rigorous curriculum, tiered re-engagement, and track daily student engagement and participation.

Local Control Funding Formula & Categoricals

- Proposes a Local Control Funding Formula (LCFF) Base Grant 1% increase, in addition to a 4.05% super-COLA.
- Proposes to use \$1.1 billion in ongoing funds to increase the LCFF Supplemental Grant for reducing campus adult to student ratios.

- Provides a 1.7% COLA for all statutorily-required categorical programs, including the California State Preschool program.
- Provides \$30 million one-time for County Offices of Education to support regional coordination of student services.
- Increases County Offices of Education funding by \$29.7 million ongoing to reflect a 2.7% COLA.

Universal Transitional Kindergarten

- Launches planning in the Budget Year for a 2022-23 beginning to quality Universal Transitional Kindergarten (UTK) implementation – UTK by 2025. Repurposes the \$250 million in January Budget UTK funding for planning purposes.
- Authorizes the roll-out of UTK over a three-year period: each year from 2022-23 through 2024-2025, three more months of Transitional Kindergarten would be offered, enrollment would be allowed, and average daily attendance (ADA) would be funded.
- Proposes that all new costs for UTK ADA be funded above the Proposition 98 guarantee, which would be rebench. Estimates the costs at \$900 million in 2022-21, growing to a total of \$2.7 billion in ongoing funding in 2024-2025.
- Funds \$380 million in 2022-23 and \$740 million in 2023-2024 to reduce child to adult ratios in TK and kindergarten to 1:12.
- Funds the California Department of Education (CDE) to update the Preschool Learning Foundations for UTK.
- Allows the California State Preschool Program to transition from 4-year old care to 3-year old care.

Community Schools

- Augments the one-time January Budget Community Schools proposal to provide a total of \$3 billion for approximately 1,400 new Community Schools for a five year timeline.

Student Mental Health

- Adds a one-time \$4 billion youth behavioral health grant for children ages 0-25, over four years, including a \$2.07 billion one-time federal funding investment in universal screening, referrals, and services.
- Increases the January Budget proposal for the Department of Health Care Services student mental health initiative to \$1 billion.

Afterschool, Summer, & Expanded Learning

- Funds \$1 billion ongoing in 2021-22 before, after school, and summer programs, with a goal of a total of \$5 billion in ongoing increases by 2025, to serve students in all concentration grant school districts.
- Reduces the child to adult ratio in the state-funded after school programs to 1:10 for transitional kindergarten and kindergarten programs.
- Adds \$2.6 billion in a combination of federal and Proposition 98 one-time funding, to the Expanding Learning and Opportunity grants authorized by AB 86 earlier this year.
- Provides State Ops support to CDE for Expanding Learning capacity.

Educator Support & Pipeline

- Adds a total of \$3.3B in one-time GF and Proposition 98 for January Budget teacher pipeline proposals.
- Increases the one-time Golden State Teachers funding level to \$500 million.
- Increases the Teacher Residency Program one-time funding level to \$550 million.
- Increases the Educator Effectiveness Block Grant to \$1.5 billion over three years.
- Increases the Classified School Employees Credentialing program to \$125 million in one-time funding.
- Proposes \$250 million in one-time funding to incentivize National Board Certification for California teachers.

Nutrition

- Increases the state's investment in the school meals program by \$150 million to support universal meals programs.
- Proposes \$100 million in one-time funds for school kitchen updates and staff training.

Special Education

- Accepts \$277.7 million in federal IDEA funding increases for special education local assistance.
- Provides \$117.7 million ongoing to Special Education for a 4.05% super COLA.
- Provides \$15 million to schools for technical assistance for Individualized Education Plans.
- Increases State Ops support for CDE around special education and IDEA Part C to B transitions.

Career & College Readiness

- Proposes a new "Youth Workforce Development" program for a total of \$200 million in federal relief funding.
- Proposes \$250 million one-time General Fund for grants to establish several regional K-16 collaboratives focused on streamlining educational pathways leading to in-demand jobs.
- Provides \$86.4 million in one-time funding to support Regional Occupation Centers with pandemic impact support.

EARLY CARE AND EDUCATION

Childcare Access

- Proposes to add a total of 100,000 subsidized child care slots across state-funded programs.
- Increases Proposition 64 funding for child care by \$83 million in 2021-22, for 6,500 slots.

Childcare Infrastructure

- Restores the 2019-20 investment of \$250 million to provide infrastructure grants for the acquisition, construction, development, and renovation of child care facilities through one-time federal relief funds.
- Proposes \$10 million in one-time federal relief funds to support Resource and Referral agencies.
- Proposes \$20 million for a multi-year effort for the Department of Social Services to strengthen existing child care quality improvement supports and systems.

Pandemic Response

- Requests Legislative ratification of the Administration's \$579 million pandemic response agreement with the Child Care Providers United, with one-time, federal relief funding:
 - Proposes a tiered licensed provider one-time stipend, based on licensing capacity, of between \$3,500 to \$6,500.
 - Proposes per-child stipends for subsidized child care and preschool providers.
 - Proposes to waive family fees for eligible families beginning July 1, 2021 through June 30, 2022.
 - Expands the California Child Care Initiative Project by \$25 million.
 - Proposes \$10.6 million through September 30, 2023 for early childhood mental health consultations.
 - Provides 16 non-operational days for providers accepting vouchers that have to close due to COVID-related reasons beginning July 1, 2021, through June 30, 2022.

- Continues hold harmless funding for child care providers that contract directly with the state and provider reimbursement at a child's maximum certified level of need for all providers accepting vouchers through June 30, 2022.

Transition of Childcare to the Department of Social Services

- Augments State Ops support requests from the January Budget to facilitate the transition of childcare services to the Department of Social Services (DSS).
- Shifts \$31.7 million and 185.7 positions from the California Department of Education (CDE) to DSS.
- Proposes an additional increase of \$10.9 million and 79 positions, in addition to the shift from CDE.
- Proposes \$6 million for direct deposit payment implementation, and \$4.8 million to continue child care data system development.

HIGHER EDUCATION

University of California

- Restores cut made in 2020-21, adding \$302.4 million ongoing General Fund to the UC operational budget.
- Combines proposed 3% base increase from the January budget proposal with additional funding to support an overall 5% base operations increase, or \$173.2 million ongoing General Fund.
- Provides \$150 million in one-time federal funding to address deferred maintenance issues.
- Provides \$45 million one-time General Fund to support the UC Davis animal shelter program.
- Provides \$15 million one-time General Fund to renovate the UCLA Labor Center facility.
- Eliminates the sunset date regarding summer financial aid, allowing the program to continue as an ongoing program.
- Provides \$10.2 million one-time General Fund for the UCSF Dyslexia Center.
- Provides \$5 million one-time General Fund to the UCLA Asian American Studies Center to support analysis and research associated with the prevention of hate incidents experienced by Asian Pacific Islander communities and to provide grants to community-based organizations focused on preventing hate incidents experienced by Asian Pacific Islander communities.
- Provides \$1 million one-time General Fund to support the UC Berkeley Alternative Meats Lab.
- Provide \$1 billion one-time General Fund, split evenly between fiscal years 2021-22 and 2022-23, to establish the Learning-Aligned Employment program, which would promote learning-aligned, long-term career development for UC, CSU, and CCC students. Funds would be used by campuses to establish partnerships with external employers to provide learning-aligned opportunities related to students' fields of study, aimed at providing students with long-term career development and professional networking opportunities.

- Proposes to consolidate the separate funding items for the UC Office of the President and UC campuses into one item, and enable the UC Office of the President to return to a campus assessment model.

California State University

- Restores cut made in 2020-21, adding \$299 million ongoing General Fund to the CSU operational budget.
- Combines proposed 3% base increase from the January budget proposal with additional funding to support an overall 5% base operations increase, or \$185.9 million ongoing General Fund.
- Provides \$150 million in one-time federal funding to address deferred maintenance issues.
- Re-establishes CSU Humboldt as a polytechnic university, including \$25 million ongoing and \$433 million one-time General Fund.
- Provides \$25 million one-time General Fund to support construction of the CSU Northridge Center for Equity in Innovation and Technology.

California Community Colleges

- Provides \$185.4 million ongoing Proposition 98 General Fund to reflect a compounded cost-of-living adjustment of 4.05 percent, which represents a 2020-21 cost-of-living adjustment of 2.31 percent and a revised 2021-22 cost-of living adjustment of 1.7 percent.
- Provides \$326.5 million one-time Proposition 98 General Fund to eliminate deferrals created in the 2020-21 budget.
- Provides \$100 million one-time Proposition 98 General Fund to support student recruitment and retention activities.
- Provides \$30 million ongoing Proposition 98 General Fund for colleges to establish basic needs centers and hire basic needs coordinators.
- Creates a COVID 19 response block grant, with \$50 million one-time Proposition 98 General Fund.
- Provides \$150 million one-time Proposition 98 General Fund to support Guided Pathways programs.

- Increases funding for the Student Equity and Achievement Program by \$23.8 million ongoing Proposition 98 General Fund.
- Increases funding for the Strong Workforce program by \$12.4 million ongoing Proposition 98 General Fund.
- Increases funding for Equal Employment Opportunity practices by \$20 million one-time.
- Provides \$75 million one-time Proposition 98 General Fund to expand new and existing College and Career Access Pathways (CCAP) agreements between school districts and community colleges.
- Provides \$10 million one-time Proposition 98 General Fund to support competency-based education programs.
- Increases support for the Student Success Completion Grant program by \$27.2 million ongoing Proposition 98 General Fund.
- Increases support for zero-cost textbook degrees by \$100 million Proposition 98 General Fund.
- Provides \$50 million ongoing Proposition 98 General Fund to expand vocational training opportunities and English as a Second Language (ESL) programs for ESL students at the community colleges. The Administration expects that these programs be linked to pathways enabling ESL students to subsequently enroll in for credit certificate, credential, or degree programs.
- Provides \$5.8 million ongoing Proposition 98 General Fund to further support Dreamer Resource Liaisons and student support services for immigrant students, including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645).
- Provides \$20 million one-time Proposition 98 General Fund to support CCC participation in High Road Training Partnerships and regional partnerships developed by the California Workforce Development Board.
- Provides \$1 million one-time Proposition 98 General Fund to support the modernization of the CCC Registry, which is an online database of job opportunities for the California Community Colleges.
- Adds \$10 million one-time Proposition 98 General Fund to develop work-based learning opportunities in (1) cloud computing, and (2) zero emissions and supply chain fields.

- Provides \$314.1 million one-time Proposition 98 General Fund and \$250 million one-time federal funds to address deferred maintenance.
- Provides \$10 million ongoing Proposition 98 General Fund to for the systemwide acquisition of software that visualizes and clearly maps out curricular pathways for students choosing their pathway and for students needing help to stay on their pathway. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to Career Data system.
- Provides \$10 million one-time Proposition 98 General Fund to plan for and begin developing a common course numbering system throughout the community college system, which should better enable students to identify the courses needed to complete a degree or certificate, or transfer to a four-year institution. This investment would also support the long-term development and integration of a common application platform within the proposed Cradle-to Career Data system.
- Provides \$4 million ongoing Proposition 98 General Fund to support a systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning.

California Student Aid Commission

- Increases support for the Golden State Teacher program by \$400 million one-time General Fund.
- Provides \$1 billion one-time federal funds to establish education and training grants for displaced workers, a one-time grant program to support displaced workers seeking reskilling and up-skilling, educational opportunities, or to support some of the costs to start a business.
- Establishes the Behavioral Health Task Force at the Health and Human Services Agency to include state departments, counties, consumers, health plans, providers and other stakeholders, to review policies and programs to improve quality of care and coordinate system transformation.

California State Library

- Provides \$50 million one-time General Fund for an equity-focused matching grant program to support local library infrastructure.
- Provides \$35 million one-time General Fund available through 2024-25, to expand broadband access to isolated and under-served communities through a collaborative partnership of local education agencies, regional libraries, and

telehealth providers and leverage available federal funds through the E-Rate Program.

- Provides \$6 million one-time General Fund to support the Broadband Connectivity Initiative.
- Provides \$15 million one-time General Fund to support English as a Second Language programs offered through local libraries.
- Provides \$6.4 million one-time General Fund to support a two-year pilot online tutoring service program.
- Provides \$5 million one-time General Fund to support grants for public education and awareness of Civil Liberties.
- Provides \$241,000 ongoing General Fund to support K-12 Student Online STEAM database access.
- Provides \$2.4 million General Fund annually for the next four years to support Disaster Preparedness for Cultural Heritage Agencies.
- Provides \$1.6 million one-time General Fund and \$220,000 ongoing General Fund to support Assistive Technology for Visually Impaired Californians.
- Provides \$345,000 ongoing General Fund to support Data and Systems Librarians.
- Provides \$130,000 to support the California Homeless Youth Project.

Hastings College of the Law

- Provides \$3 million one-time General Fund to support student, faculty and staff security.

Other Higher Education Proposals

- Provides \$4 billion in one-time General Fund to the California School Finance Authority to support affordable student housing projects for UC, CSU and community colleges.
- Provides \$2 billion one-time federal funds and \$170 million ongoing General Fund to Scholarshare to establish college savings accounts for all current low-income public school students, as defined by the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a

public school, and for successive cohorts of these student populations as they enter first grade.

- Provides \$250 million one-time General Fund to create a grant program for regional K-16 collaboratives. The Office of Planning and Research would award grants to between five and eight regional collaboratives, modeled after the Fresno K-16 Education Collaborative.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION**Water Resilience**

- Appropriates \$4.35 billion over multiple years for water projects.
- Provides the SWRCB with \$1.3 billion for drinking water and wastewater infrastructure, \$10 million for PFAS support for a total of \$20 million over 2 years, and \$85 million for groundwater cleanup and water recycling which increases to a total of \$150 million over 2 years.
- Funds DWR with \$50 million to restore habitat and improve air quality Salton Sea that increases to \$220 million over two years, \$200 million to support Sustainable Groundwater Management Act implementation which increases to \$300 million over two years, \$100 million for water conveyance which increases to \$200 million over two years, \$70 million to support the state cost-share of critical federal urban flood risk reduction projects which increases to \$140 million over two years, \$25 million for watershed studies, \$20 million for an aqueduct solar panel study, and \$200 million a pumped hydro facility at Lake Oroville.
- Appropriates \$60 million to CDFA's State Water Efficiency and Enhancement Program (SWEEP).
- Allocates \$5.7 million of General Fund to CNRA for Clear Lake Rehabilitation.
- Provides \$989 million (\$949 million General Fund, \$30 million federal funds, and \$10 million bond and special funds) to meet current and likely future water supply needs. Includes \$91 million for data, research, and communications, \$27 million for drought technical assistance, and emergency water supplies, \$500 million to DOC for multi-benefit land repurposing, \$300 million for small water supplier's drought relief and urban water management grants, \$38 million for drought permitting, compliance, and enforcement, and \$33 million to DFW for drought fisheries and wildlife support.
- Allocates \$726 million General Fund for nature-based solutions to improve long-term ecological conditions on California waterways to help species cope with climate change. Includes \$166 million for CNRA which increases to \$266 million over two years for water resilience, \$65 million to WCB for wildlife corridors and fish passage which increases to \$230 million over two years, \$100 million for DWR for habitat restoration which increases to \$200 million over two years, and \$30 million for DOC for the enhancement of working lands and riparian corridors

through conservation easements and restoration projects on agricultural lands.

Climate Change

- Allocates \$350 million General Fund over two years for heat including urban greening projects with \$100 million to CNRA which increases to \$200 million over two years, accelerates the deployment of low global warming potential appliances in low-income households eligible for energy efficiency upgrades with \$50 million to DCSD for the Low Income Weatherization Program, and supports the strategic greening of new near-zero emission low-income residential buildings with \$50 million to the CEC's BUILD Program which increases to \$100 million over two years.
- Appropriates \$211.5 million General Fund over two years to protect communities from sea-level rise and floods through coastal wetland restoration with \$100 million to the OPC for Coastal Wetland Restoration which increases to \$200 million over two years. Funds \$11.5 million for DPR to increase coastal resilience of State Parks to advance coastal resilience as outlined in the State Parks Sea Level Rise Adaptation Strategy.
- Provides \$495 million General Fund over three years for community resilience. Includes \$140 million growing to \$420 million over three years for the Strategic Growth Council's Transformative Climate Communities Program, which funds place-based, catalytic projects that serve as a model for equitable, community-driven infrastructure investments in the most disadvantaged communities of California and \$10 million for SGC's Regional Climate Collaboratives program which increases to \$20 million over two years. Funds OPR with \$5 million for vulnerable communities' platform and CalAdapt mapping and \$15 million which increases to \$25 million over two years for and Climate Adaptation and Resilience Planning Grants which support local and community participation in and development and implementation of resilience plans and associated projects. Allocates \$15 million with \$25 million over 2 years for CalEPA for the Environmental Justice Initiative.
- Proposes \$287 million General Fund including \$200 million to DOC for oil well remediation, \$50 million to DOC for biomass to hydrogen/biofuels pilot, \$15 million to CARB to reduce fluorinated gases, and \$22 million to various agencies support the development of the state's Fifth Climate Assessment.

Sustainable Agriculture

- Allocates an additional \$641 million over two years (\$491 million in 2021-22) for a

total \$926 million (\$776 million in 2021-22) in strategic investments to support California's agriculture industry.

- Provides one-time general fund appropriations of \$68 million for food systems which includes: \$20 million for the California Farm to School Incubator Grant Program, \$15 million for California nutritional Incentive Program, \$20 million for Healthy Refrigeration Grant Program, \$0.5 million for senior farmers market nutrition program, \$12 million for urban agriculture.

Natural Resources

- Allots CNRA with \$11.4 billion (\$8.9 billion General Fund, \$1.6 billion special funds, \$886 million bond funds).
- Proposes an additional \$256.2 million (\$253.1 million General Fund, \$3.1 million special funds) to expand outdoor access for all Californians.
- Awards \$108.1 million (\$105 million one-time General Fund and \$3.1 million Environmental License Plate Fund) for outdoor environmental education and access programming through the Outdoor Equity Grants Program and expansion of existing K-12 programs.
- Allocates \$125 million in one-time General Fund to invest in establishing and revitalizing community open spaces through the Statewide Park Development and Community Revitalization Program. These grants fund new parks, the beautification of existing parks, and recreation opportunities in underserved communities across the state.
- Provides \$14 million one-time General Fund for the Coastal Conservancy to expand coastal access programming statewide with the Coast Grant Program.
- Appropriates \$9.1 million one-time General Fund to launch a State Parks pilot to expand parks pass distribution, especially for youth in disadvantaged communities. The pilot would include a "California State Park Adventure" program for fourth graders and new statewide partnerships with the California State Library and California Department of Social Services.
- Funds \$507.3 million (\$403.8 million one-time General Fund and \$103.5 million one-time federal reimbursements) for the enhancement and restoration of state parks facilities statewide.
- Provides \$217 million (\$113.5 million one-time General Fund and an estimated

\$103.5 million one-time federal reimbursements) for fire restoration projects in the 115,000 acres burned across 23 state park units by multiple fires in the unprecedented 2020 wildfire season.

- Increases deferred maintenance at state parks by \$165 million which includes including cottage rehabilitation at Crystal Cove State Park, lighthouse restoration at Pigeon Point Light Station State Historic Park, and road reconstruction at Border Field State Park.
- Appropriates \$95.3 million one-time General Fund for transfer to the Natural Resources and Parks Preservation Fund for the California Indian Heritage Center. This proposal restores the original set-aside for the project, reversing the one-time General Fund savings implemented in the 2020 Budget.
- Provides \$30 million one-time General Fund for various capital projects at the historic Sacramento Railyards.

Department of Fish and Wildlife

- Provides \$53.8 million and 31 positions to protect California's Endangered Species.
- Provides \$7.5 million and 8 positions, over five years, to Enhancing Stewardship of Refuges, Preserves, and other State Lands.
- Increases the Wolf Conflict Program by \$3 million.
- Allocates \$1.3 million for the drift gill net transition program.
- Provides \$350,000 for an injured wildlife study.
- Appropriates \$15 million for deferred maintenance.

CalEPA**Toxics**

- Appropriates \$6 million one-time General Fund to DTSC to address workload gaps identified in the Department's workload analyses, and \$200 million additional for site cleanup over multiple years. Increases Exide Cleanup by \$291 million over three years.

Pesticides

- Provides DRP with \$10 million one-time General Fund to implement a statewide infrastructure network to provide equitable access to important information about local pesticide use.

Recycling

- Allocates \$130 million one-time General Fund to support the development of infrastructure required to process recyclables and manufacture products from recyclable material. Funds \$5 million for the Food Waste Prevention and Rescue Grant Program to establish new or expand existing food waste prevention projects to reduce landfill methane emissions and benefit disadvantaged communities. Funds \$5 million to create or expand community composting opportunities and jobs that serve disadvantaged communities. Funds \$55 million to provide grants for new composting and anaerobic digester facilities and to expand capacity at existing wastewater facilities to increase organic waste recycling capacity, provide funding for co-digestion, and reduce methane emissions from landfills. Provides \$15 million to provide grants to companies that are in the research, development, feasibility, or pilot phase of recycling projects that are interested in locating in California. Funds \$50 million to provide low-interest loans to attract recycling and reuse businesses to California. These loans would be designed to align with existing tax incentives already offered by the state.

Zero-Emission Vehicles

- Proposes an increase of \$826 million in ZEV funding which totals \$1.8 billion in 2021-22, and \$3.2 billion over three years.
- Maintains the extension of AB 8 fees for CARB ZEV programs like Carl Moyer and CEC infrastructure programs.
- Replaces the January Budget AB 8 securitization with \$500 million in general fund for CEC to fund ZEV infrastructure.
- Appropriates \$134 million to CVRP which increases to \$400 million over time with an emphasis on low and moderate income.
- Expands Clean Cars 4 All to a statewide program which will increase funding to \$400 million total in future years.
- Increases Medium and Heavy-duty programs with \$87 million for Clean Trucks,

Buses, and Off-Road Equipment, \$160 million for Drayage Trucks and Infrastructure which increases to \$470 million total over multiple years, \$65 million for a drayage truck pilot, \$100 million for transit buses and infrastructure which increases to \$290 million over time, \$150 million for school buses and infrastructure that increases to \$450 million over time.

- Allocates \$125 million to CEC for ZEV manufacturing grants that increase to \$250 million over time and \$5 million for GO-Biz Market Development Strategy.
- Shifts GGRF funding from early action to 2021-2022.

Emergency Management and Wildfires

- Maintains the \$708 million January wildfire proposal that was not funded through early action. This includes \$31 million to fully fund the Climate Catalyst Fund proposal.
- Appropriates \$38.9 million one-time General Fund for CalFIRE surge staffing. To address the state's high-risk fuel conditions, this additional funding will support the staffing of three additional California National Guard crews for a total of 13 fire crews from July through December, and continue staffing 8 additional CAL FIRE crews that began in April 2021.
- Funds the Wildfire Forecast and Threat Intelligence Integration Center—\$7.4 million and 22 positions for Cal OES, California Military Department, Department of Forestry and Fire Protection (CAL FIRE), and Public Utilities Commission to implement SB 209.
- Appropriates \$150 million one-time general fund to CDFA to develop and enhance of community resilience centers.

TRANSPORTATION

Infrastructure Package

- Proposes investing an additional \$11 billion in the transportation system and related zero-emission vehicle (ZEV) efforts:
 - **Los Angeles Olympics**—\$1 billion General Fund to deliver critical projects in time for the 2028 Olympic Games.
 - **Priority Transit and Rail Projects**—\$1 billion General Fund for transit and rail projects statewide that improve rail and transit connectivity between state and regional/ local services.
 - **Active Transportation**—\$500 million General Fund to advance projects that increase the proportion of trips accomplished by walking and biking, increase the safety and mobility of non-motorized users, advance efforts of regional agencies to achieve greenhouse gas reduction goals, enhance public health, and benefit many types of users, especially in disadvantaged communities.
 - **High Priority Grade Separations and Grade Crossing Improvements**—\$500 million General Fund to support critical safety improvements throughout the state.
 - **High-Speed Rail**—\$4.2 billion Proposition 1A to complete high-speed rail construction in the Central Valley, advance work to launch service between Merced and Bakersfield, advance planning and project design for the entire project, and leverage potential federal funds.
 - **State Highway Rehabilitation and Local Roads and Bridges**—\$2 billion (\$1.1 billion special funds through 2028, and \$968 million federal funds) to support the advancement of priority State Highway Operation and Protection Program (SHOPP) projects, Interregional Transportation Improvement Program (ITIP) projects, and local road and bridge investments.
 - **Zero-Emission Rail and Transit Equipment Purchases and Infrastructure**—\$407 million (\$100 million General Fund, \$280 million Public Transportation Account, and \$27 million federal funds) to demonstrate and purchase or lease state-of-the-art, clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.
 - **Zero-Emission Buses and Trucks**—\$1.4 billion (\$1.3 billion General Fund, \$87 million Air Pollution Control Fund) to demonstrate and purchase or lease green buses and trucks.

- **Clean California Initiative**

- Includes one-time funding of \$1.5 billion General Fund will be used for a three-year effort to clean up garbage statewide, beautify the state's transportation network, educate the public about the harms of litter, and create long-lasting litter deterrents as follows:
 - \$418 million for litter abatement activities, strengthening trash collection efforts by Caltrans and partners to eliminate over one million cubic yards of trash from state routes, increasing access to waste facilities and providing free monthly disposal days.
 - \$430 million for state beautification projects, implementing sustainable, green beautification projects that enhance safety and transform dividing highways into public spaces that unify communities.
 - \$444 million for local beautification projects, supporting communities, students, and local artists by working together to create meaningful, livable spaces and establishing a local grant program to match efforts that enhance communities and reduce litter on local streets, tribal land, and near transit centers.
 - \$75 million for grants for hundreds of art installations on the state and local transportation system.
 - \$50 million for a public education campaign and outreach to schools and students.
 - \$83 million over three years for project design, construction, local support and engagement, and administration required to deliver this initiative.

Department of Motor Vehicles

- Real ID
 - Dedicates \$409 million in one-time General Fund resources and 3,455 temporary positions over the next four years to complete the one-time workload associated with addressing the federal REAL ID mandate.
- DMV Modernization
 - Includes \$54 million one-time Motor Vehicle Account to begin the Digital Experience Platform project, a five-year, \$308 million, comprehensive replacement of DMV's 1970s-era legacy information technology systems.

- Mobile Identity Program
 - Proposes \$10 million to establish the Mobile Identity (mDL) Program, which will allow California residents to obtain a digital driver's license/ID that can be conveniently and securely accessed through a smartphone.

- Digital Acceleration
 - Includes approximately \$50 million that will enhance the overall customer experience of DMV customers both at field offices and through the DMV's other virtual channels.

- Facilities
 - Proposes \$40 million for office upgrades and reconfigurations.

- Talent Acceleration
 - Includes \$3 million for statewide training and e-learning enhancements for all DMV employees to provide a consistent experience across all DMV offices.

ENERGY

Energy

- Appropriates \$912 million (\$905 million General Fund, \$5 million reimbursements, and \$2 million special funds) to accelerate California's progress on meeting its clean energy goals. This includes \$35 million for transmission planning, \$350 million for pre-commercial long duration storage projects, \$250 million for energy efficiency in the industrial sector, \$125 million for the Food Production Investment Program at CEC to reduce energy use at food production facilities, \$20 million to spur offshore wind, and \$110 million to accelerate green hydrogen production to displace gas at power plants.
- Raises the statutory cap on fees assessed on electricity bills to address the CEC's structural deficit. This increase will generate \$4.5 million in additional revenues in 2021-22 and approximately \$9 million annually thereafter and ties the statutory cap to the Consumer Price Index, and extends the surcharge to apply to behind-the-meter electricity consumption.

Utility Debt, Water, Sewer, and Broadband with Federal Funds

- Funds \$2 billion in federal American Rescue Plan Act funding to assist with unpaid utility bills including \$1 billion in water arrearages for households that have not been able to pay their water bills due to the pandemic.
- Allocates \$5.5 billion of federal ARPA funds for Broadband Infrastructure, Access, and Affordability.
- Provides \$1.595 billion for Water Resilience and Infrastructure Improvements.
- Appropriates \$237 million for Water Infrastructure Deferred Maintenance.
- Allocates \$1.4 million for Argonaut Mine Dam Project Stormwater Upgrades.

GENERAL GOVERNMENT

Homelessness

- Homekey Family Housing
 - Provides \$2.75 billion one-time funds over two years for the additional acquisition and rehabilitation of facilities through the Homekey program. Of this amount, \$1 billion is targeted for families experiencing homelessness or at risk for being homeless.
- Challenge Grants and Technical Assistance
 - Includes \$40 million one-time General Fund available over 5 years, for the Homeless Coordinating Financing Council to provide grants and technical assistance to local jurisdictions to develop action plans that will address family homelessness.
- Project Roomkey
 - Includes \$150 million one-time General Fund to support the stability of the state's FEMA-funded non-congregate shelter population and transition of individuals from Project Roomkey into permanent housing following the September 2021 sunset of the federal reimbursement availability from the pandemic.
- Various DSS investments and supporting vulnerable populations included in the Human Services Section, Veterans and public safety sections.
- Encampment Resolution Grants
 - Includes \$50 million one-time General Fund for the Homeless Coordinating and Financing Council (HCFC) to partner with local governments and assist them with resolving critical encampments and transitioning individuals into permanent housing.
- Caltrans Encampment Coordinators
 - Proposes \$2.7 million one-time General Fund for Caltrans Encampment Coordinators to mitigate safety risks at encampments on state property and to coordinate with the HCFC and local partners to connect these individuals to services and housing.

- Homeless Coordinating and Financing Council – Accountability
 - Includes \$5.6 million one-time General Fund for HCFC to conduct an assessment of local homelessness service providers and state funded homelessness programs.
- Delays potential suspensions of various health and human services expenditures, adopted in the 2019 Budget Act, from December 31, 2021 to July 1, 2023.

2021-22 Homelessness Funding
(Dollars in Millions)

Department	Program	2021-22	2022-23	2023-24	Total Proposed at 2021-22 (over 3 years)
Department of Housing and Community Development	Continued Homekey Acquisitions	\$1,750	\$1,750	\$0	\$3,500.0
	Federal Funded Programs for Homelessness	\$139.2	\$139.2	\$139.2	\$417.6 ^{1/}
	Various backlogged projects	\$1,750.0	\$0.0	\$0.0	\$1,750.0 ^{2/}
	Foster Youth Housing Navigators	\$5.0	\$5.0	\$5.0	\$15.0
	Transitional Housing Program	\$8.0	\$8.0	\$8.0	\$24.0
Homeless Coordinating and Financing Council	Homeless Landscape Assessment	\$5.6	\$0.0	\$0.0	\$5.6
	Encampment Resolution Efforts	\$50.3	\$0.0	\$0.0	\$50.3
	Family Homelessness Challenge Grants	\$40.0	\$0.0	\$0.0	\$40.0
Office of Emergency Services	Various Homeless Youth Programs	\$1.0	\$1.0	\$1.0	\$3.0
	Youth Emergency Telephone Network	\$0.6	\$0.6	\$0.6	\$1.8
Department of Social Services	Community Care Expansion	\$500.0	\$500.0	\$0.0	\$1,000.0 ^{3/}
	CalWORKS Housing Support Program	\$570.0	\$475.0	\$0.0	\$1,045.0
	Housing and Disability Advocacy Program	\$200.0	\$175.0	\$175.0	\$550.0
	Bringing Families Home	\$280.0	\$280.0	\$0.0	\$560.0
	Home Safe Program	\$100.0	\$100.0	\$0.0	\$200.0
	Project Roomkey	\$150.0	\$0.0	\$0.0	\$150.0
Department of Health Care Services	Behavioral Health Continuum Infrastructure Program	\$1,005.7	\$1,447.2	\$2.1	\$2,455.0 ^{4/}
	Project for Assistance in the Transition from Homelessness	\$8.8	\$8.8	\$8.8	\$26.4
	California Advancing and Innovating Medi-Cal (CalAIM) (Complementary HHS Proposal)	N/A	N/A	N/A	N/A ^{5/}
Veteran's Affairs	Supportive Services for Formerly Homeless Veterans	\$25.0	\$0.0	\$0.0	\$25.0
Department of Transportation	Homeless Encampment Cleanup on the State Highway System	\$2.7	\$2.7	\$0.0	\$5.4
	Clean up California - additional Hazardous Material Removal	\$25.0	\$25.0	\$25.0	\$75.0
	Hazardous Material Removal at Encampments	\$20.6	\$20.6	\$20.6	\$61.8
California Community Colleges	Basic Needs Funding - Student Hunger and Homelessness Programs	\$100.0	\$100.0	\$100.0	\$300.0 ^{6/}
	Rapid Rehousing	\$9.0	\$9.0	\$9.0	\$27.0 ^{6/}
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0	\$15.0	\$15.0	\$45.0 ^{6/}
	Rapid Rehousing	\$6.5	\$6.5	\$6.5	\$19.5 ^{6/}
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0	\$15.0	\$15.0	\$45.0 ^{6/}
	Rapid Rehousing	\$3.5	\$3.5	\$3.5	\$10.5 ^{6/}
Total		\$6,786.5	\$5,087.1	\$534.3	\$12,407.9

^{1/} This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant program. 2021-22 funding used as estimate for 2022-23 and 2023-24.

Housing

- CA COVID-19 Rent Relief
 - Provides an additional \$2.6 billion to California for both state and local entitlement jurisdictions for a total of \$5.2 billion in federal rental relief aid.
 - Includes statutory amendments to maximize the use of available federal funds for rental, utilities, and housing-related expenses to help as many Californians as possible stay housed, while bolstering the economic resiliency of those hardest hit by the pandemic.

- CalHFA
 - Utilizes \$1 Billion from ARPA to provide additional mortgage assistance, principal reductions, and qualified housing-related charges to provide housing stability.

- Judicial Council
 - Includes \$20 million in federal ARPA Coronavirus State Fiscal Recovery Funds for the next three years (\$60 million total) to the Judicial Council to continue providing legal assistance grants to over 100 legal service and self-help organizations.

- ADU Financing
 - Includes an additional \$81 million one-time federal ARPA funds to expand CalHFA's ADU program to inject a total of \$100 million in available financing for ADUs.

- Excess Sites
 - Proposes \$45 million in one-time federal ARPA funds that would scale up excess land development by providing funding for vital infrastructure for viable housing projects.

- Homeownership
 - Includes \$100 million one-time federal ARPA funds to CalHFA to expand its First Time Homebuyer Assistance Program, which helps first-time homebuyers with making a down payment, securing a loan, and paying closing costs on a home.

- Housing Production Approaches
 - Builds upon the REAP program from 2019 and proposes \$500 million one-time federal ARPA funds for HCD to provide additional planning and implementation grants to regional entities for infill developments, targeted towards the state's climate goals and reducing vehicle miles traveled.
- Housing Preservation
 - Proposes a preservation effort with \$300 million one-time federal ARPA funds to sustain HCD legacy projects affordability requirements.
- Construction Apprenticeships
 - Provides \$20 million one-time General Fund to connect job-seekers to housing apprenticeship opportunities in partnership with the University of California, California Conservation Corps, state and local workforce development boards, philanthropic organizations, and the building industry.
- Office of Migrant Services
 - Adds \$20 million in addition to the \$10 million one-time General Fund for critical deferred maintenance needs and improved habitability at the Office of Migrant Services (OMS) centers.

Franchise Tax Board

- **Golden State Stimulus II:** Targets low -to low- and moderate-income households; by providing stimulus payments to three groups:
 - Low to Middle Income—\$600 one-time stimulus payments to all taxpayers filing a 2020 tax year return with adjusted gross income of \$75,000 or less who did not already receive a Golden State Stimulus. This component is expected to cost about \$5.6 billion and assist about 9.4 million tax filers.
 - Families—\$500 one-time stimulus payments to all taxpayers with adjusted gross income of \$75,000 or less with a dependent on the return. This component is expected to cost \$2.2 billion and assist 4.3 million tax filers. (Some of these families will receive \$1,100 if they also qualify for the low-to middle-income stimulus above).
 - Undocumented Families—\$500 one-time stimulus payments to all ITIN taxpayers with adjusted gross income of \$75,000 or less and a dependent. This component is expected to cost \$260 million and assist 520,000 tax filers. (These families are eligible for both family credits so will receive \$1,000).

Office of Small Business Advocate

- **Small Business Grants and Cultural Institutions**

- Proposes \$1.5 billion federal ARPA funds for three additional rounds of grants to small businesses.
- Proposes opening additional rounds of grants for eligible nonprofit cultural institutions until the full \$50 million has been awarded, \$16 million is available.

IBank

- **State Small Business Credit Initiative**

- Includes \$10 B ARPA for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created in 2010, to strengthen state programs that support financing of small businesses.
- Estimates that California to receive \$895 million in three tranches as the funds are used.

- **Small Business Loan Guarantee Program**

- Reduces the SBLGP from \$50 million to \$20 million

- Continues January Proposals including the Main Street Small Business Tax Credit, Mitigating the SALT Deduction Limitation for Pass-through Entity Owners, IBank's Small Business Finance Center and the CA Rebuilding Fund.

CA Film Commission

- **Film Tax Credit** - Proposes a one-time expansion of the film credit by \$30 million in the 2021-22 fiscal year for productions that relocate from other jurisdictions.

CA Tourism

- **CA Tourism** - Includes \$95 million one-time federal ARPA funds in 2021-22 to implement strategic media recovery campaigns that will jump start the recovery of the travel and tourism industry once it is safe to travel.

Go-Biz

- **Economic Support for Ports** - Includes \$250 million one-time federal ARPA funds in 2021-22 for GO-Biz to allocate to California ports which provide a vital role in the state's economy.

State Retirement Contributions

- Increases by a net total of \$550 million (\$247 million General Fund) relative to the Governor's Budget the state contributions to the California Public Employees' Retirement System (CalPERS) state plans. The Governor's Budget included \$5.5 billion (\$3 billion General Fund) one-time funding. The adjustment assumes state employee compensation reductions will not continue through the 2021-22 fiscal year.
- Increases from \$1.5 billion to \$1.9 billion in one-time Proposition 2 debt repayment funding in 2021-22 to further reduce the unfunded liabilities of the CalPERS state plans.
- Proposes to increase by \$4.9 million the State contributions to the California State Teachers' Retirement System (CalSTRS). The Governor's Budget included \$3.9 billion one-time General Fund for required contributions. Consistent with the Governor's Budget proposal, this contribution amount includes a one-time \$174 million payment to offset the reduction in the state's contribution in 2020-21 to allow the funding plan to stay on track to be fully funded by 2046.
- Maintains the Governor's Budget proposal to include a one-time \$410 million Proposition 2 supplemental pension payment to be paid to CalSTRS in 2021-22 toward the state's share of the CalSTRS Defined Benefit Program's unfunded liability. This payment is estimated to result in \$1.1 billion gross savings to the state through 2045-46.
- Decreases by \$0.6 million one-time General Fund relative to the Governor's Budget, state contributions to the Judges' Retirement System (JRS) II. This decrease is attributed to a decrease in the JRS II employer contribution rate. The Governor's Budget included \$86.4 million one-time General Fund for required contributions.

Employee Compensation

- Includes \$164.5 million ongoing for collectively bargained pay increases that were not deferred, increases related to minimum wage changes, and adjustments to the health and dental contributions for active state employees.

Cannabis

- Creates a Deputy Director of Equity and Inclusion to further the Department's mission to implement progressive cannabis policies and protect public health, safety, the environment, and local communities throughout the state.

- Proposes statutory changes to extend the Department's ability to issue new provisional cannabis licenses by six months, to July 1, 2022, make explicit environmental compliance requirements before annual licensure, and require the Department of Cannabis Control to promulgate regulations identifying steps that must be taken for provisional licensees to show progress toward achieving annual licensure.
- Includes \$100 million one-time General Fund to establish a local jurisdiction assistance grant program for cannabis. Grants will aid in transitioning businesses to a regulated market, incentivize aligning permitting with state efforts, support provisional license holders in assessing and mitigating environmental impacts, assist cultivators and localities in environmental compliance, and provide increased assistance to jurisdictions with social equity programs.
- Allocates \$9 million for the new Sustainable California Grown Cannabis pilot program to collect data to establish best practices in reducing the environmental impact of cannabis water and energy use, pest management, fertilizer practices, and enhancing soil health.

California Arts Council

- Includes a total investment of \$60 million one-time General Fund in 2021-22, to be spent over three years, to implement the California Creative Corps Pilot Program.
- Provides \$40 million one-time General Fund in 2021-22, to be spent over three years, to support existing Creative Youth Development programs in partnership with community-based organizations, educators.

Community Economic Resilience Fund

- Provides \$750 million one-time federal funds to support regional and local planning and implementation of strategies to adapt to a changing economy.

Employment Training Panel

- Proposes \$50 million one-time General Fund to support training opportunities for new and incumbent workers and address skills gaps in economically disadvantaged regions.
- Provides \$42 million General Fund to leverage existing community college contract education units to provide small businesses with new and incumbent employee training and accelerate their recovery.

California Workforce Development Board

- Allocates \$90 million to fund additional High Road Training Partnership opportunities helping up-skill the current workforce while creating pathways for new hires and prioritizing workers from disadvantaged communities, including justice-involved and disconnected and at-risk older youth.
- Provides \$20 million to develop apprenticeships in residential construction.
- Proposes \$50 million one-time General Fund to create industry-based and worker focused programs in healthcare, cybersecurity, and other growing sectors.
- Allocates \$50 million one-time General Fund to fund regional equity and recovery partnerships between regional community college consortia and regionally organized workforce boards.
- Includes \$15 million one-time General Fund for building a shared data infrastructure between the Community College Chancellor's Office and the Labor Agency.

Employment Development Department

- Includes \$276.3 million one-time General Fund to address deferred workloads and the ongoing work associated with claim volume and benefit renewals, extensions, and recertifications.
- Provides \$21 million over two years to improve multilingual access services by creating a multilingual access website portal, translating forms and notices, establishing a multilingual access unit expanding existing interpretive services and providing grants to community-based organizations for outreach and education to Limited English Proficient communities.
- Allocates \$11.4 million in 2021-22 and 2022-23 to support trained staff in the America's Job Centers of California to provide in person guidance to individuals filing benefit claims.
- Proposes \$11 million over two years to develop and implement a direct deposit option for Unemployment Insurance, Disability Insurance, and Paid Family Leave claimants.
- Includes \$11.8 million one-time General Fund to reengage the planning and modernization of information technology systems.

Department of Technology

- Includes \$50 million one-time General Fund, available for expenditure through 2023-24, to fund technology modernization solutions.

Office of Planning and Research

- Proposes \$200 million federal ARPA funds for grants to cities and counties to create or expand youth employment opportunities. The funding, which will be administered by California Volunteers, will be provided both directly to large cities on a per capita basis, and to other cities and counties through a competitive grant process. This funding is to help youth gain valuable work experience by increasing employment opportunities, such as part-time work or summer jobs.

Deferred Maintenance

- Provides \$2 billion in deferred maintenance funding, a \$1.4 billion increase over the January budget proposal. The funding would be proposed to be allocated in the following manner:
 - University of California—\$325 million
 - California State University—\$325 million
 - California Community Colleges—\$250 million
 - Department of Water Resources—\$237 million
 - Judicial Branch—\$188 million
 - Department of Parks and Recreation— \$185 million
 - Department of State Hospitals—\$100 million
 - Department of Corrections and Rehabilitation—\$100 million
 - Department of Forestry and Fire Protection—\$50 million
 - Department of General Services—\$50 million
 - Housing and Community Development, Office of Migrant Services, Farmworker Housing—\$30 million
 - State Special Schools—\$25 million
 - California Military Department—\$15 million
 - Department of Fish and Wildlife—\$15 million
 - Department of Veterans Affairs—\$15 million
 - California Highway Patrol —\$10 million
 - Department of Motor Vehicles—\$10 million
 - Department of Developmental Services—\$5 million
 - Exposition Park—\$5 million
 - Office of Emergency Services—\$5 million
 - Department of Food and Agriculture—\$2 million
 - Employment Development Department—\$2 million
 - California Conservation Corps—\$1 million

TAXATION AND REVENUE

Personal Income Tax - Increased by almost \$38 billion due to a more optimistic economic outlook, but particularly wages, proprietorship income, and capital gains.

Sales tax - Increased by \$4.5 billion due to an upgraded forecast for taxable consumer spending and private investment.

Corporation Tax - Increased by almost \$4.6 billion based on strong cash receipts and faster than anticipated recovery from the economic impacts of the COVID-19 Pandemic.

**2021-22 May Revision
General Fund Revenue Forecast**
(Dollars in Millions)

Source	2021-22 Governor's Budget	May Revision	Change From Governor's Budget Forecast	
Fiscal 2019-20: Preliminary				
Personal Income Tax	\$99,509	\$99,599	\$89	0.1%
Sales & Use Tax	25,495	25,509	13	0.1%
Corporation Tax	14,035	13,954	-82	-0.6%
Insurance Tax	3,128	3,135	7	0.2%
Alcoholic Beverage	383	383	0	0.0%
Cigarette	60	60	0	0.0%
Pooled Money Interest	516	521	5	0.9%
Other Revenues	1,943	1,923	-21	-1.1%
Subtotal	\$145,070	\$145,082	\$12	0.0%
Transfers ^{1/}	-4,447	-4,682	-235	5.3%
Total	\$140,623	\$140,400	-\$224	-0.2%
Fiscal 2020-21				
Personal Income Tax	\$102,208	\$124,151	\$21,942	21.5%
Sales & Use Tax	\$26,508	\$27,936	1,428	5.4%
Corporation Tax	\$16,948	\$20,120	3,172	18.7%
Insurance Tax	\$3,253	\$3,348	95	2.9%
Alcoholic Beverage	\$385	\$385	0	0.0%
Cigarette	\$55	\$60	5	9.6%
Pooled Money Interest	\$105	\$126	21	20.3%
Other Revenues	\$4,158	\$3,215	-944	-22.7%
Subtotal	\$153,621	\$179,342	\$25,721	16.7%
Transfers ^{1/}	9,121	7,678	-1,443	-15.8%
Total	\$162,742	\$187,020	\$24,277	14.9%
Fiscal 2021-22				
Personal Income Tax	\$107,360	\$123,298	\$15,938	14.8%
Sales & Use Tax	\$25,925	\$28,986	3,061	11.8%
Corporation Tax	\$16,636	\$18,106	1,470	8.8%
Insurance Tax	\$3,319	\$3,428	109	3.3%
Alcoholic Beverage	\$389	\$390	0	0.1%
Cigarette	\$46	\$58	12	25.2%
Pooled Money Interest	\$22	\$83	61	272.8%
Other Revenues	\$7,876	\$7,397	-479	-6.1%
Subtotal	\$161,574	\$181,745	\$20,171	12.5%
Transfers ^{1/}	-3,204	-5,824	-2,620	81.8%
Total	\$158,370	\$175,921	\$17,551	11.1%
Three-Year Total			\$41,605	

Totals may not add because of rounding.

^{1/}Includes transfers to Budget Stabilization Account for each year.

Tax incentives

- Continues the following tax incentives that are estimated to cost \$18 million in 2021-22 as much of the costs of these proposals do not occur until later years. The CalCompetes grant program is not a revenue reduction but an expenditure, and the \$250 million expenditure is expected to occur in the 2021-22 fiscal year.
 - Expansion of the Main Street hiring tax credit by allocating \$147 million to assist firms who made hires during the current fiscal year.
 - One-time expansion of the CalCompetes tax credit allocations by \$180 million for 2021-22.
 - Creation of a one-time \$250 million CalCompetes grant program for businesses that promise to meet one of the following four criteria: establish at least 500 net new jobs; make a significant infrastructure investment; commit to a high-need, high-opportunity area of the state; or receive a designation from the Director of the Governor's Office of Business and Economic Development that the application is a strategic priority of the state.
 - One-time expansion of the California Alternative Energy and Advanced Transportation Financing Authority sales tax exclusion by \$100 million for 2021.
 - One-time expansion of the film credit program with an additional \$30 million focused on relocating productions.
 - Creation of an elective pass-through entity tax to allow pass-through business owners to use state taxes paid to reduce their federal taxable income.

PUBLIC SAFETY**California Department of Corrections and Rehabilitation**

- Provides a total of \$13.6 billion (\$13.3 billion General Fund and \$347 million other funds) for the Department of Corrections and Rehabilitation in 2021-22. This is an increase of \$500 million from the January 10 Budget to operate 34 state owned and operated prisons and 1 leased and operated prison with a total state prison population of 93,356 people as of May 12, 2021 and 55,000 budgeted staffing positions. Updated spring population projections estimate an average daily population of 106,259 and an average daily parolee population of 48,269.
- Includes \$407.9 million one-time General Fund to continue COVID-19 related activities. Estimates approximately 40% of staff and 65% of incarcerated people have received completed course of a COVID-19 vaccine as of the end of April 2021.
- Includes \$13.7 million General Fund in 2021-22 and \$3 million ongoing to expand programming and undertake facility improvements in Valley State Prison, guided by the Norway Model, including two new modular buildings, two new baccalaureate degree programs (one in general education, and one in STEM), new vocational and career technical training opportunities, and additional laptops.
- Includes \$2 million ongoing General Fund to establish a Youth Rehabilitative Offender Community at Valley State Prison.
- Includes \$34.8 million one-time General Fund to replace existing dayroom furniture with more comfortable furniture for positive programming.
- Provides \$20.3 million ongoing General Fund to add a third day of in-person visitation on Fridays at all prisons and includes free transportation on select days throughout the year to all prisons via chartered busses.
- Provides \$212.3 million General Fund over three years and \$11 million ongoing to install modern fixed security cameras at 24 additional prisons, in compliance with the *Armstrong* court proposal. CDCR will install these cameras at 9-10 prisons per year over three years.
- Provides \$3.7 million General Fund in 202-21, \$89.3 million in 2021-22, and \$36.8 million ongoing to support compliance with Armstrong Court orders and to improve the staff misconduct complaint process. Measures include deploying body worn cameras, installing fixed security cameras, modifying the staff misconduct

complaint and disciplinary process, and increasing training. The prisons included in the remedial orders are: Kern Valley State Prison, California Institution for Women, Corcoran, Substance Abuse Treatment Facility, and California State Prison, Los Angeles. Proposes an additional \$8 million ongoing General Fund and additional 40 positions for the staff misconduct complaint process, adding to the 2019 Budget Act investment of \$9.8 million ongoing General Fund and 47 positions.

- Provides \$815,000 General Fund in 2021-22 and \$804,000 ongoing and 6 positions to expand CDCR's Civil Rights Operations and Equal Employment Opportunity program.
- Provides \$37.7 million General Fund in 2021-22 and \$35.9 million ongoing and 264.1 positions to standardize staffing models across the five CDCR operated Psychiatric Inpatient Program facilities.
- Provides \$3.7 million ongoing General Fund to add supervisory capacity with the State Tele-psychiatry Program.
- Provides \$3.1 million ongoing General Fund to increase the number of Board of Parole Hearings Commissioners from 17 to 21 and proposes statutory changes to permit the Board of Parole Hearings to conduct video conference hearings that are currently authorized through an Emergency Executive Order.
- Provides \$1.3 million ongoing General Fund to deliver services for victims during the parole hearing process.
- Provides additional \$50 million one-time General Fund in 2021-22 for a total of \$100 million to address deferred maintenance.

Division of Juvenile Justice Realignment

- Increases the implementation costs of establishing the Office of Youth and Community Restoration to \$7.6 million General Fund in 2021-22 and \$7.2 million ongoing for 33 positions pursuant to SB 823 (Chapter 337, Statutes of 2020).
- Proposes statutory changes to create opportunities for state and local partnerships to maintain firefighting operations at the Pine Grove Youth Conservation Camp.

Judicial Branch

- Provides \$4.6 billion (\$2.7 billion and \$1.9 billion other funds) in 2021-22, of which \$1.2 billion General Fund is provided to support trial court operations. The May Revision increases the January 10 Budget for the Judicial Branch by \$500 million.
- Includes \$30 million one-time General Fund to support the Early Disposition Readiness Conference Program and proposes language to allow the Judicial Council to request additional funding of up to \$60 million for necessary augmentations. The program, which was initiated in the fall of 2020, relied on an opt-in process with temporary assigned judges, which excluded courts that did not have sufficient resources to opt in to the program. The resources proposed would remove this financial impediment to allow for additional courts to opt in.
- Provides \$300 million one-time federal American Rescue Plan Act of 2021 (ARPA) funds to support additional relief for low-income Californians in the form of a debt forgiveness program to eliminate debt owed on existing fines and fees for traffic and non-traffic infraction tickets issued between January 1, 2015 and June 30, 2021. An individual could apply to have 100% of their debt forgiven upon submission of an application verifying their low-income status.
- Provides \$140 million General Fund in 2021-22 and \$70 million ongoing to expand a pretrial pilot program funded with one-time resources in the 2019 Budget Act. The Judicial Council will evaluate the pretrial programs and practices and provide regular reports to the Legislature.
- Provides \$158 million one-time General Fund in 2021-22 to support deferred maintenance projects in trial courts and Courts of Appeal. This brings the total one-time funding for deferred maintenance to \$188 million in 2021-22.
- Provides \$20 million federal ARPA funds annually for three years (\$60 million total) to provide legal aid services for renters and homeowners to avoid eviction and foreclosure. Specifically, these additional funds will provide free legal services for landlord-tenant issues, including legal assistance for counseling, renter education programs, and preventing evictions and foreclosures.
- Provides \$330,000 General Fund in 2021-22 and \$660,000 ongoing thereafter to support trial court security costs for a new courthouse scheduled to open in January 2022. Court security is provided by the Shasta County Marshal's Office.

- Adjusts the implementation costs of Chapter 289, Statutes of 2020 (AB 2699) to \$982,000 General Fund in 2021-22, \$912,000 in 2022-23, \$2.9 million in 2023-24, \$3 million in 2024-25, and \$1.9 million in 2025-26.
- Provides \$604,000 General Fund for the Butte County Juvenile Hall addition and renovation project. The total project cost is \$3.39 million.
- Provides \$38.72 million General Fund for the Monterey County—New Fort Ord Courthouse for the acquisition and performance criteria for the new 7 courtroom courthouse. The total project cost is \$154.26 million.
- Provides \$901,000 General Fund for the acquisition and preliminary plans phases for the San Bernardino Juvenile Dependency Courthouse. The total project cost is \$8.87 million.

Department of Justice

- Provides a total of \$1.1 billion, including \$365.9 million General Fund, to support the Department of Justice. This reflects an increase of \$7.9 million General Fund compared to the January 10 Budget.
- Increases the implementation costs of Chapter 326, Statutes of 2020 (AB 1506), regarding the investigation of officer involved shootings to \$15.3 million General Fund in 2021-22 and \$15.6 million ongoing beginning in 2022-23 to provide supportive services and add an investigative team in the southern region for a total of 4 investigative teams.

Office of Emergency Services

- Proposes \$50 million one-time General Fund for the California State Nonprofit Security Grant Program.
- Proposes \$100 million General Fund to supplement federal funding supporting a variety of services for domestic violence victims.
- Proposes \$98.4 million (\$76.2 million General Fund) and 224 positions for OES to address emergencies and disasters across the state.
- Provides \$16.5 million General Fund and 73 positions ongoing to establish a permanent and dedicated Incident Support Team, a deployable Incident Management Assistance Team, and support to operate California's State

Operations Center or Regional Emergency Operations Centers to respond to the all-hazard events.

- Provides \$37.8 million (\$15.7 million General Fund) ongoing to provide permanent funding for 104 permanent recovery positions provided in 2018 with three year limited-term funding, and 110 new positions to support California's recovery efforts and recoupment of eligible federal disaster cost reimbursements for state and local governments, and to maximize the hazard mitigation program to mitigate the impacts of future disasters on the state and local jurisdictions.
- Provides \$29.9 million General Fund ongoing and 13 positions to establish a new Office of Equity and make permanent a Listos grant program to further strengthen connections and build resiliency with all communities. The Listos program would include an on-going \$25 million General Fund grant program and expand its focus from emergency preparedness to also include emergency response and recovery.
- Provides \$10.2 million General Fund and 14 positions to modernize the Department's technology and data capabilities through new technology and updating outdated systems.
- Provides \$4 million General Fund and 14 positions to establish a new unit within Cal OES to better coordinate and lead the state's disaster cost tracking and public facing reporting efforts in coordination with all state agencies.
- Includes an additional \$133.9 million General Fund for the following investments:
 - Provides \$100 million one-time General Fund to increase the amount of funding available through the California Disaster Assistance Act. This augmentation increases total CDAA funding available in 2021-22 to \$162.6 million.
 - Provides \$26.5 million one-time General Fund to acquire land to establish a new emergency operation center in the OES southern operational region. It also includes \$7.7 million to relocate the staff from temporary trailers to a leased space while the construction of the new building occurs.
 - Provides \$7.4 million and 22 positions for OES, California Military Department, Department of Forestry and Fire Protection (CAL FIRE), and Public Utilities Commission to implement Chapter 405, Statutes of 2019 (SB 209). This bill requires Cal OES and CAL FIRE to establish a Wildfire Forecast and Threat Intelligence Integration Center. This additional investment builds on the \$2 million ongoing General Fund provided in the 2020 Budget Act for a total investment of \$9.6 million.

Local Public Safety

- Provides \$100 million one-time General Fund across the next three fiscal years for the California Violence Intervention and Prevention Grant Program.
- Estimates \$116.2 million in net General Fund savings as a result of Proposition 47.
- Provides \$23.6 million one-time General Fund for county probation departments for post release community supervision.

Military Department

- Proposes \$25.86 million one-time General Fund to supplement the design build phase of the Consolidated Headquarters Complex project.
- Proposes \$15 million one-time General Fund for deferred maintenance.
- Proposes \$2.9 million General Fund in 2021-22 and \$2.8 million ongoing thereafter to the Military Department to address the increased magnitude, frequency, and complexity of natural disasters. These resources will enhance current logistical, administrative, and fiscal support operations, as well as future planning and training to prepare for contingencies as the nature of disasters and emergencies evolve.