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## CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502  
SACRAMENTO, CA 95814



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## Agenda

April 10, 2024

9:00 a.m. – 1021 O Street, Room 1200

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### BILL

AB 106

### AUTHOR

Gabriel

### SUBJECT

Budget Acts of 2022 and 2023

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

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<b>Bill No:</b>	AB 106	<b>Hearing Date:</b>	April 10, 2024
<b>Author:</b>	Gabriel		
<b>Version:</b>	April 6, 2024 amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elisa Wynne		

**Subject:** Budget Acts of 2022 and 2023

## Summary:

This bill is a Budget Bill Junior associated with the Budget Acts of 2022-23 and 2023-24 and makes technical and substantive changes to these budget acts. Specifically, this bill amends the Budget Acts of 2022-23 and 2023-24 to conform to the Early Action budget agreement reached between the Administration and the Legislature.

This bill reduces the budget shortfall by \$1.6 billion General Fund and together with other components of the Early Action agreement, results in total solutions of \$17.3 billion over the three-year period. The total Early Action package contains \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in shifts of costs from the general fund to other state funds.

**Proposed Law:** Specifically, this bill makes the following changes:

## Education

- 1) Reverts \$34 million General Fund provided in the 2021 Budget Act to expand broadband access to isolated and under-served communities under the California State Library.

## Resources

- 2) Reverts a total of \$88 million General Fund (\$37.2 million in 2023-24, \$44 million in 2022-23, and \$7.2 million in 2021-22) for Watershed Climate Resilience as follows (Water and Drought Resilience Package):
  - a) Watershed Climate Resilience at Department of Water Resources: \$18 million in 2023-24.
  - b) Cascades and High Sierra Upperwatersheds at the Wildlife Conservation Board (WCB): \$32.7 million (\$3.5 million in 2023-24, \$22 million in 2022-23, and \$7.2 million in 2021-22).
  - c) Land Acquisitions and Habitat Enhancement at the WCB: \$37.7 million (\$15.7 million in 2023-24 and \$22 million in 2022-23).

- 3) Reverts \$6 million General Fund for On-Farm Water Use and Agriculture Technical Assistance from the Department of Food and Agriculture. (Water and Drought Resilience Package)
- 4) Reverts \$9.8 million General Fund for Regional Climate Collaboratives from the Office of Planning and Research (OPR). (Community Resilience Package)
- 5) Reverts \$5 million General Fund for Climate Adaptation and Resilience Planning Grants from OPR. (Community Resilience Package)
- 6) Reverts \$2.6 million General Fund for Pest Notification from the Department of Pesticide Regulation.
- 7) Reverts \$5 million General Fund for Resource Conservation Investment Strategies from WCB. (Nature-Based Solutions Package)
- 8) Reverts \$6.7 million General Fund for the Compost Permitting Pilot Program from the Department of Resources Recycling and Recovery (CalRecycle). (Circular Economy Package)
- 9) Reverts \$12 million General Fund for Home Hardening from the Office of Emergency Services. (Wildfire Resilience Package)
- 10) Reverts \$45.5 million General Fund for Biomass to Hydrogen/Biofuels Pilot Program from the Department of Conservation. (Wildfire Resilience Package)
- 11) Reverts \$3.6 million General Fund for the Forest Legacy Program from the Department of Forestry and Fire Protection (CalFire). (Wildfire Resilience Package)
- 12) Reverts \$2.9 million General Fund for the Interagency Forest Data Hub from CalFire. (Wildfire Resilience Package)
- 13) Shifts \$15.6 million from the General Fund to the Labor and Workforce Development Fund for the Enhanced Protections for Vulnerable Populations at the Department of Industrial Relations. (Extreme Heat Package)
- 14) Appropriates \$16.5 million General Fund to the Department of Water Resources and \$13.1 million General Fund to the Department of Fish and Wildlife for purposes of addressing statewide facility repairs associated with the 2023 storms.
- 15) Appropriates \$200,000 to the Department of Resources Recycling and Recovery for purposes of cleanup and debris removal activities due to the McKinney wildfire in Siskiyou County.
- 16) Appropriates \$22.7 million General Fund in 2023-24 to the Department of Food and Agriculture for flood damage repairs to the California Animal Health and Food Safety South Valley Laboratory.
- 17) Appropriates \$22.1 million General Fund in 2023-24 to the Department of Food and Agriculture for response to infestations of exotic fruit flies.

**Energy, Utilities, and Air Quality**

- 18) Reduces \$14.2 million General Fund for the Drayage Trucks & Infrastructure Pilot Project.
- 19) Reduces \$35 million General Fund for the Hydrogen Grants program.
- 20) Reduces \$22 million General Fund for the Industrial Decarbonization program.
- 21) Reduces \$18.8 million General Fund for the Food Production Investment program.
- 22) Reduces \$9.3 million General Fund for the Drayage Trucks & Infrastructure Pilot Project.
- 23) Reduces \$7.3 million General Fund for the Zero Emission Vehicles Manufacturing Grants.
- 24) Reduces \$7.3 million General Fund for the Emerging Opportunities program.
- 25) Reduces \$6.4 million from the California Electric Homes program.
- 26) Delays \$50 million General Fund for the Distributed Electricity Backup Assets program.
- 27) Reduces \$20 million General Fund for the Capacity Building Grant program.

**Health**

- 28) Delays \$42 million General Fund for the Health and Human Services Innovation Accelerator, approved in the 2023 Budget Act.
- 29) Reverts \$3.1 million General Fund from the Climate and Health Surveillance Program at California Department of Public Health to reflect program savings.
- 30) Shifts \$9.7 million General Fund expenditure authority for community-based clinical dental rotations to instead be supported by reserve Proposition 56 tobacco tax revenue originally allocated to the Office of Oral Health.
- 31) Reduces \$900,000 General Fund expenditure authority to support the COVID-19 website, which will be transitioned to CDPH.

**Human Services**

- 32) Reverts \$11.9 million General Fund originally intended for the Healthier at Home Pilot Program, canceling this pilot program.
- 33) Reverts \$336 million General Fund from the 2022-23 CalWORKs Single Allocation that is projected to be unexpended, with no programmatic impact.

- 34) Allows existing funds from 2021-22 and 2022-23 for the Rapid Response program to carry over into 2024-25.

**General Government**

- 35) Reverts \$2.2 million to the General Fund in 2019-20 from census operations funding.
- 36) Reverts \$5.5 million to the General Fund in 2022-23 from the California State Payroll System Project.
- 37) Reverts \$8.8 million back to the General Fund from the 2022-23 allocation of \$10 million to the Experience Corps grant program within CalVolunteers. Experience Corps was meant to engage older Californians in volunteer service, but the program was undersubscribed.
- 38) Reverts \$5 million back to the General Fund from the 2023-24 allocation of \$64 million to the Office of Community Partnerships and Strategic Communications (OCPSC) for culturally and linguistically competent public outreach and education campaigns.

**Transportation**

- 39) Shifts \$13.1 million General Fund to Lease Revenue Bonds for Performance Criteria Funding for Six Area Offices.
- 40) Reduces \$96 million for the Port of Oakland.
- 41) Shifts \$14.3 million General Fund to Lease Revenue Bonds for the Oxnard Field Office.
- 42) Shifts \$2.5 million General Fund to Lease Revenue Bonds for the El Centro Field Office.

**Labor and Workforce**

- 43) Shifts \$3 million each year in 2023-24 and 2024-25 from the General Fund to the Unemployment Compensation Disability Fund. This funding assists with fraud mitigation and improvement of cybersecurity efforts at the Employment Development Department.
- 44) Reverts \$10 million General Fund and maintains \$30 million for the Displaced Oil and Gas Worker Fund program.
- 45) Delays \$275 million General Fund for the California Jobs First program (formerly Community Economic Resilience Fund) to fiscal years 2024-25 and 2026-27 (\$91.7 million General Fund for each year).
- 46) Shifts \$650,000 in 2022-23 and ongoing from the General Fund to the Labor Enforcement and Compliance Fund. This funding was for the "Reaching Every Californian" campaign that focuses on educating employees and employers on California labor laws.

- 47) Shifts \$15.6 million General Fund for Enhanced Protections for Vulnerable Populations to the Labor and Workforce Development Fund, which maintains \$16 million over three years for this program. (Also noted under Resources)

### **Public Safety**

- 48) Reverts \$27.2 million General Fund in 2023-24 for the installation of five fixed camera projects at the California Department of Corrections and Rehabilitation (CDCR), which are now proposed for 2025-26 and 2026-27, and maintains \$50.4 million General Fund in 2023-24 and associated ongoing resources to implement five other projects.
- 49) Reduces \$11.9 million General Fund excess appropriation authority in 2023-24 related to the closed Deuel Vocation Institution.
- 50) Reduces funding for a contract for parolee urinalysis testing by \$100,000 General Fund, due to the declining parolee population.
- 51) Reverts \$38.8 million General Fund in 2023-24 for COVID-19 prevention, mitigation, and response activities at CDCR, which was unspent, and maintains \$53.8 million for this purpose.
- 52) Reverts \$1.9 million General Fund in 2023-24 and ongoing due to reduced workload related to the implementation of SB 990 (Hueso), Chapter 826, Statutes of 2022.
- 53) Reverts \$5 million in 2023-24 for COVID-19 related workers compensation funding at CDCR.
- 54) Transfers \$7.3 million of unobligated funds from the now unused Recidivism Reduction Fund to the General Fund.
- 55) Reverts \$45 million General Fund included in the 2021-22 Budget Act for the Community Hardening to Build Disaster Resilient Communities Program, which was unspent. \$55 million is maintained for this purpose.
- 56) Reverts \$8 million General Fund that was unspent for the Commission on Peace Officer Standards and Training to implement SB 2 (Bradford and Atkins), Chapter 409, Statutes of 2021.
- 57) Reverts \$2.9 million General Fund in unused local assistance authority for the Commission on Peace Officer Standards and Training.

### **Other**

- 58) Makes technical changes to legislative priorities included in the Budget Acts of 2022 and 2023.
- 59) Makes a variety of other technical corrections.

60) Authorizes the Department of Finance, until June 30, 2024, to suspend expenditure authority for one-time funding provided in Section 2.0 of the budget acts of 2021, 2022, and 2023 with written notification to the Joint Legislative Budget Committee.

61) No later than seven days following the enactment of this bill, requires the Director of Finance to provide to the Joint Legislative Budget Committee a list of adjustments to commitments related to past budget agreements for 2024-25 and future years that will no longer be included in order to address the deficit. Includes intent for the use of reserves as provided in the 2024-25 Governor's Budget in order to balance the budget.

**Fiscal Effect:** This bill reduces the budget shortfall by \$1.6 billion General Fund and together with other components of the Early Action agreement, results in total budget solutions of \$17.3 billion over the three-year period. This bill also appropriates \$61.3 million in General Fund for a variety of flood and storm repairs, and to address fruit fly infestations.

**Support:** None on File

**Opposed:** None on File

-- END --