

# Assembly Budget Committee

## 2024 Trailer Bill Analyses

**\* DRAFT \***

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## **SUMMARY**

Amends AB 107 (Gabriel), the Legislature's 2024 Budget Agreement to make changes necessary to implement a three-party budget compromise with the administration. Specifically, this bill:

### **Major Provisions**

#### *K-12 Education*

- 1) Deposits \$1.1 billion into the Public School System Stabilization Account, otherwise known as the Proposition 98 Rainy Day Reserves.
- 2) Appropriates \$5 million Proposition 98 General Fund for the California Teachers Collaborative for Holocaust and Genocide Education to continue its work.
- 3) Removes expenditure authority of \$20 million for the California Regional Ethnic Studies Collaborative.
- 4) Restores the Inclusive Early Education Expansion Program to \$100 million Proposition 98 General Fund.
- 5) Eliminates the reversion account for funds allocated to the California State Preschool Program from General Fund.
- 6) Appropriates \$5 million General Fund for Save the Children.
- 7) Augments the Classified School Employee Summer Assistance Program by \$9 million General Fund for a one-time appropriation in 2024-25.
- 8) Re-appropriates funding to support updates to teacher testing from the 2021 Budget Act.
- 9) Makes various technical federal fund adjustments for programs under the Department of Education.

#### *Higher Education*

- 10) Includes legislative intent to defer the University of California 2026-27 base increase of \$240.8 million General Fund from 2026-27 to 2027-28 and provide a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.
- 11) Includes legislative intent to defer the University of California 2026-27 nonresident reduction plan funding of \$31 million General Fund from 2026-27 to 2027-28 and provide

a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.

- 12) Includes legislative intent to defer the California State University 2026-27 base increase of \$252.2 million General Fund from 2026–27 to 2027–28 and provide a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.
- 13) Appropriates \$5 million to support planning or implementation costs of up two projects that bring together higher education campuses of the University of California, California State University or California Community Colleges at a single location to offer certificate or degree programs that support state or local workforce needs.
- 14) Updates an apportionments deferral under the California Community Colleges for the 2025–26 fiscal year from \$231.7 million Proposition 98 General Fund to \$243.7 million Proposition 98 General Fund.
- 15) Provides \$12 million one-time Proposition 98 General Fund through the reappropriation of unspent funds from categorical programs to support the continued development of e-Transcript California.
- 16) Appropriates \$750,000 a one-time basis to support competitive grants for the preservation and public accessibility of Lesbian, Gay, Bisexual, Transgender, and Queer archives statewide.
- 17) Includes \$330,000 General Fund in 2024-25 and ongoing to support the Assembly Fellows Program.
- 18) Deletes legislative intent provisions related to the implementation of the Cal Grant Reform Act.

#### *Child Care*

- 19) Includes an approximately \$8 million adjustment to reflect the costs of funding 11,038 new General Child Care slots in 2024-25 and ongoing, partially funded by increased federal funds.
- 20) Re-appropriates a total of \$47 million in Emergency Child Care Bridge funds from 2023-24 into 2024-25.

#### *Resources*

- 21) Appropriates \$8.3 million to cover repair costs for the African-American Museum at Exposition Park.
- 22) Shifts \$33.2 million for the California Nutrition Incentive Program from the Greenhouse Gas Reduction Fund to the General Fund.

- 23) Shifts \$17.9 million to drought and flood relief for small farmers from the Greenhouse Gas Reduction Fund to the General Fund and includes provisional language to expand the program to all climate impacts.
- 24) Shifts \$14.4 million for the Farm to Community Food Hubs Program from the Greenhouse Gas Reduction Fund to the General Fund.
- 25) Eliminates the reduction of \$30 million to the Farm to School Incubator Grant.
- 26) Maintains appropriation of \$2 million General Fund annually to the California Natural Resources Agency (CNRA) for the Marine Mammal Center.
- 27) Appropriates \$1 million to CNRA for the exclusive purposes of funding abandoned water vessel and road vehicle removal that cause or contribute to contamination of the Sacramento River
- 28) Appropriates \$2 million to CNRA for the Museum of Tolerance.
- 29) Reverts \$27.7 million from CNRA that was allocated for the Museum Grant Program.
- 30) Eliminates proposed reversion of \$124.4 million General Fund from CNRA that was allocated for large scale habitat projects related to Voluntary Agreements.
- 31) Reverts \$6 million General Fund from the California Environmental Protection Agency (CalEPA) that was allocated for Environmental Justice Action Grants.
- 32) Reduces the amount of funding from \$40 million to \$25.1 million General Fund to the Governor's Office of Land Use and Climate Innovation allocated for the Integrated Climate Adaptation and Resiliency Program (also known as ICARP) Extreme Heat and Community Resilience Grant Program.
- 33) Appropriates \$2.6 million to the Department of Forestry and Fire Protection (CalFire) for deferred maintenance and special repair projects at existing CalFire facilities to accommodate additional hand crews.
- 34) Maintains \$5.74 million General Fund to CalFire for Ecological Monitoring, Research, and Adaptive Management.
- 35) Appropriates \$10.4 million General Fund to CalFire to provide funding to the University of California, San Diego's ALERTCalifornia for purposes of digital imagery to support its fire camera mapping system.
- 36) Appropriates \$31.6 million General Fund to CalFire for the acquisition phase of establishing a new, additional CalFire training facility. Total estimated cost of this project is \$631.5 million.
- 37) Appropriates \$600,000 General Fund to the California Department of Fish and Wildlife (CDFW) to be available for the Wolf-Livestock Compensation Program.

- 38) Reverts \$1.3 million General Fund from CDFW that was allocated for the Biodiversity Conservation Program.
- 39) Appropriates \$200,000 General Fund to the Wildlife Conservation Board (WCB) for purposes of preparing a study to develop recommendations for the conservation and enhancement of the Sonoma Valley Wildlife Corridor, Sonoma Creek and other public trust resources of the former Sonoma Developmental Center.
- 40) Appropriates \$10 million General Fund to WCB for purposes of restoring Point Reyes coastal lands.
- 41) Eliminates a proposed reversion of \$70 million to WCB for purposes of protecting fish and wildlife from changing conditions.
- 42) Appropriates \$5 million to WCB for a grant to the Great Redwood Trail Agency for purposes of developing the Great Redwood Trail.
- 43) Restores a total of \$37 million General Fund to WCB, for purposes of improving watershed protection and climate resiliency, as follows: (a) \$18.5 million for competitive grants through the Cascades and High Sierra Upper Watersheds Program; and (b) \$18.5 million for competitive grants through the Land Acquisition and Habitat Enhancement Program.
- 44) Appropriates \$6.75 million to the Department of Parks and Recreation (Parks) to support the Library Parks Pass Program.
- 45) Reverts \$10 million from Parks that was allocated for purposes of reducing the risks of fire, flood, inundation, and sea level rise.
- 46) Reverts \$20.5 million from Parks that was allocated for deferred maintenance.
- 47) Reverts \$11.1 million from Parks that was allocated for the California Cultural and Arts Installations in the Parks Program.
- 48) Reverts \$1.7 million from Parks that was allocated for the Dos Rios State Park.
- 49) Reverts \$87 million General Fund from the Department of Water Resources (DWR) that was allocated for Systemwide Flood Risk Reduction.
- 50) Reverts \$7.3 million General Fund from DWR that was allocated for the Small Supplier Water Conservation Assistance Program.
- 51) Appropriates \$30 million General Fund to DWR for the state's share of the no federal share of state and federally authorized flood control projects that increase the level of flood protection for multiple counties and disadvantaged communities.
- 52) Appropriates \$73.5 million to the State Water Resources Control Board (SWRCB) for grants or loans for water recycling projects.

- 53) Specifies that a 2024-25 appropriation of \$40 million for environmental conservation related to SB 846 (Dodd, Ch. 239, Stats. 2022) and the decommissioning of the Diablo Canyon Power Plant shall be paid for out of the Greenhouse Gas Reduction Fund and used for acquisition of the Wild Cherry Canyon property in San Luis Obispo County for conservation, public access, and recreational purposes, as specified.

#### *Energy, Utilities, and Air Quality*

- 54) Includes a transfer of \$400 million General Fund to the Diablo Canyon Extension Fund.
- 55) Includes \$9.5 million General Fund for Central Procurement at the Department of Water Resources - in total, spread out as follows: \$500,000 in 2023-24, \$9.5 million in 2024-25, and \$22 million in 2025-26.
- 56) Includes \$75 million for Demand Side Grid Support or Distributed Electricity Backup Assets at the California Energy Commission (CEC).
- 57) Includes \$25 million Greenhouse Gas Reduction Fund (GGRF) for Equitable Building Decarbonization at the CEC.
- 58) Includes \$20 million for the Investments in Strategic Reliability Assets at the Department of Water Resources.
- 59) Shifts \$53 million from the General Fund to GGRF for Emerging Opportunities at California Air Resources Board (CARB).
- 60) Shifts \$36 million from GGRF to General Fund for Offshore Wind Infrastructure at CEC.

#### *Health*

- 61) Eliminates funding for the CalHHS Innovation Accelerator, including \$1 million for state operations included for 2024-25.
- 62) Continues legislative restoration of \$108.9 million for workforce programs at HCAI to maintain award commitments, but allocates those dollars to the fiscal years in which those programs were originally authorized.
- 63) Corrects funding sources for the Administration's Behavioral Health Transformation proposal for DHCS, related to the Behavioral Health Services Act, resulting in a net increase in General Fund expenditure authority of \$11.4 million.
- 64) Increases expenditure authority from the Managed Care Enrollment Fund to support DHCS administration of targeted rate increases related to the tax on managed care organizations (MCO tax).
- 65) Increases General Fund offset available from the proposed increase to the MCO tax by \$785 million.

- 66) Transfers \$900 million from the Safety Net Reserve Fund to the General Fund.
- 67) Authorizes expenditure authority from the Opioid Settlements Fund of \$4 million for the California Bridge Program, but allows funding to instead be used for the Naloxone Distribution Project, if DHCS receives federal grant funds for that purpose of at least \$4 million annually for three years.
- 68) Reverts General Fund expenditure authority of \$450.7 million for the final round of the Behavioral Health Continuum Infrastructure Program. Additional rounds will be supported by Proposition 1 bond funding.
- 69) Reduces state operations expenditures at CDPH for the Future of Public Health by \$8 million General Fund, representing a 7.95 percent reduction.
- 70) Reduces local assistance support to local health jurisdictions for the Future of Public Health by \$15.9 million General Fund, representing a 7.95 percent reduction.
- 71) Reverts unspent General Fund expenditure authority of \$41.5 million from state operations at CDPH for the Future of Public Health remaining from the 2023-24 fiscal year.
- 72) Restores exemption from the Public Contract Code for the Youth Suicide Reporting and Crisis Response Pilot Program.
- 73) Transfers \$5 million from the AIDS Drug Assistance Program (ADAP) Rebate Fund to the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund to support services related to care and treatment for TGI individuals living with HIV and AIDS.
- 74) Reverts unspent General Fund expenditure authority of \$28.8 million from 2023-24 for the Children and Youth Behavioral Health Initiative Public Education and Change Campaign.
- 75) Requires the Department of Finance to augment expenditure authority from the Health Care Affordability Reserve Fund by \$3 million to support health care coverage for striking workers, pursuant to AB 2530 (Wood), Chapter 695, Statutes of 2022, if the existing \$2 million appropriation is insufficient.
- 76) Requires the Department of Finance to notify the Legislature if the augmentation of authority to support health care for striking workers is implemented, as well as when the appropriation for the program is fully exhausted.

### *Housing & Homelessness*

- 77) Allocates \$575,000 in 2024-25 General Fund to Homes 4 Families for a veterans housing program.
- 78) Provides \$2 million in 2024-25 General Fund to the City of Santa Cruz for one-time, temporary operational support of an emergency homeless shelter, tent camp, and safe parking site from July 1, 2024 through June 30, 2025, when greater receipts from the recently enacted local sales tax will be available for this purpose.

- 79) Allocates \$1 million in 2024-25 General Fund for project review and community engagement related to development of an affordable housing, mixed-income, small business support, and worker-training project at an Employment Development Department surplus property in Los Angeles.
- 80) Restores \$2.4 million in General Fund allocations in 2024-25 and annually thereafter for the Surplus Lands Act Unit at the Housing and Community Development Department pursuant to SB 791 (Cortese, Ch. 366, Stats. 2021).
- 81) Reverts \$10 million from the 2023-24 allocation to the Multifamily Housing Program back to the General Fund, leaving a balance of \$315 million in the program.
- 82) Restores an additional \$10 million to the Regional Early Action Program (REAP 2.0), thus reducing the cut to the program to \$40 million out of the original \$600 million allocation.

#### *Human Services and Child Care*

- 83) Reduces the developmental services budget by \$306.23 million General Fund to reflect a six-month delay of developmental services provider rate reform to January 1, 2025. This includes a conforming reduction of \$777,000 to the Department of Rehabilitation.
- 84) Appropriates \$10 million General Fund to continue the development of Department of Developmental Services (DDS) state-operated Complex Needs Residential Program.
- 85) Adjusts the reduction to local child support agencies to reflect a decrease of \$6 million General Fund in 2023-24 and 2024-25.
- 86) Appropriates \$10 million General Fund to continue the California Fruit and Vegetable EBT Pilot Project.
- 87) Appropriates \$500,000 General Fund for the Madera Food Bank Warehouse Expansion Project.
- 88) Appropriates \$9 million General Fund for the Department of Social Services (CDSS) to fund local diaper and wipe distributions for low-income families with infants or toddlers.
- 89) Appropriates \$5 million General Fund for the Guaranteed Income Pilot Program to provide grant funding to prioritize entities serving adults 60 years of age or older.
- 90) Appropriates \$250,000 General Fund for CDSS for the Center for Immigrant Protection to provide supportive services and programming for the transgender immigrant community.
- 91) Re-appropriates up to \$92.5 million General Fund for the Home Safe program from 2022-23, available for encumbrance or expenditure until June 30, 2026.
- 92) Re-appropriates up to \$100 million General Fund for the Housing and Disability Advocacy Program from 2022-23, available for encumbrance or expenditure until June 30, 2026.



- 93) Authorizes the Department of Finance to increase expenditure authority by \$2.4 million to implement the federal Fiscal Responsibility Act pilot for the CalWORKs program.
- 94) Appropriates \$2 million General Fund for county probation departments to report specified data on secure youth treatment facilities to the Office of Youth and Community Restoration, and requires the Office to publish an annual report of findings.
- 95) Provide \$250,000 for the Center for Immigrant Protection for supportive services and programming for the transgender immigrant community.

#### *General Government*

- 96) Transfers budget allocations for the CalVolunteers program, the Office of Community Partnerships and Strategic Communications, and the Youth Empowerment Commission to the newly created Governor's Office of Service and Community Engagement where those programs will now be housed.
- 97) Transfers budget allocations for the Zero Emissions Vehicle Program and the California Jobs First program to the Governor's Office of Business and Economic Development, where those programs will now be housed.
- 98) Increases funding for the College Corps program by \$15 million for a total of \$78.1 million in 2024-25.
- 99) Increases funding for the Youth Job Corps program by \$15 million for a total of 83.1 million in 2024-25.
- 100) Restores \$9.4 million to the Climate Action Corps in 2024-25 and annually thereafter and temporarily shifts this expense from the General Fund to the Greenhouse Gas Reduction Fund.
- 101) Restores \$1.5 million to the Neighbor-to-Neighbor program in 2024-25 to provide for staffing to administer and closeout existing grants.
- 102) Provides \$3.7 million in 2024-25 and again in 2025-26 to the Governor's Office of Planning and Research (soon to be known as the Governor's Office of Land Use and Climate Innovation) for information technology infrastructure needs.
- 103) Appropriates \$300,000 in 2024-25 to the Office of Community Partnerships and Strategic Communications for award to the nonprofit organization Self-Help for the Elderly, to support outreach and engagement with immigrants, limited-English proficient individuals, seniors, and people with disabilities about extreme heat, water conservation, Individual Taxpayer Identification Numbers, and mental health.
- 104) Reverts \$50 million from the Local Government Budget Sustainability Fund back to the General Fund.

105) Allocates \$10 million in 2024-25 General Fund to Imperial County for support of implementation of the Lithium Valley Specific Plan and repeals a prior allocation to Imperial County for the same amount for less specific projects consistent with the purposes behind the Local Government Budget Sustainability Fund.

106) Reappropriates \$10.4 million from 2023-24 to 2024-25 for the California State Payroll System Project to onboard a system integrator.

107) Appropriates \$800,000 General Fund to the State Auditor to conduct an audit of Mendocino County by January 1, 2026.

108) Reduce state operations for the Franchise Tax Board by \$2 million ongoing General Fund to reflect removing additional funding for California Earned Income Tax Credit (CalEITC) outreach grants.

### *Transportation*

109) Provides \$2 million General Fund for the Sonoma-Marín Area Rail Transit (SMART) District for freight rail operations and capital, and deferred maintenance.

110) Provides \$8 million General Fund for Crescent City for the Pebble Beach Bank Stabilization Project.

111) Provides \$5 million General Fund for bike lanes connecting disadvantaged communities to higher education facilities and job centers.

112) Includes \$100 million General Fund for the Active Transportation Program—in total, \$600 million over six years (subject to appropriation beginning 2026-27).

### *Labor and Workforce*

113) Reduces 2024-25 appropriation for the High Road Training Partnerships in Health and Human Services from \$45 million General Fund to \$30 million General Fund in 2024-25.

114) Increases 2024-25 appropriation for High Road Training Partnerships at the California Workforce Development Board from \$8.3 million to \$15 million. The final budget agreement reflects \$15 million General Fund one-time in 2024-25 instead of \$25 million General Fund over three fiscal years.

115) Increases 2024-25 appropriation for California Jobs First Program from \$41.7 million to \$50 million. This reflects a restoration of \$150 million General Fund support for the program over the 2024-25, 2025-26, and 2026-27 fiscal years.

116) Appropriates \$3 million General Fund in 2024-25 for an advanced industry workforce development tool that will fund partnerships between the Labor and Workforce Development Agency and higher education institutions to develop artificial intelligence certificate programs in support of worker training.

117) Deletes provisions related to Department of Industrial Relations vacancies and hiring processes, Item 7350-401, due to its inclusion in the employment trailer bill.

118) Adds provisional budget bill language for the California Workplace Outreach Project 2024-25 appropriation.

119) Does not include General Fund savings associated with the proposed elimination of the telework stipend. This item is not included in the budget agreement.

120) Makes technical amendments to various items under CalPERS.

### *Public Safety*

121) Appropriates \$4 million for the Department of Justice's small client legal workload.

122) Provides \$5 million to the Department of Justice to provide technical assistance to local and tribal law enforcement agencies in their efforts to identify and investigate missing and murdered indigenous individuals.

123) Appropriates \$4.4 million and 25 positions for the California Department of Corrections and Rehabilitation (CDCR) related to the Condemned Inmate Transfer Program.

124) Provides \$7.4 million for the Employee Health Program at CDCR.

125) Provides \$20 million to address the medical program shortfall at CDCR.

126) Provides \$38.5 million for contract medical costs at CDCR.

127) Provides \$23 million for utilities costs at CDCR.

128) Provides \$5.8 million for CDCR to address fee increases from the Department of Technology and Department of General Services.

129) Reappropriates \$12 million from 2023-24 for various capital outlay projects at the San Quentin Rehabilitation Center.

130) Provides \$4.5 million and additional staff for handling complaints of staff misconduct at CDCR.

131) Removes the additional baseline reduction at CDCR, beyond the statewide operations and vacancy reductions, and includes intent language that the statewide reductions avoid impacting rehabilitative and reentry programming and family connection;

132) Provides \$6 million for CDCR to pay for supervisor positions at the Prison Industry Authority;

133) Provides \$2.4 million for The Joint Commission accreditation at CDCR;

134) Reduces funding for maintenance at deactivated prisons by \$5 million and includes provisional reporting language;

135) Maintains \$4 million in the Prison Industries Revolving Fund;

136) Provides \$17.25 million to the Board of State and Community Corrections for the Missing and Murdered Indigenous People Grant program.

137) Provides \$2.6 million to New Economics for Women for the purpose of domestic violence shelter property acquisition, improvements, and operational costs;

138) Includes various provisional language related to CDCR, including requiring reporting on Specialized Treatment for Optimized Programming, plans for establishing statewide in-reach efforts as available under California Advancing and Innovating Medi-Cal (CalAIM), and alternatives to incarceration for individuals who are advanced in age, disabled, or have significant medical needs;

139) Includes provisional language specifying the intent of the Legislature to review the allocation methodology for the Community Corrections Performance Incentive grant program; and

140) Makes a variety of other technical changes.

## COMMENTS

On June 13, 2024, the Legislature adopted AB 107 (Gabriel), the 2024 Budget Act, reflecting a two-party agreement between the Senate and the Assembly. At the time of writing this analysis, AB 107 is on the Governor's desk awaiting action. This bill would amend that agreement to make changes to the budget act necessary to reflect the final June budget agreement between the Legislature and the Governor.

The 2024 budget package fully addresses the projected \$44.9 billion budget shortfall while maintaining reserves.

The final budget agreement results in \$211.5 billion in General Fund expenditures for 2024-25 and retains over \$22 billion in total reserves. The budget agreement also projects a balanced budget in 2025-26.

### **According to the Author**

This bill amends the 2024 Budget Act to implement the June 2024 budget agreement between the Governor and the Legislature.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

Overall, the 2024-25 budget is projected to have \$225.6 billion in total General Fund revenues and resources and \$211.5 billion in total General expenditures. Over \$3.5 billion is expected in the budget reserve, with an additional \$17.6 billion available in the Budget Stabilization Account (Rainy Day) fund and \$1 billion for the Public School System Stabilization Account.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

Amends the 2023 Budget Act to reflect changes necessary to implement the 2024 June Budget agreement.

Specifically, this bill:

### Major Provisions

- 1) Replaces \$463 million General Fund for the Formula Transit and Intercity Rail Capital Program with Greenhouse Gas Reduction Fund;
- 2) Provides \$133.2 million from Greenhouse Gas Reduction Fund for Competitive Transit Intercity Capital Program;
- 3) Adds \$426.1 million Greenhouse Gas Reduction Fund to the Energy Commission for zero emission vehicles, carbon removal, and long-term energy incentives;
- 4) Reduces \$1.2 million for remediation from the general fund at the Department of Toxic Substances;
- 5) Reverts \$68 million provided to the Department of Health Care Access and Information in the 2022 Budget for health care workforce training;
- 6) Provides \$175.9 million to the Department of Health Care Services to account for additional Medi-Cal benefit costs in 2023-24;
- 7) Includes \$61.6 million additional federal funds for the Department of Community Services and Development;
- 8) Adds \$14.5 million federal funds for licensing and Department of Social Services;
- 9) Increases \$15,000 to reimburse counties for the cost of homicide trials;
- 10) Reduces \$3 million for preschool funding from the Department of Education;
- 11) Reduces \$125 million to the public utilizes commission for the broadband loan reserve fund; and
- 12) Makes other clarifying and technical changes.

## COMMENTS

This bill amends the 2023 Budget Act to make current fiscal year changes necessary to implement the June 2024 Budget Agreement. Overall, the bill reduces current year spending by \$478.3 million General Fund. The Budget of 2023 was first enacted in SB 101 (Chapter 12, Statutes of 2023) and since amended by AB 102 (Chapter 102, Statutes of 2023), SB 104 (Chapter 189, Statutes of 2023), SB 105 (Chapter 862, Statutes of 2023), and AB 106 (Chapter 9, Statutes of 2024). This bill amends the 2023 budget act, such a bill is sometimes referred to as a "Budget Bill Junior" because of its smaller size compared to the original budget bill for the fiscal year.

### According to the Author

This amends the 2023 Budget Act as part of the 2024 June Budget Agreement.

### Arguments in Support

None on file.

### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill results in a net \$478.3 million of General Fund savings assumed in the June 2024 Budget Agreement. The bill contains \$660.2 million in General Fund reductions and \$181.9 million in additional General Fund costs, as well as various special and federal fund changes.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

CONSULTANT: Alexa Cottrell / Camryn Chan/ BUDGET / (916) 319-2099

FN:

## SUMMARY

SB 153 is the Education Omnibus Trailer Bill, which contains the provisions of the multi-year architecture of the Proposition 98 financing for the 2022-23, 2023-24, and 2024-25 Budget Years, including Public School System Stabilization Account withdrawals, local assistance deferrals, General Fund accrual, and numerous program adjustments necessary to further the 2024-25 Budget Act.

### Major Provisions

This Bill:

1. Provides a total of \$8.4 billion in one-time mandatory PSSSA withdrawals to support 2023-24 school expenditures, consistent with the enacted 2023-24 budget spending levels.
2. Creates a TK-12 deferral of \$2.33 billion from 2022-23 funds that is paid using the Proposition 98 Rainy Day fund in 2023-24. Creates a one-time TK-12 deferral of \$3.6 billion in 2023-24 that is paid off in 2024-25. Creates a one-time TK-12 deferral in 2024-25 of \$246.6 million. Authorizes deferral warrants, if necessary, for local educational agencies, and clarifies local accounting of deferral funds. Exempts deferred funds from the 2022-23 Budget Act from the 2022-23 Proposition 98 guarantee calculation. Adjusts 2022-23 Budget Year certification statute and timelines to accommodate changes to the final 2022-23 Budget Act appropriations and allocations to public schools.
3. Adopts an accrual for general fund accounting, recognized above the minimum 2022-23 Proposition 98 guarantee calculation, for a total of \$6.2 billion general fund, which is scheduled to be repaid to the general fund at \$544,214,000 per year, beginning in 2026-27 through 2035-2036.
4. Provides a one-year freeze on local education agencies (LEA) statutory ability to terminate permanent and probationary certificated and classified employees, between the 2024-25 Budget enactment and August 15<sup>th</sup> of that Budget Year, if the Local Control Funding Formula COLA is less than 2%.
5. Eliminates statutory intent language for \$550 million general fund in facility funding for preschool, TK, and kindergarten classrooms in the 2025-26 Budget Act in anticipation of a November 2024 School Bond initiative that is inclusive of PreK facilities.
6. Eliminates statutory intent language for \$875 million in General Fund for the School Facilities Program in the 2024-25 Budget Year in anticipation of a November 2024 School Bond initiative.
7. Protects the Golden State Teachers Program existing appropriations, caps California Student Aid Commission awards at \$50 million for the 2024-25 award cycle, and creates



new restrictions and a means test for the program award for the 2024-25 fiscal year, including a cap of \$10,000 per award, and a reduction in the priority school service requirement to two out of four years. Eliminates intern credential programs from eligibility.

8. Establishes an annual statutory cost of living adjustment for the new Local Control Funding Formula (LCFF) equity multiplier.
9. Updates the Uniform Complaint Process for discriminatory instructional materials, including a direct file option through the state Superintendent of Public Instruction, and public posting & transparency requirements. Creates a penalty for the local adoption of discriminatory instructional materials.
10. Adjusts Community Schools Partnership Program allocations and encumbrances, to align available funding and grant timelines, through 2032.
11. Provides statutory adjustments to the Fiscal Crisis and Management Assistance Team (FCMAT), including role in developing Audit Guide provisions.
12. Requires Instructional Continuity Plans be added to existing LEA School Safety Plans, beginning July 1, 2025, which will plan to provide two-way student engagement within 5 days, and remote or in-person instruction within 10 days of an emergency. Sets plan's minimum instructional standards aligned to independent study. Requires LEAs to plan for and offer Instructional Continuity Plan student engagement and instruction during emergency school closures and material attendance decreases, for funding J13A hold harmless provisions.
13. Restricts allowable uses for the Learning Recovery Emergency Block Grant to evidence-based and local needs-assessment driven purposes, and clarifies allowed use for new math frameworks implementation, math and literacy professional development. Requires the Community Engagement Initiative to address Learning Recovery strategies and support for LEAs.
14. Clarifies State Board of Education position authority.
15. Not-withstands the statutory split requirements for funding between TK-12 education and community colleges for the Proposition 98 guarantee in the 2024-25 Budget Year.
16. Adjusts reporting and reversion requirements for the A-G Block Grant.
17. Adjusts fund forfeiture, reporting, and audit provisions for In-Person Instruction Grants.
18. Replaces the educator credential basic skills requirement with a bachelor's degree and streamlines subject matter completion review for educator credentials.
19. For the Expanded Learning Opportunities Program (ELOP), establishes funding rate of up to \$2,000 per unduplicated pupil for LEAs with less than 75% unduplicated count, to be funded by the department with reverted ELOP funds. Creates new encumbrance and

liquidation requirements, reversion and redistribution authority. Allows ELOP funds to support new Attendance Recovery Programs, if LEA is offering complete ELOP program to pupil throughout the school year.

20. Creates a new Attendance Recovery program, beginning July 1, 2025. LEAs will be authorized to recover up to 10 instructional days of student attendance each school year during non-instructional time, in one-hour recovery increments, with ELOP ratios, and under the supervision of a certificated employee. Attendance Recovery data will be reported separately from school day attendance. School districts and classroom-based charter schools are eligible to establish Attendance Recovery programs, including for kindergarten students.
21. Provides clarifications to Independent Study statute on timelines, instructional time determination, and compliance, including allowing independent study to begin in less than 3 days, allowing “short-term” independent study standards to be used for up to 15 days, and direction for calculating asynchronous work time.
22. Codifies technical statutory changes to adjust transitional kindergarten ADA computation for charter schools, and to align TK curriculum to the California Preschool/Transitional Kindergarten Learning Foundations, and other technical changes.
23. Replaces the preschool Environmental Rating Scale with the Classroom Assessment Scoring System to support diagnostic support for transitional kindergarten classrooms.
24. Expands the Career and College Guidance Initiative (CCGI)’s statutory scope and authority to work with LEAs, community colleges, and the Student Aid Commission, including data reporting authority, and financial aid student support provisions. Requires community colleges to submit pupil’s completed courses and grades through eTranscript California.
25. Requires LEAs to adopt student behavioral health protocols by 2026, and professional development as specified. Provides professional support for educators in addressing student behavioral needs with a one-time training requirement deadline in 2029. States legislative intent to provide \$35 million in one-time special funds for this purpose.
26. Maintains the California universal meals commitment and adopts trailer bill to draw down additional federal school meal reimbursements, through an LEA monthly direct certification, setting the required Community Eligibility Provision participation rate at 40% or greater poverty school sites, and development of a new state Student Benefit form.
27. Extends the timeline for the State Board of Education Individuals with Disabilities Education Act addendum template for the Local Control Accountability Plan (LCAP) from 2025 to 2027.
28. Provides \$25 million one-time in anticipation of the 2025-26 Dyslexia screener adoption, for educator professional development, and legislative intent to include the screener in the mandate block grant.

29. Clarifies penalties for insufficient instructional materials determinations.
30. Repeals the statutory prohibition on back-to-back instructional materials adoptions by the State Board of Education.
31. Expands department authority to require LEA data submissions through the California Longitudinal Pupil Achievement Data System (CalPADS), including school site closure and pupil transcript reporting. Requires CalPADS to have the capacity to support Career and College Guidance Initiative individual pupil accounts data reporting.
32. Creates the California Center for Inclusive College at the Sacramento County Office of Education, in partnership with the University of California, Davis MIND Institute and a local regional center. Appropriates \$2 million ongoing Proposition 98 funding for this Center.
33. Requires FCMAT to provide a report by February 1, 2025, on new, existing, or strengthened funding and financing mechanisms to finance judgments or settlements arising from claims of childhood sexual abuse, to be utilized by local agencies.
34. Supports California Adventures State Park Pass program for all California fourth graders with a new \$2.1 million ongoing Proposition 98 funding, backfilling one-time General Fund for these purposes.
35. Appropriates \$4 million Proposition 98 funding one-time to the for a County Office of Education, in partnership with the State Board of Education, to research hybrid and remote learning best practices.
36. Appropriates \$7 million Proposition 98 funding one-time for the Los Angeles County Office of Education to develop state standards-aligned science performance assessments.
37. Appropriates \$20 million Proposition 98 funding one-time for the California Mathematics Project to develop and deliver math coaching best practices, through 2028.
38. Appropriates \$1.26 million General Fund, one-time to the Office of Public School Construction, for the William S. Hart Union High School District's facility rehabilitation.
39. Appropriates \$25 million Proposition 98 one-time for LEA professional development and administration costs, in anticipation of the literacy screener adoption by the State Board of Education and LEAs, pursuant to Section 53008 of the Education Code.
40. Makes various technical and conforming statutory changes, including, to the Local Control Funding Formula, Local Control Accountability Plans, 3-year rolling average for average daily attendance, necessary small schools, Commission on Teacher Credentialing authority and accounting, inclusion of PK-3 teaching credentials, workability, recess duration, the Collaborative for Education Excellence, the Uniform Compliant Process, and the extraordinary cost pool.

## COMMENTS

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

1. Provides \$8.4 billion in one-time mandatory PSSSA withdrawals to support 2023-24 school expenditures.
2. Creates a TK-12 deferral of \$2.33 billion from 2022-23 funds that is paid in 2023-24. Creates a one-time TK-12 deferral of \$3.6 billion in 2023-24 that is paid in 2024-25. Creates a one-time TK-12 deferral in 2024-25 of \$246.6 million.
3. Adopts an accrual for general fund accounting, recognized above the minimum 2022-23 Proposition 98 guarantee, for a total of \$6.2 billion general fund, which is scheduled to be repaid at \$544,214,000 per year, beginning in 2026-27 through 2035-2036.
4. Appropriates \$57.26 million Proposition 98 funding one-time for various purposes, and \$2 million ongoing Proposition 98 funding for the California Center for Inclusive College.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

## SUMMARY

This bill makes necessary changes to implement the higher education provisions adopted as a part of the Budget Act of 2024.

### Major Provisions

- 1) *Rebuilding Nursing Infrastructure Grant Program.* Creates a new California Community Colleges (CCC) grant program to be administered by the Chancellor's Office. Grants of up to \$2 million shall be distributed to districts or colleges to expand nursing programs, with priority given to programs in an underserved nursing areas or to expand existing Bachelor of Science in nursing partnership programs.
- 2) *CCC Student Housing Financing.* Authorizes the state Public Works Board to issue up to \$804.7 million in revenue bonds to support 13 community college student housing projects. Requires lease agreements between the state and districts to support the projects. Amongst other provisions, requires the Board of Governors of the California Community Colleges, a participating college, and the State Public Works Board to enter into an agreement for each student housing project that includes, among other things, performance expectations of the parties related to the acquisition, design, and construction or renovation of the student housing project. Makes additional changes to facilitate the construction of affordable student housing projects selected in prior Budget Acts.
- 3) *CCC Student Housing Repayment.* Clarifies that colleges that have received funding for a student housing project will not be required to revert the funding until after a statewide lease revenue bond is issued and bond funds are available to replace previous General Fund support.
- 4) *CCC Part Time Faculty Office Hours.* Increases the reimbursement rate for districts from 50 percent to 90 percent to encourage increased usage of the program by districts, provide office hours, and incentivize spending of funds in the Part-Time Faculty Office Hours categorical program. Requires the allocation to any district in a fiscal year to not exceed 90 percent of the total costs of the compensation paid for those office hours.
- 5) *University of California (UC) Student Housing.* Clarifies that UC shall allocate funding to finance joint community college-UC student housing projects.
- 6) *Cohort Default Rate for Cal Grant Institutional Eligibility.* Requires the California Student Aid Commission to use the cohort default rate from 2020 (instead of the most recent rate) to determine whether an institution is eligible to participate in the Cal Grant program in the 2024-25 award year. Institutions are required to have a cohort default rate below 15.5% to participate in the Cal Grant program.
- 7) *CCC Adjustments.* Makes adjustments to community college funding to conform with the Proposition 98 General Fund agreement.
- 8) *California State University (CSU) Reversion.* Removes an incorrect reversion from the 2023 Budget Act.

- 9) *Middle Class Scholarship Deadline.* Extends the application deadline for the Middle Class Scholarship in 2024 until July 2 to accommodate delays with the federal Free Application for Federal Student Aid.

## COMMENTS

This bill is a budget trailer bill within the overall 2024-25 budget package to implement actions related to higher education, and makes various appropriations.

### According to the Author

This bill is a budget trailer bill within the overall 2024-25 budget package to implement actions related to higher education, and makes various appropriations.

### Arguments in Support

None on file.

### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill is a budget trailer bill within the overall 2024-25 budget package to implement actions related to higher education, and makes various appropriations.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

## SUMMARY

This bill makes statutory changes necessary to implement the Budget Act of 2024 related to natural resources.

### Major Provisions

- 1) *Division of Boating and Waterways Federal Alignment.* Among other things, redefines “personal watercraft, as specified; prohibits a person from operating a personal watercraft with an engine cut-off switch, as specified; prohibits a person from operating a recreational vessel underway with a child under 13 years of age unless certain conditions are met.
- 2) *Wolf Livestock Compensation Program.* Authorizes the Department of Fish and Wildlife to allocate federal funds and donations to pay for the deterrence of wolf presence near livestock, the impacts of wolf presence on livestock, and for verified loss of livestock for participating ranchers.
- 3) *Dedicated Fish and Game Preservation Fund Realignment — Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund.* Includes various adjustments to the Fish and Game Preservation Fund’s dedicated accounts, California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund, Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund, and Nesting Bird Habitat Incentive Program Account, Fish and Game Preservation Fund, resulting in an increase of \$3.22 million in 2024-25 and \$2.62 million ongoing. These adjustments align the accounts’ expenditure authority with revenues to help the Department of Fish and Wildlife maintain stability, structural balance, and workload for the funds.
- 4) *Steelhead Report Card.* Extends the sunset date for the steelhead trout fishing report-restoration card from January 1, 2025, to January 1, 2027.
- 5) *Oil Spill Prevention and Administration Fund.* Increases the limit on the proposed appropriation for oil spill response activities (e.g., equipping, operating, and maintaining the network of oiled wildlife rescue and rehabilitation stations and proactive oiled wildlife search and collection rescue efforts) from \$2.5 million to \$3.25 million.
- 6) *Department of Forestry and Fire Protection (CalFire): Sonoma Lake Napa Unit Headquarters and St. Helena Fire Station: Relocate Facility: Wildlife Corridor.* Requires CalFire and the Department of General Services to, among other things, do the following: ensure that the performance criteria for the design, siting, acquisition, planning, and construction of CalFire’s Sonoma Lake Napa Unit Headquarters and Glen Ellen Fire Station conserve and protect to the greatest extent feasible the habitat, open space, and wildlife resources of the area within the property that is designated as a Habitat Connectivity Corridor and Community Separator to the greatest extent feasible; avoid and minimize impacts to the Habitat Connectivity Corridor and Community Separator to the greatest extent feasible; and mitigate any other environmental

impacts related to the design, siting, acquisition, planning, and construction of those facilities and related infrastructure.

- 7) *Authorization to Transfer Ownership of Leviathan Mine Site.* Authorizes the Department of General Services to convey all or a portion of the Leviathan Mine Site to any entity if the Director determines that the conveyance is in the best interest of the state; and requires the net proceeds from the disposition of the site be deposited into the Deficit Recovery Bond Retirement Sinking Fund Subaccount.
- 8) *Department of Toxic Substances Control: Generation and Handling Fee.* Clarifies types of projects/actions that may be exempted from paying the generation and handling fee; requires the department to adopt regulations that establish a process to review claims for fee exemption; authorizes emergency rulemaking authority to implement the exemption review process; establishes financial penalties for failure to report generation-related information to the departments; changes late penalty rates for fees from a flat rate to a tiered rate based on the delinquency period, among other technical cleanup. This trailer bill language is intended to ensure that fee payers are paying what they owe under existing law prospectively, beginning with waste that was generated in 2023, for which the fees are due in the 2024-25 fiscal year. This trailer bill language allows the state to collect unpaid fees from prior years, but does not add any new fees, nor does it require any additional reporting or payment by entities that have paid what they owe in prior years.
- 9) *Climate Investment Plan.* Exempts the Department of Finance from including updates to the Climate Investment Plan for the 2025-26 budget. Existing law requires the department to include updates to the Climate Investment Plan every three years with the release of the Governor's budget proposal.
- 10) *Clean Cars 4 All.* Requires the California Air Resources Board (CARB) to annually report to the Legislature the amount of funding allocated by CARB to the statewide Clean Cars 4 All Program and to each local district Clean Cars 4 All program and requires CARB to shift previously appropriated funds to district programs if processed demand exists.
- 11) *Amendment to Federal Trust Fund Authority for Emerging Contaminants.* Authorizes the State Water Resources Control Board, upon appropriation of funds by the Legislature, to provide grants and direct expenditures to public water systems that serve small or disadvantaged communities to address emerging contaminants in those communities, consistent with the federal grant terms, as provided.
- 12) *Department of Conservation (DOC): Oil & Gas Well Capping and Abandonment.* Authorizes the Geologic Energy Management Division (CalGEM) to make a \$7.5 million match to the dedicated General Fund appropriation for the 2026-27 fiscal year for specified purposes.
- 13) *CalFire Wildfire Resiliency Reporting Requirement.* Requires CalFire to annually provide a report related to the department's wildfire prevention and resilience work, as specified and in complement with the implementation of the department's 66-hour workweek proposal.



- 14) *Angel Island State Park: Ferry Service Contract.* Authorizes the Department of Parks and Recreation to negotiate a service contract with an entity to do business in the state as a ferry operator, for the transport of passengers via ferry service between the City of Tiburon and Angel Island State Park.
- 15) *Adventure Pass Program.* Indefinitely extends provisions related to the California State Park Adventure Pass to any child in grade 4, or grade 4 equivalent, who is a California resident.
- 16) *Recycling: Convenience Zones: Handling Fees.* Requires the per-container handling fee to be set until June 30, 2026, at an amount that is not less than the amount of the per-container handling fee that was in effect on July 1, 2023. This trailer bill language also requires, from July 1, 2026, until June 30, 2027, the per-container handling fee to be established using a methodology established by the Department of Resources Recycling and Recovery (CalRecycle) in regulations reflecting the cost of providing and maintaining recycling in convenience zones by handling fee recipients.
- 17) *Diablo Canyon Powerplant: Loan: Report.* Requires the Department of Water Resources (DWR), in consultation with the Public Utilities Commission and the State Energy Resources Conservation and Development Commission, to provide a biannual report, on or before February 1 and August 1 of each year until December 31, 2030, to the Legislature on the status of a \$1.4 billion loan from DWR to the company licensed to operate the Diablo Canyon powerplant.
- 18) *Coastal Wetlands Fund Abolishment.* Effective June 30, 2024, abolishes the Coastal Wetlands Fund in the State Treasury, requires any remaining balance, assets, liabilities, and encumbrances to be reverted to the General Fund, and repeals the law relating to the expenditure of moneys in the fund.
- 19) *Covered Electronic Waste (E-Waste) Recycling Fee Subaccount Abolishment.* Eliminates the E-Waste Recycling Fee Subaccount and would instead require those fees to be deposited into the E-Waste Recovery and Recycling Account.
- 20) *Central Valley Flood Protection Board (CVFPB): Flood Risk Management Fund.* Expands the types of actions that moneys in the Flood Risk Management Fund may be expended by CVFPB to any type of service for which it charges fees pursuant to Water Code Section 8535.
- 21) *Vulnerable Community Clean-Up General Fund Solution.* Appropriates \$553.9 million from the General Fund, Greenhouse Gas Reduction Fund, and Toxic Substances Control Account, and revises the allocation period over 2021–22, 2022–23, 2023–24, 2024–25, and 2026–27 fiscal years for specified activities, such as discovery, cleanup, and investigation of contaminated properties.

## COMMENTS

### According to the Author

This bill makes changes necessary to implement the Budget Act of 2024.

### Arguments in Support

None on file.

### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill makes statutory changes necessary to implement the Budget Act of 2024. This bill appropriates \$553.9 million from the General Fund, Greenhouse Gas Reduction Fund, and Toxic Substances Control Account, and revises the allocation period over 2021–22, 2022–23, 2023–24, 2024–25, and 2026–27 fiscal years for specified activities, such as discovery, cleanup, and investigation of contaminated properties.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

## SUMMARY

Enacts statutory changes related to health issues necessary to implement the 2024 budget package. Specifically, this bill:

### Major Provisions

- 1) Includes \$133 million in 2024-25, \$728 million in 2025-26, and growing to \$1.2 billion in 2026-27 for new targeted Medi-Cal provider rate increases and investments from the MCO Tax. This is in addition to the approximately \$300 million in provider rate increases that became effective January 1, 2024. Some new rate increases will be effective January 1, 2025, and others January 1, 2026.
  - a. The annual amount of the rate increases taking effect January 1, 2025, are:
    1. Abortion Care and Family Planning;
    2. Physician Emergency Department Services;
    3. Ground Emergency Medical Transportation;
    4. Air Ambulances;
    5. Community Based Adult Services;
    6. Congregate Living Health Facilities;
    7. Pediatric Day Health Centers;
    8. Community Health Workers to achieve 100 percent of Medicare
  - b. The annual amount of the rate increases taking effect January 1, 2026, are:
    - i. Physician/Non-Physician Health Services;
    - ii. Services and Supports for FQHCs/RHCs;
    - iii. Private Duty Nursing;
    - iv. Continuous Coverage for Children Aged 0 through 4;
    - v. Non-Emergency Medical Transportation;
  - c. Includes \$40 million one-time to strengthen and support the development and retention of the Medi-Cal workforce in 2026-27.
  - d. Reflects budget agreement also includes \$6.9 billion in 2024-25, and \$23.1 billion total through 2026-27 in MCO Tax funding to support existing services in the Medi-Cal program.
  - e. If the MCO Tax initiative on the November ballot is approved, the agreement provides that this MCO Tax package becomes inoperable, since both cannot be fiscally sustained;

- 2) Includes provisions to delay the effective date required wage increase for health care workers pursuant to SB 525 (Chapter 890 of 2023) until one of two conditions are met: state cash receipts during the first quart of the fiscal year exceed 3 percent of the projected amount or the Department of Health Care Services begins data collection necessary to implement a January 1, 2025 Hospital Quality Assurance Fee waiver with the federal government;
- 3) Eliminates the California Major Risk Medical Insurance Program and requires insurers to refer certain individuals to Covered California instead this program in the future;
- 4) Allows funding from the Health Care Services Plan Fines and Penalties fund to be used to provide the nonfederal share of Medi-Cal services instead of the Major Risk Medical Insurance Program;
- 5) Eliminates a statutory continuous appropriation of General Fund to backfill the state dental program at public health if total funding falls below \$30 million;
- 6) Authorizes the department to use a third party administrator to administer school-linked statewide behavioral health and authorizes a fee, paid by health care plans, to cover these administrative expenses;
- 7) Aligns COVID-19 vaccine administration payments to payment reimbursement structures in the Medi-Cal state plan;
- 8) Suspends cost of doing business increases for county Medi-Cal eligibility administration from 2024-25 until 2027-28;
- 9) Authorizes the State Department of Public Health to create a syndromic surveillance system to detect and investigate diseases;
- 10) Provides designated public hospitals accept voluntary intergovernmental transfers for purposes of federal fund claiming;
- 11) Includes provisions related to the transfer of individuals found incompetent to stand trial from the custody of a sheriff to a Department of State Hospitals facility;
- 12) Clarifies provisions requiring the Department of Motor Vehicles to issue an identity card to State Hospital patients, upon their release from the facility;
- 13) Includes statutory procedures for returning an individual that has been declared competent after treatment at a State Hospital back to the State Hospital to maintain competency to stand trial;
- 14) Updates the Licensing and Certification Program requirements and provides statutory direction on penalties for delinquent late payment penalties;
- 15) Sets the repayment of loans to the General Fund from the California Health Benefit Exchange will be repaid in three \$200 million installments each year from 2026-27 until 2028-29;

- 16) Authorizes private donations, federal and state grants, and fund interest to be deposited in the Behavioral Health Services Oversight and Accountability Fund;
- 17) Creates the Electronic Cigarette Settlements Fund for purposes of the State of California vs. JUUL Labs Inc, et al settlement;
- 18) Updates the list of designed public hospitals;
- 19) Eliminates a statutory provision requiring unspent clinic retention funds authorized in the 2022 budget be redirected for workforce development programs;
- 20) Updates statutory code to replace references of “mental health” with ”behavioral health”; and
- 21) Appropriates \$23 million form the AIDS Drug Assistance Program Rebate fund for various expenditures.

## COMMENTS

This bill contains statutory changes necessary to implement the 2024 budget package related to health issues.

This bill provides rate increases to Medi-Cal providers, related to the 2023 extension of the MCO tax. This bill provides rate increases for specific providers in both 2025 and 2026, making real progress in addressing the inadequate Medi-Cal rates that make it difficult for California to attract and retain providers that will serve our Medi-Cal population. This bill also includes rate increases to providers like private duty nurses, ground transportation, and air ambulances, which were not envisioned in the original rate package. The increases associated with this bill will not occur if the MCO initiative pending on the November 2024 ballot is successful, as that would use the revenue associated with the rates in this bill for other uses.

The bill delays implementation of SB 525 of 2023, which mandates health care worker wages, pursuant to a “trigger” that would delay the implementation until one of two conditions is met over the next six months.

Among the other provisions of this bill are to authorize a third party administrator to charge a fee to assist local education agencies in billing health care plans to reimburse for behavioral health services provided at schools. It also implements recommendations of Incompetent to Stand Trial Solutions Workgroup for State Hospital patients, reflecting the technical feedback from public safety stakeholders.

### **According to the Author**

The health statutory changes in this bill are necessary to achieve the projected savings in the 2024 budget package.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

This bill contains an appropriation of \$23 million special funds. However, it also includes provisions that make necessary statutory changes to achieve budget reductions of \$100's million assumed in the June budget agreement and to allow for Medi-Cal rate increases that are part of the overall budget financing structure.

## **VOTES**

### **SENATE FLOOR: 29-8-3**

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## **UPDATED**

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

As part of the 2024 Budget Package, expands the Managed Care Organizational tax per Medi-Cal enrollees in health plans that have between 1.25 million and 4 million total enrollees, effective 2024-2026.

This bill also reappropriates any unspent funds provided in the 2023 Budget Act for the Providing Access and Transforming Health (PATH) Capacity and Infrastructure Transition, Expansion, and Development (CITED) Initiative. According to the Department of Finance, clinics eligible for these funds have been identified by the Department of Health Care Services, but the department will not be able to encumber the funds before the fiscal year ends.

## COMMENTS

This bill expands the Managed Care Organization tax to allow the State to collection additional revenue to offset state health care costs. The existing tax was renewed as part of the 2023 budget package in AB 119 (Chapter 119, Statutes of 2023) and then further expanded earlier this year as a budget “early action” item in SB 136 (Chapter 6, Statutes of 2024). California is one of several states that uses a Managed Care Organization tax as part of its federal revenue claiming process.

The additional revenue generated from this tax offsets existing state health care costs by \$689.9 million in 2024-25, \$950 million in 2025-26, and \$1.3 billion in 2026-27.

### According to the Author

This bill enacts an essential budget solution that is key to the 2024 budget agreement.

### Arguments in Support / Opposition

None on file.

## FISCAL COMMENTS

This bill generates special fund and federal revenues which offsets state health care costs. The June 2024 budget package assumes General Fund savings of \$689.9 million in 2024-25, \$950 million in 2025-26, and \$1.3 billion in 2026-27 from this measure.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

## SUMMARY

This is the 2024 Human Services Omnibus budget trailer bill. This bill provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2024.

### Major Provisions

This bill includes the following provisions:

1. *California Child Support Automation System Annual Reporting Requirement Repeal.* Repeals the reporting requirement for the Department of Child Support Services (DCSS) regarding the ongoing implementation of the California Child Support Automation System (CCSAS). The implementation of CCSAS was completed and certified in December 2008, the project was closed in 2014, and the reporting is no longer necessary.
2. *Improved Performance Incentives Repeal.* Repeals the provision that provides additional funds to the 10 counties with the best performance standards in child support collections, as administered by DCSS. The program has been suspended for the 2002-03 to 2022-23 fiscal years, inclusive.
3. *Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children.* Updates state law to mirror the additional federal reporting and communication requirements on states, for county child welfare agencies and probation departments when reporting missing or abducted children or youth believed to be the victims of, or at risk of being the victims of, commercial sexual exploitation to law enforcement authorities for entry into the National Crime Information Center (NCIC) database and the National Center for Missing and Exploited Children (NCMEC). Clarifies that counties are authorized to share information from juvenile case files with the NCMEC, a nonprofit entity.
4. *Supplemental Nutrition Assistance Program (SNAP) Reimbursement.* Provides that a SNAP (CalFresh in California) recipient shall not incur any loss of nutrition benefits due to electronic benefits transfer (EBT) theft. A maximum of two months' worth of benefits shall be replaced at one time and a household shall have 90 days from the date of theft to request replacement of the electronically stolen benefits. Provides that a county shall replace eligible, electronically stolen benefits as soon as administratively feasible, but no more than 10 business days following the receipt of the replacement request. Additionally, stops state-funded replacements of stolen CalFresh if at any point federally funded replacements are available.
5. *CalWORKs Federal Pilot Program.* Requires consultation with stakeholders in the application for federal Pilot Projects for Promoting Accountability by Measuring Work Outcomes program pursuant to the federal Fiscal Responsibility Act of 2023 and for the California Department of Social Services (CDSS) to consider policy changes to align to the pilot application. Requires the CDSS to report back by January 10, 2025 with necessary statutory changes and comprehensive cost estimates to implement family-centered changes



as part of the pilot program, including limiting family sanctions, creating a family-centered program structure, and repealing the county Work Participation Rate (WPR) penalty.

6. *CalWORKs Subsidized Employment Program Reporting on Employers and Employment Outcomes.* Creates outcome reporting requirements for the CalWORKs Subsidized Employment program regarding the utilization of funds, employment placements and industry sector data, and average earnings of CalWORKs participants, beginning April 1, 2025 and to be included in the CalWORKs Annual Summary published by the CDSS.
7. *State and Federal Kinship Guardianship Assistance Payment Program Alignment.* Eliminates the \$10,000 cash savings and personal property asset limits for children and nonminor beneficiaries of the state- and federally-funded Kinship Guardianship Assistance Payment (Kin-GAP) programs and clarifies income and property received after the start date of aid shall be disregarded. These limits are not required by federal law. The language provides for automation to enable the change.
8. *CalWORKs Maximum Aid Payment (MAP) Increase.* Commencing on October 1, 2024, increase the maximum aid payments in effect on July 1, 2024, by 0.3 percent, pursuant to funding available in the Child Poverty and Family Supplemental Support Subaccount.
9. *Technical Change to Fix CalWORKs Grant Comparison.* Makes a technical change to ensure proper display of CalWORKs grants compared to the federal poverty level (FPL) in CDSS budget documents and on its internet website.
10. *Resource Family Approval Program Alignment with Emergency Caregiving Funding Program.* Aligns the 90-day Resource Family Approval (RFA) application processing time frame with the 120-day Emergency Caregiver (EC) Funding time frame. Under current law, the variance between the two programmatic time frames creates operational and administrative confusion and inefficiency.
11. *In-Home Supportive Services (IHSS) County Administration Methodology.* Requires the CDSS to review the budgeting methodology used to determine the annual funding for county administration of the IHSS program and examine the ongoing workload and administrative costs to counties as part of the review beginning with the 2025–26 fiscal year and every third fiscal year thereafter. Requires the CDSS to provide information to the appropriate legislative budget committees regarding this review and how it may impact county administrative costs
12. *Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grant Display Against Fair Market Rent.* On or before January 10, 2025, and annually thereafter, require the CDSS to provide a display, included in CDSS budget documents and on its internet website, of the SSI/SSP grant amount for individuals compared to the most updated fair market rent amounts for a studio apartment in each of the 58 counties. Also requires the display to include the amount remaining after paying rent and to indicate the fair market rent as a percentage of the grant for each county.
13. *CalWORKs Intensive Case Management Hours.* Revises the requirement for CalWORKs intensive case management, which is codified for a minimum of 8.75 hours per case per month. Makes the increase to 10 hours subject to an appropriation by the Legislature.

14. *Home Safe Program Match Waiver Extension.* Extends the grantee match waiver of one-time funds appropriated for the Home Safe program from June 30, 2025 to June 30, 2026.
15. *Bringing Families Home Program Match Waiver Extension.* Extends the county or tribe match waiver of one-time funds appropriated for the Bringing Families Home program from June 30, 2025 to June 30, 2027.
16. *Excellence in Family Finding, Engagement, and Support Program.* Authorizes a participating county or tribe in the Excellence in Family Finding, Engagement, and Support (EFFES) Program, which does not have sufficient caseload, as determined by the CDSS, for a full-time family-finding worker to submit a written request for authorization to use program funding for a portion of a full-time position for family-finding activities. This helps alleviate challenges for small counties and tribes and removes a barrier preventing these counties and tribes from accessing one-time funding for the program.
17. *Family First Prevention Services Program.* Extends state law from July 1, 2025 through July 1, 2028 for the Family First Prevention Services program administered by the CDSS. Allows the CDSS to exempt a small county, as named, from the requirement to use state funds allocated for the nonfederal share of cost of prevention services. A county for which this requirement is waived is required to use state funds for the cost of other prevention services offered pursuant to the county's comprehensive plan, allowable administrative activities performed for the program, and program implementation costs in accordance with written guidance issued by the CDSS.
18. *CalFresh County Administration Methodology.* Adjusts the parties included in stakeholder consultation related to the CalFresh county administration methodology to make it consistent with other like sections and programs.
19. *CalFresh Safe Drinking Water Pilot.* Extends the CalFresh Safe Drinking Water Pilot until the expiration of allocated funding for the pilot program or September 30, 2025, whichever is later.
20. *California Food Assistance Program (CFAP) Elimination of Comparable Disqualification.* Makes changes in the CFAP to maintain alignment with current CalFresh policy, which eliminates comparable disqualifications for welfare to work (WTW) sanctions effective August 1, 2024. The change expedites eliminating the requirement in order to avoid CFAP and CalFresh misalignment.
21. *California Food Assistance Program (CFAP) Overissuance Collection Retention Rate.* Requires the state to retain a portion of any collected overissuance claims on CFAP benefits, and requires that the portion of the recovered overissuance claims retained by the state to be the same percentage as the state and the United States Department of Agriculture would have retained, combined, if the overissuance claims had been collected under the CalFresh program. Any remaining portion of the recovered overissuance claims shall be distributed by the CDSS to the counties based on the amount of the overissuance claims recovered by the counties.

22. *Tribal Nutrition Assistance Program.* Requires the CDSS, subject to an appropriation in the annual Budget Act, to award grants through the Tribal Nutrition Assistance Program to eligible tribes and tribal organizations to address food insecurity and inequities within California.
23. *State Emergency Food Bank Reserve.* Subject to appropriation, requires the CDSS to administer another food assistance program, the State Emergency Food Bank Reserve Program, to provide food and funding for the provision of emergency food and related costs to food banks serving low-income Californians to prevent hunger during natural or human-made disasters, as prescribed, and defines “food banks” to mean participating providers operating in California under the federal Emergency Food Assistance Program or the federal Commodity Supplemental Food Program, members of the nonprofit organization Feeding America that are based in California, and members of the California Association of Food Banks.
24. *Guaranteed Income Pilot Program Extension.* Extends the operative date for the California Guaranteed Income Pilot Program from July 1, 2026 to January 1, 2028, and the repeal date from January 1, 2027 to January 1, 2029.
25. *Housing Disability Advocacy Program Match Elimination.* Removes the baseline match requirement for grantees of funds from the Housing and Disability Income Advocacy Program, effective July 1, 2024. Additionally extends the waiver of the requirement to seek reimbursement of federal funds from June 20, 2025 through June 30, 2026.
26. *Facility Inclusion for Community Care Expansion Preservation Program.* Authorizes the CDSS, at its discretion, to accept an alternative legally enforceable agreement in lieu of a deed restriction for a facility awarded Community Care Expansion (CCE) funding and that seeks to receive Capitalized Operating Subsidy Reserve (COSR) funds, to demonstrate the requirement to provide licensed residential care for at least the term of the reserve.
27. *Data Sharing to Quantify the Impacts of the Safety Net on the Whole Californian.* Permits staff to the Interagency Council on Homelessness to, upon request, share personally identifiable, individual-level data from the Homeless Data Integration System with an agency or department that is a member of the council for purposes of measuring housing instability and examining the effectiveness of, and need for, housing and homelessness programs and other antipoverty programs among Californian. This data-sharing shall be in compliance with the Information Practices Act of 1977. Additionally, states legislative intent for data-sharing permitted in this act for the Interagency Council on Homelessness to measure point-in-time data and trends of homelessness, housing instability, and utilization of housing services among individuals and families in programs administered by the CDSS, including, but not limited to, the CalWORKs program.
28. *Foster Care Permanent Rate Structure.* Consistent with existing state law, establishes a permanent foster care rate structure, to take effect July 1, 2027. Under the permanent rate structure, a child will fall under a certain rate “tier,” based on their Child and Adolescent Needs and Strengths (CANS) assessment. The CANS is a validated functional assessment tool, which assesses well-being, identifies a range of social and behavioral healthcare needs, and supports care coordination and collaborative decision-making. A child’s tier will be Tier 1, Tier 2, Tier 3, or Tier 3+, based on the child’s CANS assessment and their

age. Rates will follow the child, not the placement, and include three key components: care and supervision, strengths building, and immediate needs. The structure also includes an administrative component for foster care providers. The bill includes the following provisions to implement the permanent foster care rate structure:

- a. Establishes the Tiered Rate Structure, beginning July 1, 2027. Establishes an entry rate for new entries into foster care.
- b. Provides CDSS with the authority to implement the Tiered Rate Structure via written guidance until the adoption of regulations, no later than January 1, 2030.
- c. Requires CDSS to issue guidance to county placing agencies and Title IV-E Tribes to implement the Tiered Rate Structure, including standards for CANS assessment fidelity, when the CANS assessments should be completed or updated, and guidance regarding how to implement tier transitions for a child based on subsequent CANS assessments. Requires CDSS to engage with a working group to develop and set guidelines on the use of the Integrated Practice CANS (IP-CANS).
- d. Requires annual adjustments to the Care and Supervision rate component and the administrative rate component based on the California Necessities Index (CNI).
- e. Requires CDSS to determine a schedule for transitioning children in current foster care placements on July 1, 2027, to the new Tiered Rate Structure no later than January 1, 2029. Establishes that children and nonminor dependents who receive a dual agency rate and supplement shall receive the higher rate.
- f. Clarifies that certain specified components of the Tiered Rate Structure will not apply to: transitional housing, Supervised Independent Living Placements, a vendorized home of a regional center, temporary shelter care facility or transitional shelter care facility, and nonrelated Legal Guardianships ordered through probate court. For nonminor dependents in Supervised Independent Living Placements, the rate will be a combined rate consisting of Tier 1 care and supervision, plus CNI adjustments, and Tier 1 Strength Building.
- g. Authorizes a rate not to exceed Tier 1 care and supervision for children in state-funded Kin-GAP, nonrelated legal guardianships, and Adoption Assistance Program, and provides an exception for a rate not to exceed Tier 2 care and supervision, under specific conditions established by CDSS, based on the assessed needs of the child.
- h. Establishes relevant definitions for the Tiered Rate Structure.
- i. Provides CDSS with the authority to implement specified oversight and audit provisions regarding foster care providers via written guidance, until the adoption of regulations, no later than January 1, 2030.
- j. Requires each child's case plan to include the child's respective tier, the child's specific Immediate Needs Allocation Plan, and the child's Strengths Building activities.
- k. Requires all placing agencies, defined to mean a county child welfare agency, a county probation department, or an Indian tribe that entered into an agreement pursuant to

Section 10553.1, to conduct CANS assessments for every child in foster care under their care, custody, and control. Requires the placing agency to complete the initial CANS assessment within 60 days of the child's entry into foster care and complete new CANS assessments, at a minimum, every six months after the initial assessment, and more frequently if needed, as described.

- l. Provides that the CANS assessment shall identify the child's tier for purposes of the Tiered Rate Structure.
- m. Establishes applicable limits on the number of children in foster care placed in a resource family home, based on the needs of the children in that home.
- n. Establishes requirements for CDSS to implement the Immediate Needs Program, including the development of standards of care, including:
  - i. A methodology for determining the allocation for each placing agency.
  - ii. The establishment of statewide minimum standards for the Immediate Needs Program, in consultation with specified stakeholders.
  - iii. Model contracts for placing agencies to use with providers that align with the established standards of care framework.
  - iv. Processes for certifying Immediate Needs Providers, whether a placing agency or contracted provider, to provide services consistent with the standards of care, including requirements specific to Immediate Needs Providers for Indian children.
  - v. Guidelines for ensuring each eligible child is provided services and supports consistent with the standards of care framework.
  - vi. Workforce development, training, and curriculum.
  - vii. Development of policies and procedures for statewide collection of data and outcome measures.
  - viii. Development, in collaboration with the Department of Health Care Services (DHCS), of guidance on implementation of the Immediate Needs Program, including High-Fidelity Wraparound services.
- o. Requires DHCS to implement a case rate or other type of reimbursement for High Fidelity Wraparound services, which is a Medi-Cal specialty mental health service for members under age 21, and seek any necessary federal Medicaid approvals. Establishes that all children and nonminor dependents in foster care who meet the criteria to participate in the Immediate Needs Program and who are under age 21 are eligible to receive High Fidelity Wraparound services.
- p. Establishes requirements for placing agencies administering the Immediate Needs Program, including:

- i. Submit to CDSS for approval a Placing Agency Allocation Plan that, among other things, outlines how the placing agency will ensure the allocation is used to meet the immediate needs of children and ensure an adequate array of certified immediate needs providers, including providers with specialized knowledge, experience, or training with tribes and the Indian Child Welfare Act (ICWA) for Indian children in the Immediate Needs Program.
- ii. Develop a child-specific Immediate Needs Plan for each child, demonstrating how the funding will meet the child's immediate needs and include those plans in the child's case plan.
- iii. Submit data and outcome measures as requested by CDSS.
- iv. Ensure the caregiver has relevant specialized training and capacity necessary to meet the needs of an individual child.
- v. Utilize Immediate Needs funding in a manner that supports reunification efforts if they do not supplant existing funds for this purpose.
- q. Creates a presumption that, if certified, the short-term residential therapeutic program or foster family agency providing services to a child is the Immediate Needs provider.
- r. Clarifies that Immediate Needs funding may not supplant existing state or county funds utilized for the provision of Medi-Cal services.
- s. Establishes that Federal Financial Participation (FFP), under the Medi-Cal program, shall only be available for the Immediate Needs Program if medical assistance FFP is available and not otherwise jeopardized. Also authorizes DHCS to issue written guidance regarding the availability of FFP for purposes of this program and other necessary programmatic instructions without taking further regulatory action.
- t. Authorizes CDSS to implement the Immediate Needs Program via written instructions until the adoption of regulations, no later than January 1, 2030.
- u. Provides CDSS the authority to receive future payments of the placing agency's allocation and use the allocation to award contracts for the purpose of implementing and maintaining the Immediate Needs Program if a placing agency chooses to enter into an agreement with CDSS to administer the Program, or if a placing agency has failed to adequately administer the program or meet the immediate needs of children, as specified.
- v. Exempts CDSS contracts awarded from specified contracting requirements and review and approval of the Department of General Services or the Department of Technology.
- w. Establishes the Strengths Building Child and Family Determination Program component of the Tiered Rate Structure, including:
  - i. Relevant findings and declarations that explain the necessity for, and intent of, the program.
  - ii. Relevant definitions for purposes of the Strengths Building Program.

- iii. Establishes that the child and family, with support from the Child and Family Team (CFT), shall choose goods, services, activities, and supports consistent with program standards and guidelines developed by CDSS.
- iv. Establishes that each child shall have a Spending Plan Manager, who shall contract with CDSS to pay for goods, services, activities, and supports and provide the child, caregiver/family, and placing agency with an itemized monthly contract.
- v. Requires CDSS to provide oversight of contracts with Spending Plan Managers and to develop a standard of care framework that promotes increased child and family determination. Requires the state to prioritize nonprofit entities in developing these contracts.
- vi. Requires CDSS to consult with specified stakeholders in the development of Strengths Building Program standards.
- vii. Requires any unused funding to roll forward into the following fiscal year for the Strengths Building Program.
- x. Requires placing agencies to:
  - i. Include the Strengths Building Spending activities in the child's case plan.
  - ii. Provide information and supports to the child and family, upon request, regarding available goods, services, and supports in the community and support the child and family in accessing them.
- y. Authorizes CDSS to award contracts for the Strengths Building program.
- z. Establishes regular pre-implementation and post-implementation reporting requirements to the Legislature on all components of the Tiered Rate Structure.
- aa. Requires CDSS to provide the Legislature with an analysis of the identified needs of children and nonminor dependents in Tiers 2, 3, and 3+, including a cost analysis of necessary services, by January 10, 2026.
- bb. Makes various technical and conforming amendments.

## COMMENTS

### **According to the Author**

As part of the 2024-25 budget package, this bill makes statutory changes to implement the budget act.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

These statutory changes align to the 2024 Budget Act.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT



## SUMMARY

This is the 2024 Developmental Services budget trailer bill. This bill provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2024.

### Major Provisions

The bill includes the following provisions:

1. *Remote Individual Program Plan and Individualized Family Service Plan Meetings.* Extends the option for an individual or family served by a regional center to choose to have their individual program plan (IPP) or, for infants and toddlers, individualized family service plan (IFSP), held remotely. Requires a regional center to hold an in-person IPP meeting at a time and location convenient for the individual served if the regional center has not held an in-person IPP meeting or other in-person meeting in the previous 12 months. Requires a regional center to hold an in-person IFSP meeting at a time and location convenient for the family served if the regional center has not held an in-person IFSP meeting or other in-person meeting in the previous six months. Prevents the in-person meeting requirements for IPP and IFSP meetings from impeding timely access to services. Requires the in-person meeting requirements to remain in effect pending a review by the Department of Developmental Services (DDS) review, in coordination with stakeholders, no later than May 14, 2026.
2. *Provisional Eligibility Assessments.* Allows a regional center to concurrently assess an infant or toddler referred for early intervention services for provisional eligibility or full eligibility for regional center services.
3. *Delay of Developmental Services Provider Rate Reform.* Delays the final phase of developmental services rate reform implementation from July 1, 2024 to January 1, 2025.
4. *Master Plan for Developmental Services.* Makes various findings and declarations regarding the developmental services system in California, and establishes legislative intent that the Master Plan for Developmental Services strengthens accessibility, quality, and equity of the developmental services system for all individuals with intellectual or developmental disabilities and their families, regardless of language or other factors. Requires the Secretary of California Health and Human Services, in coordination with DDS, to lead the development of the implementation of the master plan for developmental services. Requires the Secretary to solicit input from individuals with intellectual and developmental disabilities and their families, professionals in the developmental services field, and a broad range of subject matter experts. Requires the Secretary and DDS to submit an initial report of the master plan to the Legislature and Governor by March 15, 2025. Requires the Secretary and DDS to work with various state agencies and departments to implement the master plan. Requires the Secretary to submit regular master plan updates to the Governor and Legislature beginning March 15, 2026.

5. *Repeal of Regional Center Family Fees.* Repeals the Family Cost Participation Program and Annual Family Program Fee.
6. *Probability Sampling.* Allows DDS and regional centers to utilize probability sampling and statistic extrapolation when conducting fiscal audits of service providers.
7. *Social Recreation and Camp Services.* Requires regional center purchase-of-services policies to promote access to social recreation services, camping services, and nonmedical therapies, in ways that promote community inclusion and access for children, individuals who experience disparities, and individuals who are unable to afford paying for services upfront. Prohibits regional centers from enacting restrictive purchase-of-services policies that generally prohibit or disfavor the purchase of social recreation, camping, and nonmedical therapies. Requires regional centers, by October 1, 2024, to designate points of contacts regarding access to social recreation, camping, and nonmedical therapies. Requires, by January 1, 2025, regional centers to adopt procedures aimed at increasing the availability of vendors for social recreation, camping, and nonmedical therapies, including for those services to be funded directly through participant-directed services. Requires, by March 1, 2025, various regional center staff to complete training regarding social recreation and other services. Requires DDS to report various information regarding trends in access to social recreation and other services to the Legislature, including information on complaints, appeals, technical assistance to regional centers, and demographic data on service access.
8. *DDS Internship Program.* Makes the direct support professional internship program subject to an appropriation by the Legislature.

## COMMENTS

### **According to the Author**

The bill provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2024.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

The bill provides an appropriation of \$5 million General Fund for activities related to the DDS Federal Claims Reimbursement System Project. The balance of the changes align with the 2024 Budget Act.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

SB 163 is the early childhood education and care omnibus, with statutory changes necessary to further the 2024-25 Budget Act, including the child care access expansions, rate reform policy and reporting for child care and preschool, and preschools program eligibility determinations.

### Major Provisions

1. Codifies the 2021-22 Budget Year agreement to grow the state-subsidized child care system by 206,800 new children served, compared to the 2020-21 Budget Act, with a new 2028 ultimate goal timeline to reflect the Administration's "pause" proposal. Provides legislative intent to resume progress in access growth in the 2026-27 Budget Act with 12,000 new slots and 2027-28 Budget Act with 17,000 new slots. Recognizes that the Budget is currently supporting over 118,800 new child care slots toward this goal, in various programs, as specified.
2. Requires the Department of Social Services to release at least one request for applications, and to announce awards, as specified. The bill would require the department to annually revise the number of added and awarded slots based on final awardee data. To the extent that updated slot estimates fall below the listed total slot levels, and subject to appropriation, the bill would require the department to add, award, and put into contract additional slots to maintain total slot levels.
3. Fully funds all 11,038 awarded expansion slots from existing child care appropriations, beginning October 1, 2024.
4. Requires Department of Social Services reporting through January 2026 on the Alternative Methodology implementation progress, and requires a hold harmless policy in the Alternative Methodology to all 2024-25 child care and preschool rates, inclusive of one-time cost of care plus payments.
5. Requires annual reporting on proposed federal child care quality set-aside expenditure plan to be submitted to the Joint Legislative Budget Committee on or before May 14.
6. Eliminates the planned growth in the California State Preschool Program inclusive set-aside for the 2025-26 and 2026-27 fiscal years, capping the set-aside at 5%.
7. Expands California State Preschool Program eligibility to children ages 24 to 35 months, until 2027.
8. Authorizes contract expansion streamlining for the Departments of Social Services and Education for child care and preschool awards to existing contractors.
9. Makes technical and conforming changes to family childcare provider disclosure exemption provisions.

10. Appropriates \$328,000 from the Federal Trust Fund to allow the State Department of Social Services to assist the California Health and Human Services Agency with the administration of the Preschool Development Grant.

## COMMENTS

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

1. Codifies the state's commitment to the 129,838 new child care slots appropriated from the 2021-22 through 2024-25 Budget Act to support the ultimate goal to serve over 200,000 more children by 2028.
2. Establishes a fiscal hold harmless level for future child care provider rates, assigned to the 2024-25 rates pursuant to existing law.
3. Appropriates \$328,000 federal funds to the State Department of Social Services to assist in the Preschool Development Grant.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

## SUMMARY

This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2024.

### Major Provisions

This bill makes various statutory changes to implement the general state government provisions of the Budget Act of 2024. Specifically, this bill does the following:

- 1) *Keep Arts in Schools*: Extends the Keep Arts in Schools Voluntary Tax Contribution fund administered by the Franchise Tax Board from January 1, 2025, to January 1, 2032.
- 2) *Teen Poet Laureate*: Changes the name of the California Youth Poet Laureate to the California Teen Poet Laureate.
- 3) *Department of Real Estate Fee Increases*: Increases licensing, examination, and various other fees administered by the Department of Real Estate. Requires the Department to conduct stakeholder meetings and provide reports on its financial status, as specified.
- 4) *Military Department Deputy Adjutant General Rank Adjustment*: Provides that the Deputy Adjutant General's rank may be that of major general which also aligns with the baseline salary adjustment for this position.
- 5) *Division of Juvenile Justice Clean-up*: Eliminates references to the Division of Juvenile Justice in State Lottery statutes, given the closure of the Division's facilities in 2023.
- 6) *Middle-Mile Broadband Initiative*: Requires the Office of Broadband and Digital Literacy Office, under the California Department of Technology, to prioritize last-mile connections to unserved and underserved areas and locations for the construction of the statewide open-access middle-mile broadband network. In prioritizing standalone construction projects led by the Department of Transportation, the Office must prioritize segments necessary for last-mile projects with grant awards from the Broadband Equity, Access, and Deployment Program, the California Advanced Services Fund program, and the Federal Funding Account program.
- 7) *Design-Build*: Eliminates the sunset date to allow current and future capital projects to continue using the design-build delivery method as appropriate. Design-build refers to the specific approach that combines both the design and construction phases under a single contract with one entity. This approach contrasts with the traditional building process, where the project owner contracts with a designer to create the project plans and then separately with a builder to construct the project based on those plans.
- 8) *Procurement Disparity Study Extension*: Extends the deadline for the Department of General Services contract and issue a report for a statewide procurement and contracting disparity study, which would examine state outreach strategies, state government program

development, and improvements to contracting policies from January 1, 2025 to December 31, 2025.

- 9) *California Commission on Disability Access*: Shifts support for the California Commission on Disability Access from the General Fund to the Disability Access Fund.
- 10) *Minimum Education Hours for Licensure Programs*: Requires the minimum of hours or equivalent, established for education programs that qualify persons for any license issued by a board within the Department of Consumer Affairs, to be equal to the number of clock or credit hours that is approved by the Department, as specified, until January 1, 2027.
- 11) *CURES Fees*: Increases the Controlled Substance Utilization Review and Evaluation System (CURES) fee from \$9 to \$15 starting April 1, 2025 in order to right-size the costs for the Department of Justice to administer the program.
- 12) *AB 853 Technical Changes*: Makes a technical, non-substantive correction to Chapter 457, Statutes of 2023 (AB 853) to clarify the maximum fee allowed.
- 13) *Venture Capital Companies Reporting*: Recasts and conforms various provisions that would require venture capital companies to submit to the Civil Rights Department specified information by March 1, 2026. By April 1, 2026, the bill would require venture capital companies to submit information annually about its funding determinations to the Department of Financial Protection and Innovation (DFPI), and would provide DFPI with investigative, enforcement, and fee setting authority to administer the bill's provisions.
- 14) *Office of Planning and Research Reorganization*: Reorganizes the Office of Planning and Research (OPR) through the following actions:
  - a. Establishes the Governor's Office of Service and Community Engagement. Moves California Volunteers, the Office of Community Partnerships and Strategic Communications, and the Youth Empowerment Commission from OPR to this new office.
  - b. Moves the California Jobs First program and the Zero-Emission Vehicle Program from OPR to the Governor's Office of Business and Economic Development.
  - c. Moves the California Initiative to Advance Precision Medicine to the Health and Human Services Agency, and expands the program to include pandemic response and prevention. Enables the Agency to receive nonstate funds to develop demonstration projects aiming to prevent or mitigate future disease outbreaks and pandemics.
  - d. Renames the Office of Planning and Research to the Governor's Office of Land Use and Climate Innovation.
- 15) *Office of Planning and Research Racial Equity Commission*: Extends the deadline for the Racial Equity Commission to develop a Racial Equity Framework from April 1, 2025 to December 1, 2025. Extends the deadline for the Commission to prepare an annual report summarizing feedback from public engagement with communities of color and providing data on racial inequities and disparities in the state, and recommending best practices on

tools, methodologies, and opportunities to advance racial equity from April 1, 2026 to December 31, 2026.

- 16) *County of Mendocino Audit*: Requires the California State Auditor to conduct an audit of the County of Mendocino that includes an audit of any potential waste, fraud, abuse, and mismanagement, the county's administration of elections in 2024, and contracting and procurement processes, by January 1, 2026.

## COMMENTS

This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2024.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill would extend the Keep Arts in Schools Voluntary Tax Contribution Fund, increase the fees deposited into the Real Estate Fund and the Consumer Recovery Account, and authorize funds in the Disability Access Account to fund the activities of the California Commission on Disability Access, thereby making an appropriation.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:



## SUMMARY

This trailer bill contains statutory changes necessary to implement the Budget Act of 2024 related to housing and homelessness.

### Major Provisions

This bill contains the following necessary statutory changes related to housing and homelessness necessary to implement the Budget Act of 2024. Specifically, this bill:

- 1) Transfers by July 1, 2024, the program authority for the Homeless Housing, Assistance and Prevention (HHAP) program, the Encampment Resolution Funding grants and the Family Homelessness Challenge Grants from the California Interagency Council on Homelessness (Cal-ICH) to the Housing and Community Development Department (HCD).
- 2) Empowers the recently formed Housing and Homelessness Accountability, Results, and Partnership (HHARP) Unit at HCD to monitor HHAP, the Encampment Resolution Funding grants, and the Family Homelessness Challenge grants expenditures, track outcomes, provide technical assistance and work with underperforming grantees on corrective action plans.
- 3) Establishes a round 6 of HHAPP and requires the HCD to make an application available no later than January 1, 2025, for the distribution, use and oversight of the \$1 billion in funding.
- 4) Requires a jurisdiction that is not a tribe to apply as part of a region and must be signatory to a round 6 regionally coordinated homelessness action plan that has been approved by the department
- 5) Provides that a regionally coordinated homelessness action plan include:
  - a. Identification and analysis of the specific roles and responsibilities of each participating jurisdiction in the region as specified.
  - b. Most recent system performance measures for the region, which shall include age, racial, and ethnic disparities for specified information.
  - c. A system performance and improvement plan with a description of key actions the region intends to take to improve system performance measures. May include key actions from small jurisdictions in the region that elect to engage in the regionally coordinated homelessness action plan.
- 6) Requires applicants to demonstrate how the region will use available resources to sustain all existing and proposed interim housing investments within the region, as specified.
- 7) Requires the department to approve a plan when it determines that the plan includes specified components, including certain performance measures for the region as well as

age, racial, and ethnic disparities for specified information, and a system performance and improvement plan.

- 8) Provides that less the set aside funds for the department's costs to administer the program, funds shall be made available for round 6 as follows:
  - a. 80 percent of funding available for the cities, counties, or continuums of care
  - b. 17 percent of funding available for eligible cities, counties or tribal applicants for supplemental support for the Homekey program.
  - c. 3 percent of funding available for tribal applicants.
- 9) States that a program recipient shall not use funding from the program to supplant existing local funds for homelessness services under the penalty of disallowance or reduction, or both, of future program funds, as determined by the department.
- 10) Requires a program recipient to use at least 10 percent of the funds allocated for services for homeless youth populations and does not prohibit program recipients from spending a greater percentage on homeless youth populations.
- 11) Provides that after the approval of a complete application, the department shall disburse 50 percent of an eligible city's, county's, or continuum of care's total allocation when the applicant has done the following:
  - a. Contractually obligated all of its funding from rounds 1 through 3 of the program
  - b. Expended all of its funding from round 1 of the program.
  - c. Expended at least 50 percent of its funding and contractually obligated 75 percent of its funding from the first disbursement of round 4 of the program.
- 12) Requires that grantee submit to the department, on or before January 1, 2027, and update to their round 6 regionally coordinated homelessness action plan, and requires the department to approve or deny the update within 30 days.
- 13) Provides that the department may disburse the remaining 50 percent of a recipient's total base allocation only after the recipient demonstrates the following:
  - a. Compliance with an approved updated regionally coordinated homelessness action plan.
  - b. Compliance to contractual obligation not less than 75 percent and expend not less than 50 percent of their initial round 6 program allocations.
  - c. That the recipient, if the recipient is a city or county, has a compliant housing element as defined in Section 65589.9 of the Government Code. If the recipient does not have a compliant housing element, the department shall hold the disbursement until the recipient comes into compliance.
- 14) Reverts to the General Fund any remaining amounts of round 6 base program allocation funds not expended by June 30, 2029.
- 15) Prioritizes homelessness prevention, permanent housing, and operational support for existing interim housing over uses of HHAP funds that do not directly provide housing.

- 16) Maintains HHAP Round 5 requirements that recipients apply as a region and adhere to their regionally coordinated homelessness plans with specific roles and responsibilities assigned to each party as memorialized in the form of a Memorandum of Understanding approved by each respective governing body.
- 17) Includes additional and more frequent reporting requirements for all recipients including monthly reporting on fiscal data to the department.

*Encampment Resolution Funding Program and Reporting Requirements*

- 18) Appropriates \$150 million in 2024-25 General Fund to the Encampment Resolution Funding program. This program awards grants to local governments on a competitive basis to dissolve homeless encampments and provide residents with pathways to stable permanent housing. Half of the appropriation is reserved for projects that address encampments on state right-of-ways.
- 19) Requires monthly and annual reports on encampment grants allocated in 2021-22 through 2023-24 every April 1 according to data required under existing law.
- 20) Requires annual and final reports on encampment grants allocated in 2024-25 and 2025-26 every April 1 include the following:
  - a. The number of homeless individuals served using the program funds in that year.
  - b. The total number of individuals served in all years of the program, as well the homeless population served.
  - c. Aggregate outcome data for individuals served using program funds, including all of the following:
    - i. The type of housing that the individuals exited to from the encampment, including whether the housing is permanent or interim.
    - ii. The percentage of successful housing exits.
    - iii. Exit types for unsuccessful housing exits
  - d. The eligible uses and expenditures of awarded program funds.
  - e. The number and size of the encampment addressed.
  - f. The number of encampments that the grantee has resolved.
  - g. The types of housing assistance provided, including but not limited to permanent or interim housing, broken out by the number of individuals served.
- 21) Enhances program oversight through the transfer of management authority from the California Interagency Council on Homelessness (Cal-ICH) to the Housing and Community Development Department (HCD).

*Cap on Proposition 1 of 2024 Administrative Expenditure Levels*

- 22) Limits the amount that the Housing and Community Development Department (HCD) may take from Proposition 1 of 2024 resources for HCD's administrative costs to three percent of the bond proceeds allocated to HCD programs.

*Future of California Dream for All*

- 23) Directs the California Housing Finance Agency (CalHFA) to:

- a. Assess outcomes and lessons learned from the first two rounds of the California Dream for All shared appreciation homeownership loan program
- b. Provide recommendations for further improvements to the existing program;
- c. Develop options for the next phase of the program, including, but not limited to, an option to expand the program to enable participation by entities such as local governments, public institutions of higher education, nonprofit organizations, school districts, community foundations, and large private employers; and
- d. Report to the Legislature on these subjects by January 31, 2026.

*Redistribution of Regional Early Action Planning (REAP 2.0) Funding*

24) Adjusts funding allocations within the Regional Early Action Planning (REAP 2.0) program to account for a \$40 million reduction in the Budget Act. Specifically, of the original \$600 million appropriated to REAP 2.0, the bill allocates the following amounts for planning and construction of housing and housing-related infrastructure to support new housing:

- a. \$480 million on a formula basis to metropolitan planning organizations (MPO);
- b. \$30 million on a competitive basis to jurisdictions that are not part of an MPO and tribes;
- c. \$30 million on a competitive basis to higher impact transformative projects, as defined; and
- d. \$20 million for program administration.

25) Provides that HCD may redirect funds left unspent by the expenditure deadline to the awardees who made approved expenditures before the deadline.

**COMMENTS**

This housing and homelessness trailer bill contains the necessary changes to implement the Budget Act of 2024.

**According to the Author**

**Arguments in Support**

None on file.

**Arguments in Opposition**

None on file.

**FISCAL COMMENTS**

This bill appropriates \$150 million from the General Fund in 2024-25 for the Encampment Resolution Funding program.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

This trailer bill contains the necessary provisions to implement the 2024 Budget Act related to public safety. Specifically, this trailer bill:

### Major Provisions

1. Removes obsolete references to closed state prisons and makes other conforming technical changes;
2. Allows the electronic transmittal of capital case records during a court's process of entering a judgment of death, which includes the statement of the conviction and judgment, the certified copies of the order of judgment, and warrant. Eliminates the requirement for the court to provide a complete transcript of the testimony given at trial and the copy of the clerk's transcript;
3. Removes the requirement for a petitioner of a certificate of rehabilitation and pardon to give notice to the Office of the Governor, but maintains the requirement for the petitioner to give notice of the filing of the petition to the district attorney. Adds a requirement for the notice to the district attorney to include the time of the hearing and for the notice be provided at least thirty days before the date set for the hearing; and
4. Delays the implementation of Chapter 444, Statutes of 2023, from July 1, 2024 to October 1 2024 and extends the automatic retroactive conviction relief available under Penal Code 1203.425 from January 1, 2005 to January 1, 1973. Clarifies that challenges to omissions or inaccurate criminal records do not fall under automated record relief provisions as there are other existing processes in place for these types of challenges.

## COMMENTS

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

Appropriates \$116.1 million to the Community Corrections Performance Incentives Fund (SB 678) using the same distribution formula as the previous fiscal year for 2024-25.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

This trailer bill includes the necessary provisions to implement the 2024 Budget Act related to juvenile justice. Specifically, this trailer bill:

### Major Provisions

1. Transfers all juvenile justice grant administration duties from the Board of State and Community Corrections to the Office of Youth and Community Restoration (OYCR) pursuant to Welfare and Institutions Code Section 2200; and
2. Requires county probation departments to report demographic and other specified data related to youth in secure youth treatment facilities at least twice a year. Requires the OYCR to publish a report no less than annually on the data submitted, and sunsets this requirement on January 1, 2030.

## COMMENTS

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

Appropriates \$208.8 million in 2024-25 and ongoing to the Juvenile Justice Realignment Block Grant using the existing methodology and requires the Legislature and the Governor to work with stakeholders to establish an updated distribution methodology beginning in 2025-26.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:



## SUMMARY

This trailer bill contains the necessary provisions to implement the 2024 Budget Act related to courts. Specifically, this trailer bill:

### Major Provisions

1. Extends the sunset to January 1, 2027 to allow courts to continue using remote hearings in specified civil and criminal hearings;
2. Requires the adoption and implementation of minimum technology standards for remote participation in criminal proceedings by July 1, 2025, requires the court executive officer of each superior court to certify that each court conducting remote hearings meets the minimum technology requirements specified in subdivision (o) of Section 367.76 in the Code of Civil Procedure, subdivision (j) of Section 977 of the Penal Code, or subdivision (n) of Section 679.5 of the Welfare and Institutions Code, and includes various changes related to court decorum for remote participants, identification of remote participants, and the physical location of court reporters;
3. Decreases the amount the Judicial Council is required to hold in the Trial Court Trust Fund from \$10 million to \$5 million for emergency funding and clarifies that for any fiscal year where there are no requests or allocations made from this fund, Judicial Council is not required to submit a report to the Legislature and the Department of Finance;
4. Allows the boards of county law libraries to meet quarterly instead of monthly; and
5. Authorizes the Habeas Corpus Resource Center to represent individuals sentenced to life without the possibility of parole if they were previously sentenced to death until July 1, 2029.

## COMMENTS

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

Appropriates \$100,000 to the Equal Access Fund.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

This labor, workforce, and employment trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2024.

### Major Provisions

This bill makes various statutory changes to implement the labor, workforce, and employment provisions of the Budget Act of 2024. Specifically, this bill implements the following provisions:

- 1) *California State Payroll System Bi-Weekly Pay*: Revises various statutory provisions to accommodate the implementation of a uniform payroll cycle that is not monthly. These statutory changes are part of the state's California State Payroll System (CSPS) project, an ongoing effort to implement a new payroll system for California state employees.
- 2) *New Employee Orientation*: Existing law requires, until June 31, 2025, that an exclusive representative be entitled to schedule an in-person meeting at the worksite during employment hours, if a public employer has not conducted an in-person new employee orientation within 30 days, as specified, amongst other provisions. This bill extends the sunset date until June 30, 2027.
- 3) *Department of Industrial Relations – Vacancies and Hiring*: Authorizes the Department of Industrial Relations, until December 1, 2026, to make emergency appointments that exceed 60 working days to address ongoing hiring vacancies at the Department. Requires the Department to report on all uses of emergency appointment authority, as specified.
- 4) *Public Works Projects Implementation*: AB 130 (Committee on Budget, Chapter 39, Statutes of 2023) clarified registration requirements for all contractors and subcontractors on a development project pursuant to AB 2011 (Wicks, Chapter 647, Statutes of 2022) and SB 6 (Caballero, Chapter 659, Statutes of 2022) and provided the Department of Industrial Relations with the authority to establish and adjust annual registration and renewal fees. This bill makes various statutory changes to similarly conform and align the provisions of SB 4 (Wiener, Chapter 771, Statutes of 2023), related to housing development projects.
- 5) *Workers' Compensation Appeals Board (WCAB) Reconsideration Timeline*: Existing law provides that individuals have the right to petition the WCAB for a reconsideration of any decisions, orders, or awards related to workers' compensation that are considered final, and that such a petition for reconsideration is automatically considered denied if the WCAB does not take action within 60 days from the date the petition was filed. This bill, until July 1, 2026, would instead deem a petition for reconsideration to have been denied by the WCAB unless it is acted upon by the appeals board within 60 days from the date a trial judge transmits a case to the appeals board, and require a trial judge to provide notice to the parties when transmitting a case.

- 6) *California Jobs First (Formerly the California Economic Resilience Fund) Extension:* Existing law provides specific implementation milestones for the California Jobs First program, including requiring the majority of program funds be used to provide economic development grants on a rolling basis through June 30, 2025. In addition, grant recipients must demonstrate a plan to fully spend or obligate the funds by December 31, 2025, and pay all obligations by December 31, 2026. This bill would instead require the majority of funds to be used to provide economic development grants through June 30, 2028, require grant recipients to demonstrate a plan to fully spend or obligate all funds received by June 30, 2028, and require all obligations to be paid by June 30, 2030.
- 7) *June 2025 to July 2025 Payroll Deferral:* Defers accounting for specified state employees' payroll costs from June 30, 2025, to July 1, 2025, thereby shifting one month of payroll costs from the 2024-25 fiscal year to the 2025-26 fiscal year. This change is only reflected in the state's accounting systems and does not impact state employees' salary payments.
- 8) *Proposition 2 Payments:* Makes an appropriation to provide supplemental payments to the Public Employees' Retirement Fund and meet constitutional obligations.

## COMMENTS

This bill makes changes to implement the labor, workforce, and employment provisions adopted as part of the Budget Act of 2024.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill appropriates \$337,000,000 from the General Fund for supplemental payments to the Public Employees' Retirement Fund and applies that appropriation to unfunded state liabilities for specified state employee member categories.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

## SUMMARY

This bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the 2024 Budget Act.

### Major Provisions

This bill includes the following:

- 1) *Active Transportation Program*. Appropriates \$100 million from the General Fund to the Department of Transportation for the Active Transportation Program.
- 2) *SB 673 (Bradford, 2023) Ebony Alert*. Expands and revises the determinations a law enforcement agency must make to request an Ebony Alert; requires California Highway Patrol to activate an Ebony Alert and assist the investigating law enforcement agency if the department concurs with the agency's determination; and requires the California Highway Patrol to report on the evaluation of the Ebony Alert, no later than July 1, 2027.
- 3) *Grade Separations*. Requires the Secretary of Transportation to:
  - a. Coordinate with the Department of Transportation and the California Transportation Commission to identify available funding in state transportation programs that may be used to support grade separation projects that were previously awarded funding.
  - b. Prioritize funding for grade separation projects that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both.
  - c. Report to the Legislature, on or before April 30, 2025, on any funding that the Secretary identified for impacted grade separation projects.
- 4) *Transit Accountability*. Expands requirements of the accountability program to the distribution of funds appropriated to the Transportation Agency from the Greenhouse Gas Reduction Fund for the Formula Transit and Intercity Rail Capital Program, among other technical changes to align with the fund and year changes made in the 2024 Budget Act.
- 5) *Fleet Replacement Reporting*. Requires the Department of Transportation to annually report to the Legislature on or before October 1 of each year, beginning in 2025 and ceasing in 2036, regarding the zero-emission vehicles that the department purchases, owns, or leases.
- 6) *Department of Motor Vehicles San Francisco Field Office*. Authorizes the Department of General Services, with the consent of the Department of Motor Vehicles (DMV), to enter into a lease-purchase agreement or lease with an option to purchase agreement for a built-to-suit office facility in the City and County of San Francisco to replace a DMV field office as well

as authorizes the project to be a mixed-use development that may include or integrate affordable housing.

- 7) *High Speed Rail, Office of Inspector General*. Clarifies the statutes concerning the office of the inspector general as follows:
- a. Specifies the inspector general’s duties and responsibilities includes reviewing and investigating adherence to contract provisions of any public or private entity that receives high-speed rail project funds.
  - b. Defines “personnel issues”.
  - c. Requires the High-Speed Rail Authority to include specified provisions granting the inspector general access to records and property in connection with the inspector general’s authorized duties are included in all contracts and contract amendments executed on or after July 1, 2024.
  - d. Revises the circumstances under which the Department of Finance is required to notify the chairs of the budget committees of the Legislature regarding changes to the inspector general’s proposed budget.
- 8) *Highways to Boulevards*. Allows up to 25 percent of available funding to be set aside for planning and remainder for implementation.
- 9) *Port and Freight Infrastructure Program*. Authorizes agencies to apply to the Secretary of Transportation for a letter of no prejudice that would allow an applicant to expend its own moneys on a project.
- 10) *High-Speed Rail Authority Administrative Expenditures Cap*. Increases the percentage of those bond proceeds available for administrative purposes by 2.5 percent, thereby raising the limit to not more than 5 percent. This 5 percent was authorized in Proposition 1A.

## COMMENTS

### **According to the Author**

This bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the 2024 Budget Act.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

This bill appropriates \$100 million from the General Fund to the Department of Transportation for the Active Transportation Program.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

This budget trailer bill contains the necessary changes to implement provisions related to the State Capitol Building Annex and the California Environmental Quality Act (CEQA) adopted as part of the Budget Act of 2024.

### Major Provisions

- 1) State Capitol Building Annex: This bill includes the following provisions related to restoration, rehabilitation, renovation, and reconstruction activities of the State Capitol Building Annex:
  - a. Appropriates \$700 million over three years (\$300 million in 2024-25, \$250 million in 2025-26, and \$150 million in 2026-27) from the General Fund for transfer to the State Project Infrastructure Fund to continue the acquisition, design, construction, and equipping projects related to the State Capitol Building Annex.
  - b. Authorizes the Director of Finance, upon conferring with the Legislature's Joint Rules Committee, to augment the funds listed above in any fiscal year to provide timely payments for State Capitol Building Annex projects, so long there is a corresponding reduction in the subsequent fiscal year or years. Specifies that any augmentation authorized shall not result in the cumulative transfer amount to exceed \$700 million.
  - c. Repeals provisions related to environmental and judicial reviews for the State Capitol Building Annex, exempts the project from the California Environmental Quality Act, and makes conforming changes.
- 2) Climate and Biodiversity Projects. Extends the sunset for the CEQA exemption for climate and biodiversity projects by five years to 2030. This policy is a part of the California Department of Fish and Wildlife's (CDFW) Cutting the Green Tape program.

## COMMENTS

This bill makes changes to implement provisions related to the State Capitol Building Annex and the California Environmental Quality Act adopted as a part of the Budget Act of 2024.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.



## **FISCAL COMMENTS**

This bill provides \$700,000,000 from the General Fund over 3 fiscal years, starting with the 2024–25 fiscal year, as specified, to fund the acquisition, design, construction, and equipping of projects related to the State Capitol Building Annex, hereby making an appropriation.

## **VOTES**

### **SENATE FLOOR: 29-8-3**

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## **UPDATED**

VERSION: June 22, 2024

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

FN:

DRAFT

## SUMMARY

This bill is the taxation trailer bill for the 2024-25 Budget. This bill contains various statutory changes related to taxes necessary to implement the Budget Act of 2024.

### Major Provisions

This bill contains the following necessary statutory changes related to taxation necessary to implement the Budget Act of 2024. Specifically, this bill:

- 1) Specifies the following for tax credit refundability:
  - a. For each of the 2024, 2025, and 2026 taxable years, allows a taxpayer to make an irrevocable annual election to receive a refundable tax credit in the amount of the credit allowed over the \$5 million cap, but unable to be claimed due to the limitation.
  - b. A taxpayer who makes the election shall receive the annual refundable credit amount (over a five year period), beginning the 3rd taxable year after the election is made, equal to 20 percent of the qualified credits that would have otherwise been available to the taxpayer but for the limitation.
  - c. The refundable credit shall be allowed as a credit for the taxable year, as specified, and any balance after credit is applied would be paid to the taxpayer as a refund from the Tax Relief and Refund Account.
  - d. Makes specific provisions for taxpayers receiving refunds under the Motion Picture Tax Credit to correctly apply the \$5 million limitation whether the liability is applied against sales and use tax or personal or corporate income tax liability.
  - e. Specifies that the credit limitations shall not apply for each of the 2025 or 2026 taxable years if the Director of Finance determines that there are sufficient General Fund revenues and pursuant to legislation in the annual Budget Act to not apply the limitation for the specified year.
  - f. Makes a conforming change to allow taxpayers to use refundable credits to reduce tax below their tentative minimum tax.
- 2) Makes technical changes to correct errors in drafting from SB 167 that were intended to remove the authorization for the California Department of Resources, Recycling and Recovery to contract with another state agency for collection and the requirement for reimbursement for fee collection, audit, and refund service and instead replaces it with a requirement that the California Department of Tax and Fee Administration collect the fee required by the California Tire Recycling Act.

## COMMENTS

1. This bill contains provision related to taxation necessary to implement the 2024 Budget Act.
2. Senate Bill (SB) 167 of the 2023–24 Regular Session was passed by the Legislature on June 13, 2024, and specified that business tax credits claimed under the Personal Income Tax Law and the Corporate Tax Law may not exceed \$5 million for each taxable year beginning on or before January 1, 2024, and before January 1, 2027.
3. SB 167 further included intent language for the Legislature to enact legislation in the 2023-24 legislative session to allow taxpayers subject to a temporary credit limitation beginning with the 2024 tax year to utilize their credits after the limitation period ends by electing to receive a refund of the credits they would have otherwise used to reduce tax liability during the limitation time period.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

The provisions of this bill do not result in a General Fund impact in 2024-25. Instead, the revenue impact of refundability would begin in 2027-28 with an estimated \$1 billion General Fund revenue reduction from 2024 taxable year refunds beginning to be claimed, and will increase for each of the following 2 years to a few billion as additional taxable year election refunds are claimed. Each year of refundable election would result in an overlapping 5 year claiming schedule in future years.

## VOTES

### SENATE FLOOR: 29-8-3

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

**ABS, ABST OR NV:** Ashby, Rubio, Stern

## UPDATED

VERSION: June 22, 2024

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

FN: