

Senate Budget and Fiscal Review—Scott Wiener, Chair

SUBCOMMITTEE NO. 4

Agenda

Senator Christopher Cabaldon, Chair
Senator Roger W. Niello
Senator Lola Smallwood-Cuevas



Thursday, May 8, 2025
9:30 a.m. or Upon Adjournment of Session
State Capitol - Room 113

Consultants: Timothy Griffiths and Jessica Uzarski

ITEM FOR VOTE ONLY

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Public Comment

Please Note: Public comment will be taken after all Items have been heard.

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VOTE-ONLY ITEM

0511/0650 - GOVERNMENT OPERATIONS AGENCY/ GOVERNOR'S OFFICE OF LAND USE AND CLIMATE INNOVATION

Item 1: California Education Learning Lab

Request. The Governor's Budget proposes to move the California Education Learning Lab (the "Learning Lab"), a higher education innovation program launched in 2018, from the Governor's Office of Land Use and Climate Innovation (formerly the Governor's Office of Planning and Research) to the Government Operations Agency (GovOps).

Background. The Learning Lab, established in 2018 under the Governor's Office of Planning and Research (OPR), was created to improve learning outcomes and close equity gaps across California's public higher education segments, particularly in the Science, Technology, Engineering, and Math (STEM) disciplines. Learning Lab awards grants to support teaching and learning programs in STEM.

In the 2024-25 budget OPR was restructured into the Governor's Office of Land Use and Climate Innovation (LCI). As part of this restructuring, several programs under the former OPR were transferred into other existing and newly created departments. The Governor's Budget proposal states that the Learning Lab's mission and programmatic goals align more with GovOps than LCI, and that a move would be beneficial.

The following resources for the Learning Lab will be transferred from LCI to GovOps:

- 1.0 Exempt Position;
- \$5,500,000 General Fund in FY 2025-26;
- \$4,000,000 General Fund ongoing.

The request states that transferring the Learning Lab to GovOps allows LCI to focus on its core responsibilities and allows GovOps to provide internal operational support for the Learning Lab without any additional operational resources. The request also suggests that the Learning Lab might better collaborate with GovOps efforts related to state workforce development and other education priorities of the Administration.

This item only transfers the Learning Lab between departments. No new resources are requested. The Governor's Budget has proposed trailer bill language associated with this request.

Though the present proposal deals only with the transfer of the Learning Lab to GovOps, the LAO has, in previous years, recommended that Learning Lab funds be redirected toward other ongoing higher education budget priorities.

Staff Recommendation. Approve as budgeted.

ITEMS FOR DISCUSSION

1700 – CIVIL RIGHTS DEPARTMENT

Item 2: California v. Hate Reporting and Resource Hotline

Issue. The Governor’s January 2025 budget seeks a one-time appropriation of \$2.4 million in 2025-26 General Fund for the Civil Rights Department (CRD) to operate the California vs Hate Resource Line (CA vs Hate) for an additional year.

Background. The CA vs. Hate hotline is a system that allows individuals and organizations in California to report hate crimes and incidents over the phone or online. In response to these reports, trained operators offer the person making the report follow-up options such as filing a police report, submitting a complaint to CRD, or filing a claim with the California Victims of Crime Compensation Board. CA vs. Hate operators can also provide the person making the report with help carrying out these follow-up steps.

To date, the CA vs. Hate hotline has been funded through a combination of two sources. The 2021 Budget Act established the hotline through a one-time, \$10 million General Fund appropriation spread out over three years. In addition, the program secured a federal grant from the United States’ Department of Justice in 2023 for just over \$1.1 million over three years. These funds pay for the trained operators who respond to reports of hate, CRD staff oversight, public outreach programs to build awareness of the CA vs. Hate hotline as a resource, and collaborative projects with academic institutions to collect and analyze data about the program.

Key Questions.

- CRD has worked with academic researchers to evaluate the impact of the CA vs. Hate hotline on health and well-being. What conclusions have those evaluations reached so far?
- What are the current trends in hate crime reporting in California? Is the need for the CA vs. Hate hotline increasing or decreasing?
- The federal grant for the CA vs. Hate was awarded to CRD in 2023 and extends three years. If this budget request is not approved, the federal grant period would extend beyond the duration of the program. What impact would this have on the grant funds?

Staff Recommendation. Approve as budgeted.

Item 3: Implementation of Recently Enacted Legislation
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Issue. In order for the Civil Rights Department (CRD) to implement AB 2499 (Schiavo, Ch. 967, Stats. 2024) and SB 1340 (Smallwood-Cuevas, Ch. 626, Stats. 2024), the Governor’s January 2025 Budget Proposal seeks hiring authority for five permanent positions; \$1,219,000 in General Fund for 2025-26; and \$1,203,000 in General Fund annually after that.

Background. One of CRD’s primary tasks is the administrative enforcement of California’s Fair Employment and Housing Act (FEHA), which prohibits discrimination in workplaces and in housing matters. Until January 1st of this year, FEHA preempted any local jurisdiction from enacting their own local housing and employment discrimination laws and enforcement procedures if they overlapped with FEHA’s scope.

SB 1340 lifted this preemption with respect to FEHA’s employment discrimination provisions, subject to a series of specified conditions intended to ensure robust and consistent civil rights enforcement across the state. To help clarify what is required, SB 1340 directs CRD to promulgate regulations that any local workplace civil rights law and enforcement mechanism will have to follow. This budget request seeks the necessary resources and staffing for CRD to create these regulations, to provide technical assistance to locals setting out to establish their own employment discrimination laws, as well as to educate employers and the public about the new system.

AB 2499 conferred on CRD responsibility for receiving, investigating, and enforcing a series of workplace protections. Among other things, AB 2499 tasked CRD with enforcing California workers’ right to job-protected leaves of absence for specified reasons including attending jury duty, testifying in court, seeking legal assistance or other services related to being a victim of domestic violence, or providing assistance to a family member who has been a victim of violence more generally. Previously, these workplace protections had appeared in the Labor Code and could only be enforced by the Labor Commission or through civil lawsuits.

Under AB 2499, CRD anticipates receiving approximately 200 complaints that these laws have been violated each year, necessitating new staff training and adding to the overall number of cases that CRD must review, investigate, and mediate. In addition, CRD must create a notice for employers to give their workers explaining these rights and have it translated into 15 different languages. This budget request corresponds to the resulting increase in workload.

Key Questions.

- Will these additional resources be sufficient for CRD to carry out the implementation of these mandates, especially in light of the recent withdrawal of federal resources for civil rights enforcement?
- At the same time that it opens new opportunities to ensure that the targets of workplace discrimination have responsive ways for seeking redress, the implementation of SB 1340 presents complex issues for the coordination and handling of civil rights complaints. How soon does CRD think local governments will be able to begin enforcement?

Staff Comment. The requested resources and staffing are the same or lower than the amounts anticipated by the Senate Appropriations Committee during legislative consideration of these bills. Specifically, the

Appropriations analysis of SB 1340 estimated costs to CRD in the “low millions” for administration. The same analysis for AB 2499 was three positions and a little over \$600,000 annually, though the Appropriations Committee noted that perhaps some of those costs could be avoided through the transfer of the relevant staff from the Labor Commission’s office to CRD.

Staff Recommendation. Approve as budgeted.

Item 4: Community Conflict Resolution and Conciliation Program Termination
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Issue. The Governor’s January 2025 budget does not include further funding for the Community Conciliation Program at the Civil Rights Department (CRD). As a result, the program will presumably end as of June 30, 2025.

Background. Traditionally, much of CRD’s civil rights enforcement work involves receiving and investigating allegations of discrimination. This often includes efforts to mediate or settle individual cases, but the process otherwise usually unfolds much as it would in any legal dispute: in an adversarial fashion pitting the complainant against the individual or entity accused of discrimination in a struggle to prove what happened and whether or not it meets the technical legal definition of unlawful discrimination. While such administrative investigation and enforcement has an important role to play in combatting discrimination, it is generally not as well suited to situations where the parties want healing as much or more than mere adjudication. It is also not usually an effective way to address community-wide concerns and circumstances where actual or perceived discrimination may not be legally actionable but is nonetheless creating rifts within a community.

Established as part of the 2022 Budget Act at a cost of less than \$900,000 annually, CRD’s Community Conflict Resolution Unit (CCRU) is designed to fill this space. CCRU describes its mission as follows:

We work with communities and/or local and state public bodies to constructively manage or resolve conflict, minimize or eliminate the potential for violence, reduce or eliminate antagonism within communities, or help them reach mutually acceptable outcomes. We work closely with stakeholder groups affected by conflict to ensure that solutions include community-driven input. We believe that community collaboration is most effective in addressing concerns related to hate and discrimination-based community conflict.

In concrete terms, the CCRU carries out this function by designing customized conflict resolution processes, facilitating community engagement processes, mediating community disputes, and providing civil rights-related conflict resolution education, consultation, and training. CRD reports that through the end of 2024, the CCRU has conducted 124 community engagement sessions focused on addressing community conflict, explored 44 conciliation opportunities with community partners, facilitated 22 conciliation sessions, and delivered 12 trainings to city officials, students, community organizations, human resources professionals, employees, and employers. These figures are higher than the volume of services that CRD thought the CCRU would produce when CRD proposed the program. Some specific examples of CCRU activities include:

- Working with the affected communities and government agencies in the wake of mass shooting events in Monterey Park and Half Moon Bay in January 2023 to address misinformation, remove language barriers, and assist survivors in accessing vital services and benefits.
- Providing de-escalation training to Filipino Americans and other Asian Americans in response to incidents of hate speech in their communities.
- Engaging in contingency planning with a PRIDE group concerned about the actions of counter-protest groups.

- Facilitating discussion between Black and Latino middle school youth after incidents of racial slurs, fighting, and other discriminatory behavior.
- Facilitating a historic first meeting between a tribe and a local government, which led to the tribe's participation in updating the local general plan.

The original 2022 Budget Act allocation to the CCRU spanned three years: \$889,000 in General Fund in 2022-23, \$883,000 General Fund in 2023-24 and another \$883,000 in 2024-25. In light of the budget deficit confronting the state in 2024, the Governor proposed eliminating the third year of the appropriation. The Legislature eventually acquiesced on the understanding that CRD had sufficient resources to operate the program for a third year even without a specific appropriation.

The Governor's January 2025 Budget Proposal does not include an appropriation for the CCRU for 2025-26. Absent such an appropriation, the program will presumably shut down as of June 30, 2025.

Key Questions.

- What will happen to the CCRU and its services if no appropriation is made for them in this year's budget?
- Have requests for CCRU's services increased or decreased since its creation?
- If the CCRU's services come to an end, is there any other part of government that is available to play this sort of role in addressing community-level, discrimination-related disputes?

Staff Recommendation. Information only.

Item 5: Enforcement, Investigation and Conciliation Enhancement Termination

Issue. The Governor’s January 2025 budget does not include further funding for Enforcement, Investigation, and Conciliation Enhancement at the Civil Rights Department (CRD). As a result, these enhancements will expire as of June 30, 2025.

Background. As part of the 2022 Budget Act, CRD requested and was allocated temporary funding to enhance its enforcement, investigation, and conciliation capacities. Specifically, CRD asked for “\$1.4 million General Fund in 2022-23, 2023-24, and 2024-25 to decrease the wait time between complaint intakes and investigative appointments, and to increase the number of complaints successfully conciliated and settled by investigators.”

At the time, CRD explained that these temporary enhancements were needed because a surge in discrimination complaints had pushed up the average wait time from complaint submission to intake interview. While these delays do not impact CRD’s statutory deadlines for investigating cases because those deadlines only begin to run after the intake interview, having to wait can be disillusioning for victims of civil rights violations and may jeopardize the availability of witnesses or evidence. In addition, CRD hoped that temporarily supplementing intake resources would free up capacity for CRD to resolve more of the discrimination complaints it receives through mediation.

CRD data appear to indicate that its initiative has been successful thus far:

CRD Enforcement Division Team	FY 2021-22 (prior to BCP)
Employment	Wait time – Actual: 120 days
Housing	Wait time – Actual: 113 days

CRD Enforcement Division Team	FY 2022-23	FY 2023-24	FY 2024-25 (YTD)
Employment	Wait time – Goal: 60 days Wait time – Actual: 113 days Conciliations - 92	Wait time – Goal: 30 days Wait time – Actual: 98 days Conciliations – 157	Wait time – Goal: 30 days Wait time – Actual: 92 days Conciliations – 90 (as of Feb. 25)
Housing	Wait time – Goal: 50 days Wait time – Actual: 103 days Conciliations - 132	Wait time – Goal: 30 days Wait time – Actual: 70 days Conciliations - 154	Wait time – Goal: 30 days Wait time – Actual: 65 days Conciliations – 95 (as of Feb. 2025)

In light of last year’s budget shortfall, the Governor’s January 2024 Budget proposed to eliminate the final year of the funding for these enhancements, but at the insistence of the Legislature, it was ultimately restored in the final budget. Because the Governor’s January 2025 Budget Proposal does not include any funding for continued enhancements in 2025-26, however, they will come to an end on June 30, 2025 unless additional action is taken.

Key Questions:

- Has the volume of civil rights complaints that CRD receives been increasing or decreasing?
- What is the likely impact on how long people will have to wait to have their civil rights claims heard if no funding for investigation, enforcement, and mediation enhancement is included in the 2025 Budget?
- What is the likely impact on CRD's ability to resolve cases through mediation?

Staff Recommendation. Information only.