

BUDGET ACT OF 2025



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Senator Laird, Chair

Subcommittee 1
Education

Senator Allen, Chair

Subcommittee 2
Resources, Climate, and Energy

Senator Weber Pierson, Chair

Subcommittee 3
Health and Human Services

Senator Cabaldon, Chair

Subcommittee 4
General Government

Senator Richardson, Chair

Subcommittee 5
Public Safety, Labor, and Transportation

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Introduction

Since emerging from the Great Recession, the Legislature has made responsible budgeting the top priority.

Gone are the bad old days of budget gridlock year after year, that held the state hostage for months on end, well into the new fiscal year, until the budget would pass. And often the final agreement included middle of the night deals that only furthered the state's fiscal woes.

During the era of fiscal responsibility, instead of bouncing from fiscal crisis to fiscal crisis, the Legislature showed restraint and learned to allocate one-time revenues for one-time purposes and to grow historic reserves – something the state completely avoided the prior three decades.

In the aftermath of COVID, new uncertainty came to the state's finances. Managing the impacts of that uncertainty the over past two annual budgets has been challenging and has required the drawdown of some of the historic reserves the Legislature built.

Through the work of the Legislature and the Governor the past two years, the budget was once again stabilized, with the Governor's January 10 proposed budget being balanced without needing new solutions.

Unfortunately, since January, circumstances have changed, and California now faces a significant budget shortfall. The shortfall is driven by three key factors:

- First and foremost, the policies of the new federal Administration – in particular the tariff increase policies – have caused economic forecasts throughout the world to be significantly downgraded.

The federal policies have greatly impacted California's economic forecast as well, with the May Revision projecting slower growth and the Newsom Administration indicating that absent federal economic policy changes, state General Fund revenues would be \$16 billion higher. The state budget condition may be further adjusted downward based on additional adverse federal policies in the coming months.

- Second, to a modest degree, the baseline costs of key programs – particularly Medi-Cal – have grown faster than projected.
- And third, to a smaller degree, the devastating LA fires have had a negative economic impact and resulted in increased state spending.

As a result, the 2025-26 state budget requires challenging budget solutions to bring the budget back into balance and to get back on the path toward stability.

The Governor's proposed May Revision provided a *first* draft for addressing the 2025-26 budget shortfall, with a mix of reductions, borrowing, and other solutions. The Legislature crafted the *second* draft of the budget and passed SB 101 on June 13th. And now the Legislature and Governor are in agreement on a final Budget Act of 2025.

All told, the Budget Act of 2025 contains \$321.1 billion in total spending, including \$228.4 from the General Fund. The budget is balanced and contains total reserves of \$15.7 billion, including \$11.2 billion in the Rainy Day Fund and \$4.5 in the regular reserve.

Trailer Bill List:

	In The Assembly	Topic	In the Senate
1	SB 101	2025 Budget Act (passed June 13)	
2	SB 102	2025 BB Jr	AB 102
3	SB 103	Budget Acts of 2022, 2023 and 2024	AB 103
4	SB 116	Health	AB 116
5	SB 118	Human Services	AB 118
6	SB 120	Early Care and Education	AB 120
7	SB 121	K-12 Education	AB 121
8	SB 123	Higher Education	AB 123
9	SB 124	Resources	AB 124
10	SB 127	Climate Change	AB 127
11	SB 128	Transportation	AB 128
12	SB 129	Labor	AB 129
13	SB 130	Housing	AB 130
14	SB 131	Housing II & HHAP	AB 131
15	SB 132	Revenue and Tax	AB 132
16	SB 134	Public Safety	AB 134
17	SB 136	Courts	AB 136
18	SB 137	State Government	AB 137
19	SB 139	Bargaining Units 9 and 12	AB 139
20	SB 140	Bargaining Unit 6	AB 140
21	SB 141	Cannabis	AB 141
22	SB 142	Deaf and Disabled Telecommunications Program	AB 142
23	SB 143	Developmental Services	AB 143

The remainder of this document provides key details of the Budget Act of 2025. Committee agendas and bill analysis will provide even more details. Figures in this document are preliminary and subject to final scoring.

TK-12 Education

Budget Act of 2025 Solutions of Note:

- For purposes of Proposition 98, appropriates \$114.6 billion (TK-14) in 2025-26, and calculates the Minimum Guarantee level of \$120 billion in 2024-25 with an appropriation level of \$118 billion, creating a settle-up amount for 2025-26 of approximately \$1.9 billion, which will be dedicated to supporting ongoing costs for TK-12 and community college programs and paying down deferrals, and appropriated as part of the 2026-27 budget development. The specific uses for this funding will be provided to the Legislature as part of the Governor's January 10, 2026 budget proposals. The budget maintains the suspended Proposition 98 level of \$98.5 billion in 2023-24.
- Funds the cost of Transitional Kindergarten enrollment from the Local Control Funding Formula outside of the Proposition 98 split between TK-12 Education and California Community Colleges starting in 2025-26.
- Withdraws \$405.3 million from the Public School System Stabilization Account (or the Proposition 98 Rainy Day Fund) to pay for Local Control Funding Formula costs. In combination with the withdrawal for community colleges, the Proposition 98 General Fund will be fully exhausted after 2025-26.
- Creates a June to July deferral in from 2025-26 to 2026-27 of \$1.9 billion, to be paid off in 2026-27.
- Approves Governor's proposal to revert \$177.5 million General Fund in unexpended balance of a one-time statutory appropriation from the 2023 Budget Act for the School Facility Program.

Other Significant Budget Act of 2025 Items of Note:

- Fully funds the Local Control Funding Formula and funds a 2.3 percent cost-of-living-adjustment.
- Appropriates \$1.7 billion Proposition 98 General Fund for the Student Support and Discretionary Block Grant.
- Appropriates one-time \$378 million Proposition 98 General Fund for the Learning Recovery Emergency Block Grant.
- Fully implements the Expanded Learning Opportunities Program in 2025-26, reduces the threshold for Tier 1 local educational agencies from 75 percent unduplicated pupil percentage to 55 percent unduplicated pupil percentage, and approves the increased minimum grant award amount to \$100,000. Provisional language in the budget states the legislative intent that the Tier 2 local educational agencies are funded at a per-unit rate of \$1,575.
- Appropriates \$300 million one-time Proposition 98 General Fund for the Student Teacher Stipend Program. The budget also consolidates educator-related initiatives to be administered by the Commission on Teacher Credentialing, including the National Board Certification Incentive Grants, and creates a common portal for a universal application to apply to various educator initiatives.
- Appropriates one-time \$160 million Proposition 98 General Fund for the Universal School Meals Implementation Support Grant, which will prioritize kitchen infrastructure, nutrition staff support and recruitment, and local food procurement. Of this amount, \$10 million is dedicated to staff recruitment and retention.
- Approves \$200 million Proposition 98 General Fund for Literacy Instruction Professional Development and support.
- Appropriates \$150 million one-time Proposition 98 General Fund pending legislation for career technical education and career pathways. If legislation is not enacted by January 1, 2026, then \$150 million will be used to augment the Career Technical Education Incentive Grant Program.
- Appropriates \$43.8 million in ongoing Proposition 98 General Fund and Federal Funds for the local implementation of the SUN Bucks program.
- Extends the encumbrance deadline for the Universal PreKindergarten Block Grant.

- Modifies Governor's proposal to fund Special Olympics with \$30 million Proposition 98 General Fund.
- Appropriates \$20 million Proposition 98 General Fund for a California Youth Behavioral Health Initiative (CYBHI) Fee Schedule Bridge Program, to ensure that services and staffing are not disrupted as the CYBHI fee schedule continues to be implemented.
- Appropriates \$1.8 million for impacts due to the 2025 Los Angeles Wildfires.
- Creates school accounting codes for the financial reporting of local educational agencies to record transactions related to judgments, settlements, and special assessments related to childhood sexual assault.
- Provides authority for an emergency apportionment loan, up to \$20 million, for the Plumas Unified School District over thirty years.
- Appropriates \$70 million one-time Proposition 98 General Fund for the Teacher Residency Grant Program.
- Appropriates \$30 million one-time Proposition 98 General Fund for Mathematics Professional Learning Partnership.
- Includes protections for charter schools and school districts that were impacted by the 2025 wildfires in Los Angeles by:
 - Protecting funding based on attendance in the Expanded Learning and Opportunities Program.
 - Protecting Local Control Funding Formula funding for charter schools impacted by the fires.
 - Using savings from Multi-Tiered Systems of Support to support fire-impacted local educational agencies.
 - Holding enrollment harmless for purposes of calculating allocations in the Student Support and Professional Development Discretionary Block Grant.
 - Appropriating \$9.7 million to backfill property tax losses for basic aid districts impacted by the fires.
 - Rebenching the Proposition 98 Guarantee to accommodate a General Fund backfill for property tax losses

Higher Education

Budget Act of 2025 Solutions of Note:

- Modifies Governor's proposal to defer \$531.6 million in California Community Colleges Apportionment Funding from 25-26 to 26-27, by reducing the deferral to \$408 million, to reduce the impact to out-year deficits.
- Approves the Governor's proposal to withdraw the proposal for the Collaborative Enterprise Resource Planning project at the California Community Colleges (CCC) to achieve \$168 million Proposition 98 savings.
- Approves the Governor's proposal to reduce the proposed investment into the Common Cloud Data Platform at CCC to achieve \$150.5 million Proposition 98 savings, retaining \$12 million one-time Proposition 98.

Governor's Proposed Solutions of Note Not Included in Budget Act of 2025:

- Rejects Governor's proposal to reduce the UC (\$129.7 million) and CSU (\$143.8 million) by 3% ongoing. Instead defers the 3% amount in 2025-26 for both the UC and CSU to 2026-27 and the state will provide access to zero-interest short-term loans to mitigate the deferral impact. Additionally, splits the deferred 5% Compact increase from 2025-26 to 2% for the UC (\$96.3 million) and CSU (\$100.9 million) in 2026-27 and defers 3% for the UC (\$144.5 million) and CSU (\$151.4 million) to 2028-29.
- Rejects Governor's proposal to fund transitional kindergarten outside of the TK-12/California Community Colleges split within Proposition 98 in 2023-24 and 2024-25, but commences in 2025-26, which gives \$260 million back to the California Community Colleges.

Other Significant Budget Act of 2025 Items of Note:

- Makes critical improvements to the Middle Class Scholarship to remove award uncertainty for lower and middle income students, the CSU, UC, and the Student Aid Commission. Under these changes, awards will be set in the annual budget act based on an expected appropriation level. The precise appropriation will be

made the following year once the exact amount of awards are known. The Student Aid Commission will be allocated funds on a cash flow basis for the awards. The final budget agreement reflects a 35% award level for the program.

- Includes \$20 million one-time Proposition 98 to CCC for flexible emergency financial aid to students.
- Includes \$100 million one-time Proposition 98 to CCC to fund 2024-25 enrollment growth.
- Includes \$60 million one-time Proposition 98 to CCC for a Student Support Block Grant.
- Includes \$6.3 million one-time Proposition 98 to CCC to fund Firefighter Apprenticeship reimbursements.
- Includes \$15 million one-time Proposition 98 for Dream Resource Liaisons.
- Includes \$5.1 million one-time Proposition 98 to CCC for Financial Aid Community Support.
- Includes \$5 million one-time Proposition 98 to CCC for career technical education grants in response to the L.A. wildfires.
- Includes \$25 million one-time Proposition 98 for the Career Passports Initiative at CCC with additional reporting requirements.
- Includes \$15 million one-time and \$5 million ongoing to CCC to support Credit for Prior Learning activities.

Resources/Energy/Climate

Budget Act of 2025 Solutions of Note:

- Approves Governor's proposal to cut \$33 million from the Community Renewable Energy Program at the California Public Utilities Commission.
- Approves Governor's proposal to fund shift \$35 million to the Lead-Acid Battery Cleanup Fund for the Exide Residential Cleanup Fund Shift.
- Approves Governor's proposal to revert \$31.4 million in acquisition funding for the CalFire Training Center.
- Approves a reduction of \$1 billion to the Greenhouse Gas Reduction Fund Discretionary Spending Plan in 2025-26. If the General Fund continues to be in a deficit, the following amounts shall be appropriated from the Greenhouse Gas Reduction Fund for CalFIRE operational expenses: \$1.25 billion in 2026-27, \$500 million in 2027-28, and \$500 million in 2028-29. If the General Fund is not projected to be in a deficit, only \$500 million shall be appropriated for CalFIRE in 2026-27.
- Repeals reversion of unencumbered and unexpended balances of \$351.7 million General Fund (appropriated in the 2022-23 and 2023-24 budgets), for Voluntary Agreements-related water resilience-habitat restoration projects in the Sacramento-San Joaquin Delta region.
- Approves Governor's proposal to revert a total of \$315.8 million General Fund from previous Climate-Energy Package appropriations.

Other Significant Budget Act of 2025 Items of Note:

- Appropriates \$39 million General Fund in 2025-26 and \$78 million General Fund ongoing to transition seasonal firefighter positions to permanent positions.
- Appropriates \$9.5 million General Fund to CalFire for local assistance to the California Fire Safe Council for purposes of the Wildfire County Coordinator Program.

- Rejects the Governor's proposed trailer bills related to the Delta Conveyance Project and Bay-Delta Plan (Regional Water Quality Control Plans CEQA exemption).
- Appropriates \$2 million General Fund to the Department of Fish and Wildlife for the Wolf-Livestock Compensation Program.
- Provides \$132.2 million in 2025-26 for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) at the California Air Resources Board.

Health

Budget Act of 2025 Solutions of Note:

- Restores the Medi-Cal Asset Limit at \$130,000, rather than the Governor's \$2,000 proposal. \$45 million savings in 2025-26, \$343 million in 2026-27, \$510 million ongoing.
- Approves Governor's proposal to exclude specialty drug coverage for weight loss, resulting in \$85 million of savings in 2025-26 growing to \$680 million in 2028-29.
- Adds an additional \$1 billion to the Governor's proposed \$3.4 billion loan payment delay for the Medi-Cal program.
- Modifies the Governor's Medi-Cal enrollment freeze proposal, applying it to undocumented individuals 19 years of age and older beginning January 1, 2026, specifying that there is no "age out", and establishing a 3 month re-enrollment grace period for those that fall off the rolls. This proposal results in estimated savings of \$86.5 million in 2025-26, \$857.5 million in 2026-27, \$2 billion in 2027-28, and \$3.3 billion ongoing.
- Modifies the Governor's proposal to establish Medi-Cal premiums for UIS by lowering the Governor's proposal from \$100 per month to \$30 per month, limiting the age range from 19-59, and starting July 1, 2027. This proposal results in estimated costs of \$30 million in 2026-27 and estimated savings of \$250 million in 2027-28 and \$675 million ongoing.
- Delays the Governor's proposal to eliminate \$362 million in supplemental payments for dental from Proposition 56 funds, until July 1, 2026.

- Delays the Governor's proposal to eliminate dental benefits from UIS populations until July 1, 2026. This proposal would result in savings of \$336 million ongoing, beginning in 2026-27.
- Adjusts the Governor's planned rebate aggregator to receive rebates on prescription drugs utilized by individuals in the undocumented expansion, achieving \$370 million savings in 2025-26 and \$600 million ongoing.
- Approves the Governor's proposal to increase General Fund offsets from the MCO Tax implemented by Proposition 35 resulting in \$1.3 billion of savings in 2025-26 and \$236.7 million in 2026-27.
- Delays the Governor's proposal to cut \$1.1 billion ongoing from Health Centers and Rural Health Clinics until July 1, 2026.
- The Senate will begin work on developing a large employer contribution requirement for employers with employees enrolled in Medi-Cal, beginning as early as 2027-28. This recognizes that large employers benefit from their employees being enrolled in taxpayer funded health programs instead of employer provided health care programs. Implementing any employer contribution will require future legislation and budget action.

Governor's Proposed Solutions of Note Not Included in Budget Act of 2025:

- Rejects the Governor's proposal to eliminate \$172 million Proposition 56 supplemental payments for family planning, and women's health services, including funding that receives as high as a 90 percent federal match.
- Rejects the Governor's proposal to eliminate long-term care and in-home-supportive-services for adults with unsatisfactory immigration status.
- Rejects Governor's proposal to cancel nearly \$60 million of unspent public health funding, including for the California Reducing Disparities Project, support for LGBTQ+ Foster Youth, LBTQ Women's Health Equity grants, Reproductive Health Justice grants, STD/HepC prevention programs, and public health workforce programs

Human Services

Budget Act of 2025 Solutions of Note:

- Approves Governor's proposal to require developmental services providers to meet certain mandates to earn quality incentives to achieve \$221.7 million in savings.
- Approves Governor's proposal to move forward the developmental services provider hold harmless by four months to achieve \$75 million in savings.
- Modifies Governor's proposal to reduce Family Urgent Response System (FURS) by decreasing reduction to \$9 million.
- Modifies Governor's proposal to align funding to recent spending at Porterville Developmental Center to achieve \$25 million in savings.
- Modifies the Governor's proposal to pass IHSS reassessment late penalties to counties, with counties and the state sharing penalty costs in 2025-26, and fully passing the penalty to counties beginning in 2026-27, to achieve \$41 million in savings.

Governor's Proposed Solutions of Note Not Included in Budget Act of 2025:

- Rejects Governor's proposal to cap overtime hours for IHSS providers.
- Rejects Governor's proposal to eliminate IHSS for undocumented Californians.
- Rejects Governor's proposal to subject the Foster Care Tiered Rate Structure to a Department of Finance "trigger" and instead specifies it is subject to appropriation by the Legislature.
- Rejects Governor's proposal to subject the expansion of the California Food Assistance Program (CFAP) to a Department of Finance "trigger," and maintains the current status of the expansion being subject to appropriation by the Legislature.

- Rejects Governor's proposal to eliminate the Direct Service Professional Workforce Training and Development program for developmental services workers.

Other Significant Budget Act of 2025 Items of Note:

- Restores \$52 million for the CalFood program.
- Restores \$36 million for the CalFresh Fruits and Vegetables program.
- Restores funding for the Home Safe (\$81 million) and Bringing Families Home program (\$83 million) to continue housing services for families involved in Foster Care or Adult Protective Services.
- Restores \$45 million for the Housing and Disability Advocacy Program for housing services for seniors and people with disabilities.
- Provides \$31.5 million (\$23 million General Fund) in bridge funding for Foster Family Agencies to prevent agency closures, including matching federal funds.
- Restores \$10 million for the Children's Holistic Representation Project, which provides integrated social and legal services to unaccompanied minors.
- Provides \$10 million for immigration legal services under the One California program at Department of Social Services (CDSS), in addition to the \$75 million ongoing for One California immigration legal services and the \$10 million for One California immigration legal services provided in SBX1-2 special session.
- Provides \$7.4 million for the diaper bank network for diaper and wipe distribution to low income families.

Child Care and Preschool

Budget Act of 2025 Solutions of Note:

- Emergency Child Care Bridge Program: lowers the Governor's \$42.7 million reduction and instead reduces by \$30 million.

Other Significant Budget Act of 2025 Items of Note:

- Repurposes the \$70 million in cost-of-living adjustment funds proposed to be suspended, and instead provides \$70 million for a rate increase to all subsidized child care and preschool providers.
- Establishes prospective pay for all child care providers based on enrollment.

Housing and Homelessness

Budget Act of 2025 Solutions of Note:

- Approves Governor's proposal to sweep the remaining unspent balances in three affordable housing programs funds to achieve \$31.7 million in savings.

Other Significant Budget Act of 2025 Items of Note:

- Appropriates \$500 million to the Homeless Housing, Assistance, and Prevention (HHAP) program to continue flexible support for local efforts to address homelessness backed by robust accountability mechanisms.
- Provides \$100 million for the Encampment Resolution Fund.
- Provides \$500 million in supplemental state Low-Income Housing Tax Credits to unlock financial backing for affordable housing projects statewide.
- Provides \$300 million for the California Dream for All first-time, first-generation homebuyer shared appreciation loan program.
- Provides \$120 million for deeply affordable housing construction through the Multifamily Housing Program.
- Adopts Renter's Tax Credit reforms, subject to future appropriation.
- Approves the necessary resources for implementation of the Governor's proposed Reorganization Plan for the Business, Consumer Services, and Housing Agency (BCSH), contingent on the Plan going into effect.

- Approves additional staff and resources for the Housing and Homelessness Accountability, Results, and Partnership (HHARP) unit at the Housing and Community Development Department (HCD) to further encourage – and enforce, when necessary -- local compliance with state laws that bolster housing production and address homelessness.
- Adopts innovative housing affordability solutions through the inclusion of a package of budget trailer bills including:
 - Negotiated components of SB 607 (Wiener) which modify CEQA procedures to facilitate development projects while protecting environmentally sensitive areas.
 - Negotiated components of AB 609 (Wicks), which facilitate increased housing production at environmentally appropriate sites through streamlined CEQA procedures.
 - Negotiated components of SB 681 (Wahab) which address housing affordability through a multi-faceted approach including limitations on HOA penalties, limitations on appeals of Coastal Commission housing project approvals, homeowner protections against “zombie mortgages,” and lifting sunsets on several specified housing production efficiency laws, among other things.
 - Negotiated components of AB 306 (Schultz/Rivas), which limits modifications to specified building standards and codes, from October 2025 through June 2031.
 - Creation of a vehicle miles traveled (VMT) mitigation bank to facilitate mitigation through the funding of VMT-efficient affordable housing and related infrastructure projects.
 - Allowing affordable housing developers funded by the Housing and Community Development Department (HCD) to utilize equity in their affordable housing projects to finance further investments in affordable housing projects, subject to specified limitations.

General Government

Governor's Proposed Solutions of Note Not Included in Budget Act of 2025:

- Rejects Governor's proposal to cut \$11.5 million from the Performing Arts Equitable Payroll program.
- Rejects Governor's proposal to provide \$2,000,000 for Capital Outlay Planning and Studies.

Other Significant Budget Act of 2025 Items of Note:

- Provides \$100 million in one-time 2025-26 General Fund for further implementation of the Downtown Fresno Infrastructure Plan.
- Provides \$5 million of General Fund in 2025-26 for the CalVolunteers College Corps program as well as \$84 million in General Fund annually after that to expand the CalVolunteers College Corps program and make it permanent.
- Contributes \$25 million in one-time 2025-26 General Fund for capital expenditures associated with the development of the National Semiconductor Technology Center's Design and Collaboration Facility in Sunnyvale, California.
- Provides \$17 million in one-time 2025-26 General Fund to extend operation of the California Regional Initiatives for Social Enterprises (CA RISE) program for two more years.
- Provides \$7.5 million in one-time 2025-26 General Fund for the SEED Initiative.
- Provides \$5 million in one-time 2025-26 General Fund for the California Student Success Coach program.
- Provides spend \$5 million of General Fund in 2025-26 to carry out a "Belonging Campaign."
- Provides \$2 million in one-time 2025-26 General Fund for the Initiating Change in Our Neighborhoods program.

- Approves Governor's proposal to require financial institutions to use a single sales factor method when apportioning taxable income to California for ongoing General Fund revenue increases, beginning with of \$330 million in 2025-26.
- Directs the Legislative Analyst to develop tax reform options that lower taxes for ordinary California families, maximizes federal deductibility, minimizes any negative economic impacts on the California economy, and strengthens revenues over the long run. The options will be due to the Legislature in November of 2025 and be considered in the development of the 2026-27 state budget.
- Adopts Governor's proposals for various tax changes including extension of the pass-through entity elective tax, military retirement exemption, and the expansion of funds for the Film Tax Credit.
- Approves Governor's proposal to shift funding for the Department of Cannabis Control's enforcement efforts from the Cannabis Control Fund to the Cannabis Tax Fund.
- Amends Governor's proposal for excluding wildfire settlements from taxable income to include wildfire settlements received beginning in taxable year 2021.
- Reforms the Renters Tax Credit to benefit renters with dependents, pursuant to a future budget appropriation, as outlined in the Introduction section.
- Modifies Governor's proposal to reduce funding for Hope, Opportunity, Perseverance, & Empowerment (HOPE) accounts for children from a reduction of \$50 million to a reduction of \$40 million, restoring \$10 Million in General Fund.
- Provides \$1.5 million to fund an education and workforce interagency entity to improve planning and coordination in higher education and workforce development.
- Restores \$819,000 General Fund in 2025-26 and ongoing for the California Department of Veterans Affairs related to Deferred Maintenance for Veterans Homes.
- Approves \$12,500,000 in General Fund one-time for community home hardening oversight and wildfire risk mitigation efforts, including measuring risk for communities and individual residential property owners.
- Provides \$2.5 million General Fund for the Historic South Los Angeles Black Cultural District.

- Provides \$79 million one-time General Fund for local governments to backfill a Vehicle License Fee shortfall.
- Approves \$20 million one-time General Fund for the Department of Finance to contract with a consultant to improve government efficiencies, subject to oversight by the Joint Legislative Budget Committee.

Public Safety and Judiciary

Budget Act of 2025 Solutions of Note:

- Maintains the Governor's proposal to reduce the overall budget of the California Department of Corrections and Rehabilitation for savings of \$125 million in 2025-26 growing to roughly \$1 billion annually by 2028-29.
- Approves Governor's proposal to close one prison to achieve \$150 million annually in savings.
- Approves Governor's proposed reductions to the Jury Duty Pilot Program for savings of \$27.5 million.
- Approves Governor's proposal to loan \$150 million from the Unfair Competition Law Fund to the General Fund.
- Approves Governor's proposal to eliminate funding for the Flexible Cash Assistance for Survivors of Crime program.

Other Significant Budget Act of 2025 Items of Note:

- Includes \$100 million one-time for the implementation of Proposition 36, including \$50 million for behavioral health, \$20 million for the courts, and \$15 million each for pretrial services and for public defenders.
- Includes \$100 million one-time for Victims of Crime Act supplemental funding.

Transportation

Governor's Proposed Solutions of Note Not Included in Budget Act of 2025:

- Rejects Governor's proposal to cut \$1.1 billion to transit programs.

Other Significant Budget Act of 2025 Items of Note:

- Provides up to \$750 million in emergency loans to Bay Area transit agencies to address short-term fiscal challenges.

Labor

Budget Act of 2025 Solutions of Note:

- Approves Governor's proposal to loan \$400 million from the Labor and Workforce Development Fund to the General Fund.

Other Significant Budget Act of 2025 Items of Note:

- Includes \$8.5 million one-time Labor and Workforce Development Fund for the Garment Worker Center Pilot Project and a study to evaluate the outcomes of the project.
- Includes \$13 million one-time Labor and Workforce Development Fund for implementation of an expansion of the California Workplace Outreach Program.
- Modifies Control Section 4.12 to allow the Joint Legislative Budget Committee (JLBC), until January 1, 2026, to review and non-concur with the vacant position authority proposed for elimination at nine specified departments or vacant position authority proposed for elimination for positions that were authorized pursuant to Budget Change Proposals (BCPs) in the Budget Acts of 2023 and 2024. Requires the Department of Finance to provide the JLBC with a list of positions authorized pursuant to BCPs by September 30, 2025.