Final Action Report

A Summary of the 2025 Budget Act

October 21, 2025

Chapters 4, 5 and 77 Statutes of 2025

Senate Committee on Budget and Fiscal Review
Senator Scott Wiener, Chair

FINAL ACTION REPORT

October 21, 2025

Senate Bills 101 and Assembly Bill 102 and 104
2025-26 Budget Bills

Senate Committee on Budget and Fiscal Review

Scott Wiener, Chair

CALIFORNIA STATE SENATE

Committee on Budget and Fiscal Review

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October 21, 2025

The Senate Committee on Budget and Fiscal Review has completed its Final Action Report, which is a detailed summary of the 2025-26 budget actions taken by the Legislature, and signed into law by the Governor. This report is available on the website of the Committee on Budget and Fiscal Review: https://sbud.senate.ca.gov/finalactionreports.

I hope you will find this information useful. Please feel free to contact the staff of the Committee on Budget and Fiscal Review should you have any questions.

Sincerely,

Scott Wiener

SCOTT WIENER
Chair, Senate Budget and Fiscal Review

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INTRODUCTION

2025-26 Budget Act

Summary

This Final Action Report from the Senate Committee on Budget and Fiscal Review provides a summary of the 2025 Budget Act, including related statutory changes, and reflects actions taken by the Senate Committee on Budget and Fiscal Review and final negotiations between the leadership of the Legislature and the Administration. The budget authorizes General Fund expenditures of $228.4 billion and assumes $250.9 billion in total General Fund resources. The Budget Act reflects $15.7 billion in budgetary reserves. These reserves include: $11.2 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies and $4.5 billion in the state's operating reserve. The budget agreement maintains the withdrawal of $7.1 billion from the Rainy Day Fund as proposed in the Governor's January Budget in 2025-26. The budget also reflects a zero balance in the Public School System Stabilization Account ($1.5 billion originally remained at Governor's January Budget) due to a reduction in required deposits and a mandatory withdrawal.

The Legislature took a variety of budget-related actions prior to passing the final budget package. The Governor called a special session of the Legislature in November 2024 to address changes made by the federal administration. In January 2025, the Governor amended the special session to also respond to the wildfires in the Los Angeles area. Specifically, SB 3 X1 (Wiener) and AB 4 X1 (Gabriel), Chapters 1 and 2, Statutes of 2025 were passed by the Legislature on January 23rd, to support the immediate response for the Los Angeles Wildfires. Up to $2.5 billion was provided in one-time General Fund for augmentations to departments and agencies, to be used in accordance with the Disaster Response Emergency Operations Account requirements in areas of the state affected by the wildfire state of emergency declared by the Governor in January 2025.

In addition, SB 1 X1 and SB 2 X1 (Wiener and Gabriel), Chapters 3 and 4, Statutes of 2025 were passed by the Legislature on February 3, 2025 and amended the 2024 Budget Act to allow additional funding to be made available to the Department of Justice for litigation challenges of federal policy that adversely impact the state, its taxpayers, and residents and provided General Fund resources for various immigration and legal aid services.

On April 10, 2025, the Legislature passed AB 100 (Gabriel), Chapter 2, Statutes of 2025, which represented an Early Action Budget Package agreed to by the Governor and Legislature to address a variety of needs that had arisen since the release of the Governor's budget in January, including:

- Authorized General Fund expenditure authority of $2.8 billion to support the Medi-Cal program in the 2024-25 fiscal year, ensuring sufficient cashflow to pay managed care plans and health care providers.

- Allowed for the use of funding authorized in First Extraordinary Session for the Eaton and Palisades fires in Los Angeles County to offset property tax revenue losses of specified local governments from 2024-25 and 2025-26 fiscal years, similar to prior property tax backfills after major natural disasters.

- Appropriated $181.1 million from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Fund (Proposition 4) for purposes of wildfire prevention and resilience in areas across the state.

On June 13, 2025, the Legislature passed SB 101 (Wiener), Chapter 4, Statutes of 2025, which represented the Legislature's budget agreement. On June 27, 2025, the Legislature passed AB 102 (Gabriel), Chapter 5, Statutes of 2025, which was a Budget Bill Junior that made changes to the Budget Act adopted in AB 101 and represented the final budget agreement between the Legislature and the Administration. The Legislature also passed three additional Budget Bill Juniors, SB 103 (Wiener), Chapter 6, Statutes of 2025, which made changes to prior year budget acts and AB 104 (Gabriel), Chapter 77, Statutes of 2025, and SB 105 (Wiener), Chapter 104, Statutes of 2025, that made additional changes to the Budget Act. The Legislature also approved numerous budget trailer bills prior to adjourning on September 13th, 2025. Budget trailer bills are designed to implement certain provisions of the 2025 Budget Act as noted elsewhere in this report. The 2025 Budget Act (both SB 101 and AB 102) was signed by the Governor on June 27, 2025 and subsequently, the Governor signed the remainder of the budget and trailer bills that were passed by the Legislature.

In building the 2025-26 budget, the state has continued to address significant fiscal challenges, despite significant reductions taken in the 2024-25 budget. When the Administration released the Governor's Budget on January 10, 2025, the proposed budget included a General Fund revenue estimate that was $16.5 billion higher than was assumed at the 2024 Budget Act over a three-year budget window. The 2024 Budget agreement not only addressed a budget shortfall for the 2024-25 budget, but also addressed a projected 2025-26 shortfall as well. As a result of this and the improved revenue estimates, the Governor's budget proposal was estimated to be roughly balanced.

However, by the time of revenue estimate updates at the May Revision, across the prior year, current year, and budget year, General Fund revenues decreased by approximately $5.2 billion as compared to the Governor's January Budget proposal. General Fund expenditures also increased since January, most notably for health care services. The budget shortfall identified at the May Revision was approximately $12 billion (including an ending balance of $4.5 billion in the SFEU). In addition, significant out year deficits estimated at the Governor's January Budget also remained. The budget shortfall was driven by higher than anticipated expenditure increases, due mostly to recent health care expansions and lower revenue estimates in 2025-26 and future years related to dampened economic indicators as a result of federal policies.

The final budget addresses a shortfall of $11.8 billion, using a variety of tools to balance the budget. This is in addition to the use of $7.1 billion in reserves, as agreed to in the 2024 Budget Act. As described by the Department of Finance's Final Budget Summary document, the solutions for 2025-26 can be categorized as follows:

- Fund Shifts—$1.2 billion from shifting expenditures from the General Fund to other funds (most significantly shifting expenditures to the Greenhouse Gas Reduction Fund).

- Reductions—$2.8 billion in total solutions in 2025-26—growing to $11.9 billion by 2028-29, significantly due to changes in the Medi-Cal program.

- Revenue and Internal Borrowing—$7.8 billion in revenue, primarily from shifts in the use of the Medical Providers Interim Payment Fund Loan.

Budget Framework and Resources

The budget primarily incorporates the Administration's revenue estimates for the General Fund. The General Fund budget summary is as follows:

General Fund Budget Summary
Prior Year and Adopted Budget
(Dollars in Millions)

	2024-25	2025-26
Prior Year Balance	**$41,978**	**$35,146**
Revenues and Transfers	226,745	215,733
Total Resources Available	**$268,723**	**$250,879**
Non-Proposition 98 Expenditures	147,866	147,628
Proposition 98 Expenditures	85,711	80,739
Total Expenditures	**$233,577**	**$228,366**
Fund Balance	**$35,146**	**$22,513**
Reserve for Liquidation of Encumbrances	18,001	18,001
Special Fund for Economic Uncertainties	17,145	4,513
Safety Net Reserve	**$0**	**$0**
Public School System Stabilization Account (PSSSA)	**$455**	**$0**
Budget Stabilization Account	**$18,291**	**$11,191**

The Budget Act of 2025 includes total expenditures of $228.4 billion General Fund, $88.8 billion special funds, and $174.5 billion in federal funds. The adopted budget contains total General Fund reserves of $15.7 billion, including $11.2 billion in the Budget Stabilization Account, the state's constitutionally required Rainy Day Fund, and $4.5 billion in the SFEU.

The budget includes General Fund revenue assumptions for 2025-26 of $215.7 billion, including $7.1 billion in reserves representing a decrease of about 4.9 percent from the prior year. While cash receipts over-performed expectations through the spring and into the summer of 2025, revenue assumptions over the entirety of 2025-26 were downgraded due to anticipated risks of the federal tariff policies and other economic factors related to the new federal administration's actions.

Personal income tax, the largest source of General Fund revenue, is projected to decrease by 0.2 percent in 2025 and sales and use tax is projected to increase by 3.4 percent. The corporation tax is projected to decrease by 14.6 percent, however much of this fluctuation is related the limitations in the claiming of Net Operating Loss and the limitations in use of business tax credits over the 2024, 2025, and 2026 taxable years, which boosted the 2024-25 corporation tax collections. Revenue assumptions for major General Fund tax sources are shown in the next table.

General Fund Revenue Sources
Prior Year and Adopted Budget
(Dollars in Millions)

	2024-25	2025-26	Percent Change	Percent Total[1]
Personal Income Tax	$126,277	$125,962	-0.2	60.4
Sales and Use Tax	33,706	34,862	3.4	16.7
Corporation Tax	41,696	35,613	-14.6	17.1
Insurance Tax	4,177	4,359	4.4	2.1
Other Sources[2]	15,986	7,837	-50.9	3.8
Total	**$221,842**	**$208,633**		

[1]Based on 2025-26, [2]Excludes transfers and loan repayments. Dollars may not add due to rounding.

Budget Expenditure Highlights

The budget package represents a continuation of the Legislature's commitment to responsible budgeting, including a prudent use of reserves, protecting key programs and investments, and adopting strategic solutions to close a budget gap for the 2025-26 fiscal year and reductions that also help begin to address future budget operating deficits. Major spending categories are shown in the table below:

General Fund Expenditure by Agency
Prior Year and Adopted Budget
(Dollars in Millions)

	2024-25	2025-26	Percent Change	Percent Total[1]
Legislative, Judicial, Executive	$11,019	$8,558	-22.3	3.7
Business, Consumer, Housing	3,917	924	-76.4	.4
Transportation	721	728	1.0	.3
Natural Resources	9,247	4,440	-52.0	1.9
Environmental Protection	647	136	-79.0	.1
Health and Human Services	76.361	87,140	14.1	38.2
Corrections and Rehabilitation	14,010	13,427	-4.2	5.9
Education	108,261	103,063	-4.8	45.1
Labor and Workforce	1,108	958	-13.5	.4
Government Operations	3,770	2,715	-28.0	1.2
General Government	4,518	6,276	38.9	2.7
Total	**$223,577**	**$228,366**	--	--

[1]Based on 2025-26.

The budget incorporates priorities of the Legislature and the Administration and includes funding for various initiatives and programs. This report details all of the actions that make up the 2025-26 Budget Act. Some highlights include:

K-12 EDUCATION

- For purposes of Proposition 98, the budget 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 budget creates a June to July deferral from 2025-26 to 2026-27 of $1.9 billion, to be paid off in 2026-27.

- The budget fully funds the Local Control Funding Formula, funds a 2.3 percent cost-of-living adjustment and fully implements the Expanded Learning Opportunities Program in 2025-26.

- The budget appropriates $1.7 billion Proposition 98 General Fund for the Student Support and Discretionary Block Grant and $378 million one-time Proposition 98 General Fund for the Learning Recovery Emergency Block Grant.

HIGHER EDUCATION

- The budget defers $408 million in California Community Colleges Apportionment Funding from 2025-26 to 2026-27.

- The budget defers three percent in 2025-26 for the University of California (UC) ($129.7 million) and the California State University (CSU) ($143.8 million) to 2026-27 and the state provides access to zero-interest short term loans to mitigate the deferral impact. Additionally, the budget splits the deferred five percent Compact increase from 2025-26 to two percent for the UC ($96.3 million) and CSU ($100.9 million) in 2026-27 and defers three percent for the UC ($144.5 million) and CSU ($151.4 million) to 2028-29.

CLIMATE, ENVIRONMENT, AND ENERGY

- The budget appropriates $3.2 billion for purposes related to Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 to support a variety of projects such as wildfire preparedness and resilience, access to clean water, support for nature-based solutions, outdoor access, coastal resilience, and clean air.

- The budget includes 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.

- The budget appropriates $540 million from the Greenhouse Gas Reduction Fund, including $368 million for the Transit and InterCity Rail Capital Program and $100 million for the implementation of the Community Air Protection program created by AB 617 (Cristina Garcia), Chapter 136, Statutes of 2017.

HEALTH

The budget makes a variety of changes to the Medi-Cal program to bring down costs in 2025-26 and future years, including:

- Applies a Medi-Cal enrollment freeze to undocumented individuals 19 years of age and older beginning January 1, 2026, specifies that there is no “age out”, and establishes a three month re-enrollment grace period for those that fall off the rolls. This change 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.

- Establishes Medi-Cal premiums for Unsatisfactory Immigrant Status (UIS) individuals by lowering the Governor’s proposal from $100 per month to $30 per month, limiting the age range from 19-59, starting July 1, 2027. This change results in estimated costs of $30 million in 2026-27 and estimated savings of $250 million in 2027-28 and $675 million ongoing.

- Excludes 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.

- Restores the Medi-Cal Asset Limit at $130,000, resulting in $45 million savings in 2025-26, $343 million in 2026-27, and $510 million ongoing.

HUMAN SERVICES

- The budget includes appropriations in response to the federal House Resolution (H.R.) 1, including:

    - $53.6 million for CalFresh payment error rate mitigation and automation for implementation of H.R. 1.

    - $20 million General Fund for the CalFood program, to help mitigate anticipated harmful effects due to the enactment of H.R. 1, bringing the total one-time allocation for CalFood to $80 million General Fund.

- The budget requires developmental services providers to meet certain mandates to earn quality incentives to achieve $221.7 million in savings and moves forward the developmental services provider hold harmless by four months to achieve $75 million in savings.

- The budget provides $31.5 million ($23 million General Fund) in bridge funding for Foster Family Agencies to prevent agency closures, including matching federal funds.

- The budget appropriated $175 million General Fund to implement the Memorandum of Understanding (MOU) between the state and Child Care Providers United (CCPU) and parity provisions for center-based providers.

- The budget repurposes $70 million in cost-of-living adjustment funds and instead provides $70 million for a rate increase to all subsidized child care and preschool providers.

GENERAL GOVERNMENT AND TAXATION

- The budget requires financial institutions to use a single sales factor method when apportioning taxable income to the state for ongoing General Fund revenue increases, beginning with $330 million in 2025-26.

- The budget adopts 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.

HOUSING & HOMELESSNESS

- The budget provides a variety of one-time funds for Housing and Homelessness, including:
    - $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.
    - $100 million for the Encampment Resolution Fund.
    - $500 million in supplemental state Low-Income Housing Tax Credits to unlock financial backing for affordable housing projects statewide.
    - $300 million for the California Dream for All first-time, first-generation homebuyer shared appreciation loan program.
    - $120 million for deeply affordable housing construction through the Multifamily Housing Program.
- The budget provides innovative housing affordability solutions through the inclusion of a package of budget trailer bills, including, but not limited to, negotiated components of SB 607 (Wiener) which modify the California Environmental Quality Act (CEQA) procedures to facilitate development projects while protecting environmentally sensitive areas and negotiated components of AB 609 (Wicks), which facilitate increased housing production at environmentally appropriate sites through streamlined CEQA procedures.

PUBLIC SAFETY, CORRECTIONS, AND JUDICIAL

- The budget includes a proposal to achieve efficiencies in 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.
- The budget approves the closure of one prison to achieve $150 million annually in savings.
- The budget 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 public defenders.
- The budget includes $100 million one-time for Victims of Crime Act supplemental funding.

TRANSPORTATION

- The budget includes language that allows for the Department of Finance to approve up to $750 million in emergency loans to Bay Area transit agencies to address short-term fiscal challenges, if specific loan terms are negotiated.

Subcommittee No. 1 – Education

Subcommittee No. 2 – Natural Resources, Environmental Protection and Energy

Subcommittee No. 3 – Health and Human Services

Subcommittee No. 4 – State Administration and General Government

Subcommittee No. 5 – Corrections, Public Safety, and the Judiciary, Labor and Transportation

SUBCOMMITTEE 1

ON

EDUCATION

Senate Committee on Budget and Fiscal Review

Members
John Laird, Chair
Rosilicie Ochoa Bogh
Sasha Renée Pérez

Consultants
Yong Salas
Diego Emilio J. Lopez

SUBCOMMITTEE NO. 1

EDUCATION

Pre-K-12

Higher Education

K-12 EDUCATION

6100 CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

K-14 EDUCATION - PROPOSITION 98 OVERALL

The 2025 Budget Act estimates that the Proposition 98 Minimum Guarantee is $98.5 million in 2023-24, $119.9 billion in 2024-25, and $114.6 billion in 2025-26. These estimates are approximately $3.9 billion over the three-year period compared to the 2024 Budget Act. The Proposition 98 guarantee for the 2023-24 fiscal year remains suspended, which created $8.3 billion in a constitutionally obligated payments, otherwise known as maintenance factor. The 2025 Budget Act provides $5.5 billion in maintenance factor payments in the 2024-25 fiscal year, with no payments required in 2025-26, leaving $2.8 billion in maintenance factor payments remaining. While the 2025 Budget Act estimates the Proposition 98 Guarantee in 2024-25 to be $119.9 billion, the budget only appropriates $118 billion for the same year, creating $1.9 billion in settle-up payments. The use of settle-up payments will be proposed to the Legislature as part of the Governor's January 10, 2026 budget.

Finally, the budget act includes $2.3 billion in Proposition 98 deferrals from 2025-26 to 2026-27, of which $1.9 billion is attributed to deferrals in the K-12 Local Control Funding Formula (LCFF), and $400 million is attributed to deferrals for the California Community Colleges Student Centered Funding Formula (SCFF).

The resulting Proposition 98 funding levels for K-12 schools and community colleges (K-14 education) are illustrated below:

Budget Year	Proposition 98 Minimum Guarantee	Change from 2024-25 Budget Act (June 2025)	Applicable Proposition 98 Test[1]	K-12 Per Pupil Expenditures
2023-24 (suspended)	$98.48 billion	$327 million decrease over 2024-25 revised.	Test 2 (suspended)	$17,358
2024-25	$119.95 billion	$4.66 billion increase over 2024-25 revised.	Test 1	$19,087
2025-26	$114.56 billion	N/A	Test 1	$18,625

The 2025-26 estimate of average daily attendance (ADA) was 5,479,503 reflecting an estimated ADA increase from 2024-25 of 0.47 percent.

[1] In general, Test 1 is calculated based on a specified percent of General Fund revenues (currently around 39.57 percent). Test 2 is calculated based on prior year funding, adjusted for changes in per capita personal income and attendance. Test 3 is calculated based on prior year funding, adjusted for changes in General Fund revenues, plus 0.5 percent and attendance.

Proposition 98 Funding by Segment (Dollars in Millions)	2023-24	2024-25	2025-26
K-12 Education*			
General Fund	$67,295	$76,015	$72,672
Local property tax revenue	$27,336	$28,086	$29,382
K-12 subtotal	$94,630	$104,101	$102,055
California Community Colleges*			
General Fund	$8,133	$9,242	$8,520
Local property tax revenue	$4,135	$4,232	$4,438
CCC subtotal	$12,267	$13,473	$12,959
Proposition 98 Reserve Deposit	-$8,413	$455	-$455
Total Proposition 98	$98,484	$119,946	$114,558
General Fund	$67,014	$87,628	$80,738
Local property tax revenue	$31,470	$32,317	$33,821

*K-12 education totals include state preschool and adult education. CCC totals include the K-12 Strong Workforce Program and Adult Education. **Totals include rounding.

Source: Legislative Analyst's Office

Public School Stabilization Account. The Proposition 98 Guarantee calculation has triggered a deposit and a withdrawal into the Public School System Stabilization Account, known as the Proposition 98 Rainy Day Fund, based on economic factors for the 2024-25 and 2025-26 fiscal year. The budget act relies on the total deployment of the Proposition 98 Rainy Day Fund in 2023-24, and includes a $455 million deposit after 2024-25 as well as the full withdrawal of $455 million after 2025-26.

K-12 Education – All Fund Sources

In addition to Proposition 98 (General Fund and property taxes), K-12 education is funded through a variety of sources, including federal funds, state lottery funds, local fund sources, and other funds. According to the Department of Finance, total funding for K-12 education from all sources is approximately $137.6 billion in 2025-26.

K-12 Major Expenditures and Policy Changes. The following significant investments in K-12 education were adopted in the 2056-26 budget:

Local Control Funding Formula (LCFF). The budget provides a total of approximately $79.3 billion Proposition 98 General Fund for the LCFF in 2025-26. This funding amount provides a cost-of-living adjustment (COLA) of $1.8 billion (2.3 percent) for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2025-26.

Cost of Living Adjustments. The budget includes $176 million ongoing Proposition 98 General Fund to reflect a 2.3 percent cost-of-living adjustment for specified categorical programs.

Equity Multiplier. The budget includes $310 million ongoing Proposition 98 General Fund, distributed through the equity multiplier formula, to local educational agencies with school sites that have prior year non-stability rate of 25 percent as identified through the Stability Data File, and have 70 percent of its students who are socio-economically disadvantaged.

Proposition 28 Implementation. The budget appropriates $1 billion in 2025-26 to support the Arts and Music in Schools: Funding Guarantee and Accountability Act.

Transitional Kindergarten. The budget shifts funding for the cost of transitional kindergarten enrollment from the Local Control Funding Formula outside of the Proposition 98 split between TK-12 and the California Community Colleges starting in 2025-26, which shifts approximately $233 million from the community colleges to TK-12 education. The budget also clarifies the fiscal penalties related to transitional kindergarten requirements for exceeding the 1:10 adult-to-pupil ratio requirement, and specifies that the average class enrollment penalty be limited to the average daily attendance that exceeds 24 pupils by schoolsite, beginning in 2025-26.

Transitional Kindergarten Multilingual Learner Assessment. The budget requires the Department of Education, with approval from the executive director of the State Board of Education, to select a list of multilingual learner assessment instruments for students in transitional kindergarten. Starting in 2027-28, local educational agencies will be required to screen transitional kindergarten students for multilingualism. The budget appropriates $10 million one-time Proposition 98 General Fund for the selection and acquisition of the statewide instrument, and any necessary training. For purposes of 2025-26 and 2026-27, the English Learner rate for kindergarten students will be applied to the Transitional Kindergarten pupils, for purposes of the Local Control Funding Formula.

Student Support and Professional Development Discretionary Block Grant. The budget appropriates $1.7 billion one-time Proposition 98 General Fund for discretionary purposes in the Student Support and Professional Development Discretionary Block Grant.

Learning Recovery Emergency Block Grant. The budget appropriates an additional one-time $378.6 million one-time Proposition 98 General Fund to augment the Learning Recovery Emergency Block Grant. Prior budgets allocated $6.8 billion Proposition 98 General Fund, of which $378 million is appropriated each year between 2025-26 and 2027-28. These funds are to be used for purposes of the Cayla J. Settlement, consistent with statutory changes in the 2024 Budget Act.

Learning Acceleration Systems Grant Extension. The budget extends the availability of funds appropriated as part of the Learning Acceleration System Grants and any interest earned on the funds from June 30, 2026 to January 1, 2028.

2025 Los Angeles County Wildfire Protections. The budget 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.

- Re-benches the Proposition 98 Guarantee to accommodate a General Fund backfill for property tax losses.

- Extends certain protections for local educational agencies impacted by the 2025 Los Angeles Wildfires that were provided by the Governor's executive order.

TK-12 Accountability. The budget makes statutory changes to the state's accountability system, including:

- Directing the State Board of Education to, no later than July 15, 2026, update the state adopted performance criteria for local educational agency assistance and intervention.

- Applies fiscal penalties to local educational agencies that fail to adopt a timely local control and accountability plan.

- Making changes to the local educational agency budget overview process by: (1) updating the county office of education budget approval process to be aligned with the process for school district budget approval process; (2) updating the budget review committee membership reimbursement; and (3) modifying the assessment for budget approval and remedial tools that oversight agencies can exercise over school districts and county offices of education.

Literacy Instruction Support Grant. The budget appropriates $200 million one-time Proposition 98 to support evidenced-based professional learning for elementary school teachers aligned with the English Language Arts/English Language Development Framework; and establishes a process for approval of criteria and guidance for the selection or development of professional development programs for use statewide and a list of programs deemed to meet those criteria. The budget also authorizes the Department of Education to charge fees on non-local educational agency organizations who submit literacy-related professional development programs for inclusion on a statewide list compiled by the department, and specifies that the fees be limited to cover reasonable costs related to its review.

Literacy Coaches and Reading Specialists Grant Program. Appropriates $215 million one-time Proposition 98 General Fund for the Literacy Coaches and Reading Specialists Grant Program, of which $15 million is used for training. This investment augments prior allocations of this program, bringing the current total of investments to $715 million.

Plumas Unified School District Emergency Apportionment. The budget authorizes an emergency apportionment loan to the Plumas Unified School District of up to $20 million over a loan term of up to 30 years, and establishes oversight by the Plumas County of Education, in collaboration with the Superintendent of Public Instruction, the president of the State Board of Education or their designee, and the County Fiscal Crisis Management and Assistance Team.

Fiscal Reporting for Childhood Sexual Assault Payments. The budget authorizes the addition of accounting codes to the School Accounting Code system to capture transactions made by local educational agencies due to settlements, judgments, or special assessments from claims of childhood sexual assault filed against local educational agencies.

Attendance Recovery. The budget excludes average daily attendance generated through the Attendance Recovery program on weekends and intersession from principal apportionment attendance reporting periods.

Sweep of Instructional Continuity Study Funds. The 2024 Budget Act appropriated $4 million one-time Proposition 98 General Fund for a county office of education to research high-quality, data-supported models of hybrid and remote learning at public schools, and provide guidance, support and resources to local educational agencies to build their own hybrid and remote learning programs. The 2025 Budget Act repeals this $4 million for a study on hybrid and remote learning.

Expanded Learning Opportunities Program. The budget appropriates ongoing $4.6 billion Proposition 98 General Fund and fully implements the Expanded Learning Opportunities Program by:

- Adjusting the eligibility of Rate 1 schools from serving 75 percent unduplicated pupils to 55 percent of unduplicated pupils.

- Increasing the minimum grant amount from $50,000 to $100,000 per local educational agency.

- Allowing newly eligible Rate 1 schools to be audited based on Rate 2 requirements.

- Expressing the intent of the Legislature that Rate 2 schools have a per-unit rate no less than $1,575.

Special Education. The budget authorizes the Department of Finance to address any shortfall or excess of local redevelopment agency property taxes for special education programs with General Fund, and includes community treatment facilities in the Out-of-Home-Care funding formula.

Individualized Education Plan Digitization and Translation. The budget appropriates one-time $1 million Proposition 98 General Fund for the California Collaborative for Educational Excellence to digitize the state standardized individualized education plan template developed by the Individualized Education Plan (IEP) template workgroup, and appropriates one-time $500,000 Individuals with Disabilities Education Act federal funds to translate the digital standardized individualized education plan template into the top ten most commonly used languages other than English in the state.

Inclusive College Technical Assistance Center. The budget clarifies the awardee eligibility for the Inclusive College Technical Assistance Center program.

Special Olympics. The budget appropriates one-time $30 million Proposition 98 General Fund to support the Special Olympics of Northern and Southern California.

University of California, San Francisco Dyslexia Center. The budget appropriates one-time $10 million Proposition 98 General Fund to a county office of education selected to administer the California Dyslexia Initiative to partner with University of California, San Francisco Dyslexia Center to perform various activities to support screening for reading difficulties.

Literacy Screener Professional Development. The budget appropriates $40 million one-time Proposition 98 General Fund for professional development and instrument acquisition for the implementation of universal literacy screenings in 2025-26, and statutory changes to allow school employees, rather than solely educators, to administer the screenings. This investment is in addition to $25 million one-time Proposition 98 General Fund for professional development related to the literacy screener for reading difficulties that was provided in the 2024 Budget Act.

School Meals. The budget includes a total of $1.94 billion Proposition 98 General Fund and $2.95 billion in federal funds to support universal school meals in 2025-26.

Universal School Meals Implementation Support Grant. The budget appropriates one-time $160 million Proposition 98 General Fund to support the continued implementation of universal school meals. Of this amount, $145 million will be used for kitchen infrastructure upgrades, training, procurement of local food products, and nutrition planning equipment to determine nutritional content of menu items; $10 million is appropriated for nutrition staff recruitment and retention; and $5 million is appropriated for a study of the particularly harmful foods.

2022 Kitchen Infrastructure and Training Grants. The budget makes changes to the Kitchen Infrastructure and Training Grant Funds by: (1) extending the deadline for local education agencies to expend the Kitchen Infrastructure and Training funds allocated in the 2022 Budget Act from June 30, 2025 to June 30, 2026; and (2) extending the deadline for local educational agencies to report to the Department of Education on how funds were used to improve the quality of school meals or increase participation in subsidized school meal programs from June 30, 2025 to June 30, 2026, as a result of delays in completing infrastructure upgrades.

SUN Bucks Program. The budget supports the continued implementation of the Summer-EBT program, also known as SUN Bucks, by: (1) requiring annual eligibility determination using a School Meals Application or the Universal Benefits Application, as specified, for the SUN Bucks Program; and (2) requiring schools that collect either application meet specified verification requirements. The budget also provides that the SUN Bucks compliant Universal Benefits Application can be used to determine free or reduced-price meals eligibility for inclusion in a local educational agency's unduplicated pupil count. Additionally, the budget appropriates $21.9 million in ongoing Proposition 98 General Fund and $21.9 million in matching federal funds to support local administration of the SUN Bucks program.

Study on Content Standards, Curriculum, and Instructional Materials Development and Adoption. The budget appropriates $1 million one-time Proposition 98 General Fund and trailer bill language that requires a county office of education to contract with a research or non-profit organization to study and provide recommendations on content standards, curriculum, and instructional materials development and adoption.

Secondary School Redesign Pilot Program. The budget appropriates one-time $10 million Proposition 98 General fund to the California Collaborative for Educational Excellence to administer a pilot program with select school districts to redesign middle and high schools to increase student outcomes, including personalizing the learning environment, integrating experiential education and new uses of technology, and supporting deeper learning. Of the funding allocated for this purpose, it is requested that $1 million be allocated for an evaluation of the pilot program and documentation of successful models.

Homeless Education Technical Assistance Centers. Appropriates $1.5 million ongoing Proposition 98 General Fund for ongoing support to the county offices of education that serve as homeless education technical assistance centers, housed with the Contra Costa County Office of

Education, Los Angeles County Office of Education, and the San Diego County Office of Education.

Community Schools Partnership Program. The budget authorizes any returned funds in the Community School Program from implementation grant awards to be reallocated by the Department of Education to support community school extension grants.

English Language Arts/English Language Development Supplemental Guidance. The budget appropriates $250,000 one-time Proposition 98 General Fund to develop supplemental guidance for English Language Arts and English Language Development that complements the English Language Arts/English Language Development follow up adoption.

Children and Youth Behavioral Health Initiative Bridge Funds. The budget appropriates $20 million one-time Proposition 98 General Fund to the Department of Education to allocate the funds to Sacramento County Office of Education, in partnership with Santa Clara County Office of Education, no later than October 2025. The funds will be administered through the capacity grant infrastructure, as established by the Children and Youth Behavioral Initiative, to local educational agencies to support, in the order of priority: (1) to prevent the disruption of youth mental health services; and (2) to provide technical assistance to local educational agencies for the continued implementation of the statewide fee schedule.

Financial Literacy Curriculum and Graduation Requirement. The budget includes technical clean-up for the personal finance graduation requirements, and clarifies that $300,000 General Fund is available for state administration at the Department of Education of these requirements. The budget also includes a reference to the California Kids Investment and Development Savings Program as part of the financial literacy curriculum.

Regional English Learner Lead Agencies. The budget establishes Regional English Learner lead agencies by: (1) appropriating an ongoing $2 million Proposition 98 General Fund to support Regional English Learner lead agencies; and (2) defining the selection criteria and responsibilities of the Regional English Learner lead agencies.

LGBTQ+ Online Trainings Extension. The budget extends the encumbrance and expenditure deadline for the funds to support the LGBTQ+ Online Trainings implementation.

Proposition 39 Funds Extension. The budget extends the encumbrance date for funds appropriated in Item 6100-139-8080 from the 2017 Budget Act SB 97 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2017 until June 30, 2026, for specific instances, including authorizing the Superintendent of Public Instruction to return amounts owed to local educational agencies or to recoup funds owed by local educational agencies.

Regional K-16 Education Collaboratives. The budget extends the completion of programmatic goals for two years to June 30, 2028 and the encumbrance period to June 30, 2030, and also clarifies the requirement to create occupational pathways.

Career Technical Education Universal Application Feasibility Study. The budget requires the Superintendent of Public Instruction, in consultation with the California Community Colleges Chancellor's Office, to study the feasibility of creating a universal, integrated application that can be used for the various career technical education programs administered in California.

Additional Career Technical Education Investment. The budget appropriates $150 million one-time Proposition 98 General Fund for implementation of Senate Bill 638 (Padilla and Fong), Chapter 457, Statutes of 2025, to further support career technical education and career pathways.

Statewide Math Network and Statewide Literacy Network. The budget appropriates one-time $15 million Proposition 98 General Fund, of which $7.5 million Proposition 98 General Fund is allocated to the Statewide Literacy Network and the $7.5 million Proposition 98 General Fund is allocated to the Statewide Mathematics Network, administered by the California Collaborative for Educational Excellence.

Universal Pre-Kindergarten Planning and Implementation Grants Extension. The budget extends the encumbrance deadline for the Universal Prekindergarten Planning and Implementation Grants to June 2028.

Mathematics Professional Learning Partnership. Appropriates $30 million one-time Proposition 98 General Fund for the Mathematics Professional Learning Partnership to support the Mathematics Framework.

K-12 Mandates Block Grant. The budget includes the costs to implement the Free Application for Federal Student Aid notification to students and families in the K-12 Mandates Block Grant.

Classified School Employee Summer Assistance Program. The budget clarifies that funds appropriated for the Classified School Employee Summer Assistance Program are available for the following two fiscal years from appropriation. The budget also re-appropriates $5.6 million Proposition 98 General Fund to augment payments provided in August 2025.

Juul Settlement Funds. The budget appropriates $3 million from the Electronic Cigarette Settlements Fund to support youth education and outreach activities related to tobacco prevention, and expansion of the Rural Initiative Grant Program. Of this amount, $300,000 is set-aside from administrative costs.

California Association of Student Councils. The budget appropriates one-time $500,000 Proposition 98 General Fund to support the California Association of Student Councils.

California School for the Deaf-Fremont. The budget reappropriates $2 million Proposition 98 General Fund for the California School for the Deaf in Fremont.

California School for the Deaf-Riverside Capital Outlay. The budget appropriates $2.3 million General Fund to support capital outlay infrastructure costs for the California School for the Deaf in Riverside.

North Bay Construction Corps Mendocino Willits Cohort. The budget provides one-time $500,000 General Fund for Career Technical Education Foundation of Sonoma County to support the North Bay Construction Corps Mendocino Willits Cohort.

Grace Hudson Language Academy Outdoor Modernization. The budget provides one-time $250,000 General Fund to the Ukiah Unified School District to support the outdoor modernization project at Grace Hudson Language Academy.

21st Century Community Learning Centers. The budget carries over $145.5 million in federal funds for support of the 21st Century Community Learning Centers Program, for a total appropriation of $300 million in federal funds available in 2025-26.

Federal Funds Adjustments. The budget amends appropriations for a variety of federal education programs to reflect available one-time carryover and changes to federal grant awards.

Other Technical Changes. The budget also reflects various technical changes related to baseline workload cost changes and other adjustments.

OTHER CHANGES

California State Preschool Program. For changes to State Preschool related to the state's bargaining agreement with Child Care Providers United, please see the section on Child Care. The budget makes the following changes for State Preschool:

- Makes clarifying changes to allow the Department of Education to expand State Preschool provider contracts to increase enrollment of three-year-olds.

- Provides one-time $37 million Proposition 98 General Fund and one-time $15.6 million General Fund to provide per-child stabilization payments to support State Preschool providers.

Inclusive Early Education Expansion Program. The budget codifies the state level activities set-aside from $50 million Proposition 98 General Fund to $10 million Proposition 98 General Fund, which is related to the shift in funding for the Inclusive Early Education Expansion Program in the 2024 Budget Act from $250 million to $100 million.

Golden State Teacher Grants. The budget appropriates an additional $50 million General Fund for the Golden State Teacher Grants Program, and makes the following clarifications, as follows:

- Until the end of the 2025-26 fiscal year, maintains the award amounts to $10,000 and $5,000 with a reduced service requirement, as specified, and excludes intern credential program participants.

- Clarifies that non-teacher interns are eligible for the Golden State Teacher Grant funds.

6125 EDUCATION AUDIT APPEALS PANEL

The budget includes the following:

- Updates the authority of the Education Audit Appeals Panel to waive or reduce the reimbursement.

- Clarifies the conditions under which audit extensions are approved for local educational agencies, including the threshold for which the executive officer of the Education Audit Appeals Panel can waive or reduce the fiscal penalty.

- Reappropriates up to $209,000 General Fund for operational costs of the Education Audit Appeals Panel.

6350 SCHOOL FACILITIES AID PROGRAM

The budget includes the following changes for school facilities.

- Allows any remaining funds and any interest earned on those funds in the county school lease-purchase fund for a school district to be used for school construction.

- Corrects an outdated reference for school district collection of developer fees as it relates to the five-year school facilities master plan.

- Provides the State Allocation Board with the authority to provide excessive cost hardship grants under the School Facility Program to school districts demonstrating unusual circumstances beyond their control.

- Includes technical clean-up for Assembly Bill 938 (Muratsuchi), Chapter 345, Statutes of 2024.

6360 CALIFORNIA COMMISSION ON TEACHER CREDENTIALING (CTC)

Student Teacher Stipend Program. The budget appropriates $300 million one-time Proposition 98 General Fund for the Student Teacher Stipend Program, administered by the Commission on Teacher Credentialing, and creates a streamlined, online application process for candidates to apply for various educator support initiatives administered by the Commission.

National Board of Professional Teaching Standards Certification Incentive Program. The budget extends the liquidation period for the 2021-22 investment for the National Board of Professional Teaching Standards Certification Incentive Program from June 30, 2028 to June 30, 2031, and transfers this program to the Commission on Teacher Credentialing in July 2027. The budget also appropriates an additional one-time $30 million Proposition 98 General Fund for the National Board of Professional Teaching Standards Certification Incentive Program, and transfers this program to the Commission on Teacher Credentialing in July 2027.

“Teacher Vacancy” Definition. The budget updates the definition of "teacher vacancy" for purposes of collecting teacher monitoring data by the Department of Education and the Commission on Teacher Credentialing.

Teacher Residency Grant Program. The budget appropriates $70 million one-time Proposition 98 General Fund to augment the Teacher Residency Grant Program. The budget also extends the encumbrance period for $66 million appropriated in the 2022 Budget Act for the Teacher Residency Grant Program to June 30, 2027 and the liquidation period to June 30, 2032, and provides reimbursement authority to the Commission on Teacher Credentialing.

Reading Instruction Competence Assessment (RICA). The budget makes the following changes for the RICA:

- Allows teacher credential candidates who completed preparation programs that were aligned to the Reading Instruction Competence Assessment to take that assessment on or before October 31, 2025, and allows the Commission on Teacher Credentialing to adopt and administer an off-the-shelf reading instruction competence assessment for certain uses instead of maintaining a commission-adopted assessment in addition to the new literacy performance if the adopted assessment meets the requirements outlined in statute.

- Codifies the standard error of measure for Reading Instruction Competence Assessment subtest scores adopted by the Commission on Teacher Credentialing in October 2024.

- Authorizes candidates to receive a waiver to the Reading Instruction Competence Assessment and to extend the deadline to complete an induction program or two years of service by a year for credential candidates who received a waiver pursuant to Executive Order N-66-20, Section 67 of SB 820 (Committee on Budget and Fiscal Review), Chapter

110, Statutes of 2020, or Section 120 of AB 130 (Committee on Budget), Chapter 44, Statutes of 2021.

Reading and Literacy Supplementary Authorization Incentive Grant Program. The 2022 Budget Act provided $15 million for the Reading and Literacy Supplementary Authorization Incentive Grant to support educators earn reading and literacy supplementary authorizations to their credentials. Due to low subscription of the program, the 2025 Budget Act increases the award amount from the Reading and Literacy Supplementary Authorization Incentive Grant Program from $2,500 to $6,000, adjusts the grantee match requirement, and allows for the funds to also be used to pursue added authorizations in mathematics.

Non-Teaching Pathway to the Administrative Services Credential. The budget provides $455,000 from teacher credentialing revenues to support the updating and the addition of a non-teaching pathway to the Administrative Services Credential.

State Operations Support. The budget provides $727,000 from teacher credentialing revenues to support IT workload issues, and $422,000 from teacher credentialing revenues to support legal staffing needs.

Reversion of Public Outreach Campaign Funds. The budget reverts $900,000 that was provided in the 2024 Budget Act for a public outreach campaign.

<u>K-12 Education Budget Trailer Bills</u>

1. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*

2. *Budget Act of 2025 – Senate Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*

3. *Budget Act of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*

4. *K-12 Education Finance – Assembly Bill 121 (Committee on Budget), Chapter 8, Statutes of 2025.*

5. *K-12 Education Finance – Senate Bill 147 (Committee on Budget and Fiscal Review), Chapter 744, Statutes of 2025.*

HIGHER EDUCATION

1111 BUREAU FOR Private Postsecondary Education

Student Tuition Recovery Fund Trailer Bill. The budget includes trailer bill language allowing the bureau to use Student Tuition Recovery Fund funds to support claim administration activities and positions at the Office of Student Assistance and Relief.

6120 CALIFORNIA STATE LIBRARY

Braille Institute. The budget includes budget bill language that allocates $500,000 of State Library funding to support the Braille Institute and $800,000 one-time General Fund to the Braille Institute.

Digitization Strategy Initiative Reappropriation. The budget shifts $4.3 million one-time General Fund from Digitization Strategy Initiative to support general operations.

Altadena Library. The budget includes $3.6 million one-time General Fund for the Altadena Library District, which was impacted by the Los Angeles wildfires.

Cybersecurity Infrastructure. The budget includes $334,000 General Fund in 2025-26 and $282,000 ongoing General Fund in 2026-27 for cybersecurity infrastructure.

Federal Trust Fund Authority. The budget strikes of language authorizing $11.3 million for local assistance from the Federal Trust Fund.

Witkin Law Library Funding. The budget includes trailer bill language that extends the use of a court fee to support the Witkin Law Library by five years.

Building Forward Grant Program. The budget includes a reappropriation of $9 million in one-time General Fund from the Building Forward infrastructure grants to support new projects.

6440 UNIVERSITY OF CALIFORNIA (UC)

Base Adjustment. The budget includes a one-time, three-percent base deferral. Specifically, the budget defers $129.7 million General Fund for the UC from 2025-26 to 2026-27. Additionally, the budget allows the UC to request a no-interest short-term cash flow loan in 2025-26 from the General Fund to remediate impacts of the deferral.

2025-26 Compact Deferral. The budget splits the deferred five percent Compact increase from 2025-26 to two percent ($96.3 million) in 2026-27 and three percent ($144.5 million) to 2028-29.

902 Nonresident Undergraduate Student Funding. The budget maintains the planned one-time 2025-26 deferral of $31 million to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students, from 2025-26 to 2027-28. Additionally, the budget includes budget bill language allowing UC to count additional reductions of nonresident students beyond the yearly target toward the next year.

2025-26 Enrollment Target. The budget includes budget bill language setting an enrollment target of 2,947 full-time equivalent students (FTES) in 2025-26 over the estimated 2024-25 baseline level of 206,588 FTES, for a total enrollment of 209,535.

CalBRIDGE. The budget includes $5 million one-time General Fund to support the CalBRIDGE program.

Foster Youth Support Services. The budget includes $1.8 million one-time General Fund to support First Star Youth Cohorts at UC campuses to support college attainment for youth in foster care.

Higher Education Student Housing Grant Program. The budget approves two additional projects for the UC under the Higher Education Student Housing Grant Program and authorizes the UC to use ongoing General Fund support for debt service to provide affordable beds at these projects. Specifically:

- $2.6 million ongoing General Fund for the University of California, Davis's Segundo Infill Student Housing project.

- $2.6 million ongoing General Fund for the University of California, Santa Barbara's East Campus Student Housing project.

Journalism Fellowship. The budget includes $15 million one-time General Fund for the Journalism Fellowship Program at the University of California, Berkeley.

Newspaper Project. The budget includes $430,000 ongoing General Fund to support the California Newspaper Project at the University of California, Riverside.

UC San Diego Public Health Degree Program. The budget includes $5 million one-time General Fund to UC San Diego to support the development of a bachelor’s degree program in public health in South San Diego.

UC Davis Transportation Center. The budget includes $4.5 million one-time General Fund to support the UC Davis Transportation Research Center.

Campus Climate and Antidiscrimination. The budget includes $3.6 million one-time General Fund to the UC Office of the President for campus climate and antidiscrimination efforts.

Menopause Health Centers. The budget includes $3 million one-time General Fund to support menopause health centers at University of California hospitals.

UC San Diego – ALERTCalifornia. The budget includes $2.5 million one-time General Fund to UC San Diego to support the ALERTCalifornia.

DDS-ASPIRE. The budget includes $1.8 million one-time General Fund to UC San Francisco to support the pilot Doctor of Dental Surgery Advocacy, Science, Public Interest and Research (DDS-ASPIRE) program.

UC Davis PRIME Central Coast. The budget includes $1.5 million one-time General Fund to support the PRIME Central Coast program at the UC Davis School of Medicine, in collaboration with UC Santa Cruz.

UC Davis Firearms Research Center. The budget includes $1 million one-time General Fund to support the UC Davis Firearms Research Center.

UCLA Social Media Research. The budget includes $750,000 one-time General Fund to UCLA to support social media research.

California Climate Initiatives. The budget includes a reappropriation of funding for the California Climate Initiatives.

UCLA Powell Library Seismic Renovation Project. The budget authorizes the use of interest from bond funds to support the UCLA Powell Library Seismic Renovation project.

Technical Revenue Adjustments. The budget includes adjustments to the California Breast Cancer Research Fund, the Electronic Cigarette Tax Fund, and the Medical Research Program Account Fund due to updated revenue projections.

Financial Aid Technical Corrections. The budget includes budget bill language to eliminate compact reporting and make a technical correction to academic year in UC financial aid provision.

UC Agriculture and Natural Resources Division Technical Adjustment. The budget includes technical adjustments to the UC Agriculture and Natural Resources Division.

6600 UC COLLEGE OF THE LAW, SAN FRANCISCO (CLSF)

Base Funding Increase. The budget includes an ongoing base increase of $2.4 million General Fund to support the UC College of the Law, San Francisco.

McAllister Tower Renovation. The budget includes $10.1 million ongoing General Fund to support the debt service for the second phase of the McAllister Tower renovations.

Base Funding Reduction. The budget includes an ongoing base reduction of $695,000 General Fund for the UC College of the Law, San Francisco, representing approximately three percent of base funding.

6610 CALIFORNIA STATE UNIVERSITY (CSU)

Base Adjustment. The budget includes a one-time three-percent base deferral. Specifically, the budget defers $143.8 million General Fund for the CSU from 2025-26 to 2026-27. Additionally, the budget allows the CSU to request a no-interest short-term cash flow loan in 2025-26 from the General Fund to remediate impacts of the deferral.

2025-26 Compact Deferral. The budget splits the deferred five percent Compact increase from 2025-26 to two percent ($100.9 million) in 2026-27 and three percent ($151.4 million) to 2028-29.

Support for Sonoma State and Low Enrollment Campuses. The budget includes $50 million one-time General Fund to support a long-term turnaround plan for Sonoma State University and to assist other campuses with increased outreach efforts to prospective students.

Cal State Northridge Student Success and Inclusion Center. The budget includes $806,000 one-time General Fund to support infrastructure costs at the Cal State Northridge Student Success and Inclusion Center.

Capitol Fellows Program. The budget includes a $1.3 million ongoing General Fund increase for the Capitol Fellows program.

AB 1524 (Lowenthal), Chapter 679, Statutes of 2024. The budget includes $345,000 ongoing General Fund to support the implementation of legislation requiring CSU to provide drug test devices at every campus.

Turn-around Plans for Low-enrollment Campuses. The budget includes budget bill language requiring turn-around plans for low-enrollment campuses.

2025-26 Enrollment Targets. The budget includes budget bill language setting an enrollment target of 7,152 more California undergraduates in 2025-26 for a total resident undergraduate enrollment of 349,999 FTES.

Retiree Health Benefits Reversion. The budget includes a reversion of unencumbered balances of retiree health benefits from the Budget Act of 2022.

Cal State Northridge Student Success and Inclusion Center Infrastructure. The budget includes $806,000 one-time General Fund to support Cal State Northridge Student Success and Inclusion Center Infrastructure.

Genealogy Determination Legislation. The budget includes $6 million one-time General Fund for purposes of implementing legislation related to genealogy determination.

California Reparation Task Force Report. The budget includes $6 million one-time General Fund to the Tides Foundation to educate Californians on the findings of the California Reparations Task Force report.

CSU Foundation. The budget includes $3 million one-time General Fund to the California State University Foundation for the Customer Relations Management (CRM) Software and essential advancement infrastructure.

6870 CALIFORNIA COMMUNITY COLLEGES (CCC)

Proposition 98 Funding Split. The budget includes a shift in how transitional kindergarten (TK) expansion funds are split between TK-12 schools and community colleges within the Proposition 98 budget. Beginning in 2025-26, $232.9 million ongoing is shifted away from community colleges and towards TK-12 schools.

Student Centered Funding Formula (SCFF) Growth Adjustment. The budget includes an ongoing increase of roughly $140 million Proposition 98 General Fund to fund 0.57-percent enrollment growth in the SCFF in 2025-26. The budget also includes an increase of $100 million Proposition 98 General Fund to fund enrollment growth of 2.28 percent in fiscal year 2024-25. The net effect of these two enrollment growth investments support a combined growth of 2.35 percent in 2025-26.

SCFF and Categorical Program Cost-of-Living Adjustment (COLA). The budget includes an ongoing increase of $217.4 million Proposition 98 General Fund for apportionments and an ongoing increase of $30.1 million Proposition 98 General Fund for select categorical programs, representing a COLA of 2.3 percent.

SCFF Base Adjustment. The budget includes a one-time increase of $210.2 million Proposition 98 General Fund to fully fund the SCFF in 2024-25 and an ongoing increase of $104.7 million Proposition 98 General Fund to fully fund the SCFF in 2025-26.

SCFF Deferrals. The budget defers $408.4 million Proposition 98 General Fund in apportionment funding from 2025-26 to 2026-27. Budgetary deferrals of $243.7 million for the CCCs from the 2024 Budget Act are fully repaid in the three-year budget window.

Proposition 98 Rainy Day Fund. The budget includes $49.7 million from the Proposition 98 Rainy Day Fund to support SCFF costs in 2025-26.

Local Property Tax Adjustments. The budget includes an ongoing decrease of $142.1 million Proposition 98 General Fund due to increased offsetting local property tax revenues.

Fire-Related Property Tax Backfill. The budget includes a one-time fire-related property tax backfill of $3.8 million Proposition 98 General Fund in 2024-25 and $8.1 million Proposition 98 General Fund in 2025-26 for impacted community colleges.

Career Passport and Credit for Prior Learning. The budget includes $25 million one-time Proposition 98 General Fund for the development of a Career Passport, and $15 million one-time and $5 million ongoing Proposition 98 General Fund for the Credit for Prior Learning Initiative.

Common Cloud Data Platform. The budget includes $12 million one-time Proposition 98 General Fund for the Common Cloud Data Platform.

Rising Scholars. The budget includes $10 million ongoing Proposition 98 General Fund for the Rising Scholars Network.

Student Support Block Grant. The budget includes $60 million one-time Proposition 98 for a flexible Student Support Block Grant for the community colleges system.

Dreamer Resource Liaisons. The budget includes $15 million one-time Proposition 98 for community colleges to support Dreamer Resource Liaisons. Districts may use the funds to provide additional student support services.

Emergency Financial Assistance Grants. The budget includes $20 million one-time Proposition 98 to provide emergency financial aid assistance to specified student populations.

EMT and Paramedic Pre-apprenticeship. The budget includes $10 million one-time Proposition 98 for community college support to the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Pre-apprenticeship Training Academies.

Firefighter Apprenticeship Backfill. Provides $6.3 million one-time Proposition 98 General Fund to backfill costs related to the firefighter apprenticeship program and other apprenticeship programs.

California Healthy School Food Pathways Program. The budget includes $10 million one-time Proposition 98 General Fund for community colleges to support the California Healthy School Food Pathway program.

Community Support for Financial Aid Applications. The budget includes $5.1 million one-time Proposition 98 for a community college district to develop grants for organizations providing financial aid outreach and application assistance supporting current and prospective community college students.

Los Angeles Career Technical Education Workforce Development. The budget includes $5 million one-time Proposition 98 for community colleges in the Los Angeles Regional Consortium to assist with workforce recovery efforts and career technical education workforce development associated with the Los Angeles region's recovery from the Palisades and Eaton fires.

Santa Rosa Junior College Fire Tower. The budget includes $125,000 one-time Proposition 98 General Fund to support the Santa Rosa Junior College fire tower.

Part-Time Faculty Health Insurance Program Reappropriation. The budget reappropriates $135 million Proposition 98 General Fund from the Budget Act of 2024 for the part-time faculty health insurance program to help reduce the 2025-26 deferral.

Proposition 51 and Proposition 2 Community College Facilities. The budget includes approval for community college facility projects utilizing Proposition 51 and Proposition 2 funding.

Cabrillo Community College Student Housing Project. The budget allocates $87.5 million Proposition 2 funds for the Cabrillo Community College District Intersegmental Student Housing Project with University of California, Santa Cruz.

College of the Siskiyous Remodel Theater and McCloud Hall Project. The budget includes budget bill language to extend the liquidation period for the College of the Siskiyous Remodel Theater and McCloud Hall Project.

Student Housing Technical Adjustment. The budget includes budget bill language to create a local assistance item in the budget bill to support payments of lease-revenue bond debt service for college student housing programs.

LGBTQ+ Pilot Project Technical Adjustment. The budget includes budget bill language clarifying that the LGBTQ+ Pilot Program includes one-time funding.

Native American Student Support and Success Program and Hire Up Program Reporting. The budget includes trailer bill language changing the reporting deadlines for the Native American Student Support and Success Program and the Hire Up Program.

Institutional Effectiveness Program and Initiatives Reporting Deadlines. The budget includes budget bill language to change reporting deadlines for the Institutional Effectiveness Program and Initiatives.

Children and Youth Behavioral Health Initiative Reimbursement Authority. The budget includes one-time reimbursement authority for the Children and Youth Behavioral Health Initiative.

e-Transcript California. The budget includes $6.6 million one-time Proposition 98 General Fund to support e-Transcript California to cover a shortage in funds for the program.

Student Financial Aid Administration Program Adjustment. The budget includes an adjustment of support for the Student Financial Aid Administration Program based on the projected number of fees waived and the dollar amount of fees waived.

Reappropriations. The budget includes reappropriations of unused funding to support SCFF and deferral payments.

CCC Classified Staff. The budget creates a two-year pilot program, beginning in 2026-27, that allows California Community College classified staff to use food pantry services offered at campus basic needs centers. The program shift unused funds from the Classified Community College Employee Summer Assistance Program to basic needs centers to support the increased usage and includes reporting language.

Dual Enrollment Courses. The budget includes intent language that high school students and students in adult education programs who are also enrolled in transfer-level community college courses for which they receive credit have those courses recognized for admissions purposes at the University of California and California State University.

Middle Class Scholarship. The budget requires the Student Aid Commission, University of California and California State University to develop institutional participation agreements outlining deadlines and issues regarding the program, and includes language stating that a student's Middle Class Scholarship amount need not be changed if the student's financial aid package changes by less than $300 during the academic year.

Zero-Textbook-Cost Degree Program. The budget amends the program to allow the Community College Chancellor's Office to use unused funds to support a systemwide technology platform that will allow all faculty to use and share open educational resources that limit or eliminate the need for textbooks.

CCC Deferrals. The budget makes technical changes to enact the deferral and payback process called for in the 2024 Budget Act.

CCC Public School System Stabilization Act Funding. The budget uses $49.7 million from the Public School System Stabilization to support 2025-26 community college costs. This was agreed to in the 2025 Budget Act but was accidentally omitted from previous trailer bill language.

CCC Mathematics, Engineering, Science Achievement Program Set Aside. The budget allows the Community College Chancellor's Office to use up to 3.5 percent, beginning in 2026-27, to develop statewide coordination and support for the MESA program.

CCC Emergency Aid. The budget makes changes to emergency aid funding provided in the 2025 Budget Act to allow the Chancellor's Office to redistribute unused funding to other districts and requires a 2026 report on how funds were used.

CCC State Controller Payments. The budget allows the Community College Chancellor's Office to use the apportionments process to issue payments for specific categorical programs, which will allow the state to more quickly distribute funding to districts.

6980 CALIFORNIA STUDENT AID COMMISSION

Cal Grant Program Caseload Adjustments. The budget revises estimated Cal Grant expenditures of approximately $2.3 billion in 2023-24, $2.5 billion in 2024-25, and $2.8 billion in 2025-26 based on the latest estimates of enrollment of Cal Grant-eligible students. These estimates reflect an increase of $94.7 million one-time General Fund in 2024-25 and $228.7 million ongoing General Fund in 2025-26.

Middle Class Scholarship Program (MCS). The budget includes changes to the MCS to provide recipients with more certainty about grant award amounts and to improve the Administration of the program, the budget: (1) establishes a guaranteed grant award level for the MCS, which will be adjusted annually in the budget act; (2) provides the Commission with authority to draw down short-term, no-interest General Fund cash flow loans as needed throughout the fiscal year to provide MCS funds to higher education institutions; and (3) appropriates funds to cover the cost of the MCS awards from the prior year in the following fiscal year's budget. For 2025-26, the budget establishes the grant award level at 35 percent of student need.

MCS 2024-25 Caseload. The budget includes $77 million one-time General Fund to support MCS caseload increases in 2024-25.

Golden State Teacher Grant Program. The budget reflects total available one-time General Fund of $68.2 million for the Golden State Teacher Grant Program, which includes $18.2 million in carryover of unused funds from 2024-25.

California College of the Arts. The budget includes $20 million General Fund to support the California College of the Arts.

California Indian Nations College. The budget includes $10 million one-time General Fund to support the California Indian Nations College in Palm Desert, California.

Cal Grant Recipient Data Reporting. The budget includes trailer bill language to require institutions participating in the Cal Grant program to provide the Student Aid Commission with Cal Grant recipient data.

Chief Information Security Officer. The budget includes $230,000 ongoing General Fund to support a Chief Information Security Officer position.

Caseload Adjustments. The budget includes adjustments in funding for the Chafee Foster Youth Program, Law Enforcement Personnel Dependents Scholarship Awards, and Public Interest Attorney Loan Repayment Program to reflect caseload.

Cohort Default Rate. The budget includes trailer bill language authorizing the Commission to use cohort default rates certified in 2020 to determine institutional eligibility through 2026-27.

Public Interest Attorney Loan Repayment Program. The budget includes additional expenditure authority of $1.2 million for the Commission to administer the Public Interest Attorney Loan Repayment Program.

ADDITIONAL TRAILER BILL LANGUAGE

Model Uniform Set of Academic Standards. The budget includes trailer bill language that requires UC and CSU to develop a model uniform set of academic standards for college-level coursework taken for credit at a California public college or university by pupils simultaneously enrolled in high school, and requires the segments, including California Community Colleges, to post information about the standards to their websites.

Higher Education Budget and Trailer Bills

1. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*
2. *Budget Act of 2025– Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*
3. *Budget Acts of 2021, 2023, 2024, and 2025– Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*
4. *Higher Education Trailer Bill – Assembly Bill 123, Chapter 9, Statutes of 2025.*
5. *Higher Education Trailer Bill – Senate Bill 148, Chapter 745, Statutes of 2025.*

SUBCOMMITTEE 2
ON
NATURAL RESOURCES, ENVIRONMENTAL PROTECTION, AND ENERGY

Senate Committee on Budget and Fiscal Review

Members
Benjamin Allen, Chair
Catherine Blakespear
Steven Choi
Jerry McNerney

Consultants
Eunice Roh
Joanne Roy

SUBCOMMITTEE NO. 2

NATURAL RESOURCES, ENVIRONMENTAL PROTECTION and ENERGY

Natural Resources

Environmental Protection

Energy, Air Quality, and Utilities

NATURAL RESOURCES

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
0650 GOVERNOR'S OFFICE OF LAND USE & CLIMATE INNOVATION (GO-LCI)
0690 GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CAL OES)
3125 CALIFORNIA TAHOE CONSERVANCY
3340 CALIFORNIA CONSERVATION CORPS
3360 ENERGY RESOURCES CONSERVATION & DEVELOPMENT COMMISSION (CEC)
3480 DEPARTMENT OF CONSERVATION (DOC)
3540 DEPARTMENT OF FORESTRY & FIRE PROTECTION (CALFIRE)
3600 CALIFORNIA DEPARTMENT OF FISH & WILDLIFE (CDFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)
3760 STATE COASTAL CONSERVANCY (SCC)
3790 DEPARTMENT OF PARKS & RECREATION (PARKS)
3810 SANTA MONICA MOUNTAINS CONSERVANCY (SMMC)
3825 SAN GABRIEL & LOWER LOS ANGELES RIVERS & MOUNTAINS CONSERVANCY (RMC)
3845 SAN DIEGO RIVER CONSERVANCY (SDRC)
3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY
3855 SIERRA NEVADA CONSERVANCY (SNC)
3860 DEPARTMENT OF WATER RESOURCES (DWR)
3860 CALIFORNIA WATER COMMISSION
3875 SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
4700 DEPARTMENT OF COMMUNITY SERVICES & DEVELOPMENT (CSD)
6100 DEPARTMENT OF EDUCATION (CDE)
8570 CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE (CDFA)

Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4). The budget includes amendments to Proposition 4 and appropriates approximately $3.47 billion in 2024-25 ($181.11 million in Early Action) and 2025-26 ($3.29 million) as follows:

Proposition 4: Early Action: Wildfire Funding. In April 2025, through early budget action, the 2024-25 budget was amended, appropriating a total of $181.11 million Proposition 4 for purposes of wildfire prevention and resilience, including improving local fire prevention capacity, improving forest health and resilience, and reducing the risk of wildfire spreading into populated areas from wildlands, as follows:

- $30.9 million to Sierra Nevada Conservancy.
- $23.52 million to the California Tahoe Conservancy.
- $31.35 million to Santa Monica Mountains Conservancy.
- $30.9 million to State Coastal Conservancy.
- $30.9 million to San Gabriel & Lower Los Angeles Rivers & Mountains Conservancy.
- $23.52 million to San Diego River Conservancy.

- $10 million for purposes of funding training center infrastructure for a fire resiliency center for the Karuk Tribe.

Proposition 4: Emergency Regulations. In lieu of the regular rulemaking process pursuant to the Administrative Procedure Act, the budget includes language authorizing state agencies to adopt emergency regulations for the purpose of developing and adopting program guidelines and selection criteria for programs under Proposition 4.

Proposition 4: Implementation. The budget includes 79.5 new, permanent positions across 12 departments to implement the bond as follows:

Department	New Positions
California Natural Resources Agency	6
Governor's Office of Land Use & Climate Innovation	4
Governor's Office of Emergency Services	4
California Tahoe Conservancy	1
California Conservation Corps	1
California Energy Commission	11.5
Department of Conservation	13
Department of Fish & Wildlife	12
Wildlife Conservation Board	5
Department of Parks & Recreation	10
Department of Water Resources	3
Department of Food & Agriculture	9
Total Positions	**79.5**

Proposition 4: 2025-26 Spending Plan. The budget appropriates approximately $3.2 billion Proposition 4 in 2025-26. More specifically:

Proposition 4: Chapter 2. Safe Drinking Water, Drought, Flood, and Water Resilience. The budget appropriates a total of approximately $1.2 billion as follows:

- $183 million to SWRCB for Water Quality and Clean, Safe, Reliable Drinking Water.

- $11 million to SWRCB for Tribal Water Infrastructure.

- $30 million to DWR for Groundwater Storage, Banking, Recharge, and Instream Flow, which includes $3.5 million for grants to groundwater sustainability agencies that pump less than 10,000 acre-feet, and $6.5 million for the Underrepresented Communities, California Tribes, and Small Farmers Groundwater Technical Assistance Program within the Department of Water Resources.

- $32 million to DOC for the Multibenefit Land Repurposing Program for groundwater sustainability projects.

- $153 million to SWRCB for Water Recycling and Reuse.
- $74 million to California Water Commission for the Water Storage Investment Program.
- $200,000 to DWR for Brackish Water Desalination, Contaminant and Salt Removal, and Salinity Management Projects.
- $8 million to SWRCB and DWR to improve water data management as well as reactivate existing and deploy new stream gages.
- $2.65 million to DWR for Regional Conveyance and Repairs to Existing Conveyances, including addressing subsidence issues.
- $347,000 to DWR for increasing water conservation in agricultural and urban areas.
- $123.4 million to DWR for the Flood Control Subventions Program.
- $63 million to DWR for State Plan of Flood Control Projects.
- $231.5 million to DWR for the Dam Safety and Climate Resilience Local Assistance Program.
- $1.1 million to SWRCB for Multibenefit Urban Stormwater Management Projects.
- $469,000 to DWR for Integrated Regional Water Management.
- $600,000 to RMC for Climate Resilience or Protection of the Los Angeles River Watershed.
- $20.4 million to SMMC for Climate Resiliency or Protection of the Los Angeles River Watershed and Upper Los Angeles River and Tributaries.
- $1.1 million to DWR for the Riverine Stewardship Projects that Improve Climate Resiliency.
- $10 million to SCC for the Santa Ana River Conservancy.
- $1.25 million to DWR for the Urban Streams Restoration Program.
- $163,000 to CNRA for Wildlife Refuges and Wetland Habitat Areas.
- $3 million to WCB for the Lower American River Conservancy.
- $3 million to SCC for Coyote Valley Conservation Program.

- $46.5 million to SWRCB for the California-Mexico cross-border rivers and coastal waters in the Tijuana River Valley Watershed.

- $1.93 million to CNRA for the Clear Lake Watershed.

- $148 million to CNRA and DWR for the Salton Sea Management Program.

- $1.6 million to the newly created state entity, Salton Sea Conservancy.

- $20.5 million to WCB for Stream Flow Enhancement.

- $10.5 million to WCB for the Habitat Enhancement and Restoration Program.

- $15 million to CNRA for nature, climate education, and research facilities, including geologic heritage sites.

Proposition 4: Chapter 3. Wildfire and Forest Resilience. The budget appropriates a total of $400.54 million as follows:

- $13 million to Cal OES for the Wildfire Mitigation Grant Program.

- $10.1 million to DOC for the Regional Forest and Fire Capacity Program.

- $90 million for regional projects, as follows: $31.1 million CalFire; $45.1 million to SNC; and $15.2 million to SMMC.

- $82.2 million to CalFire for the Forest Health Program.

- $81.1 million to CalFire for local fire prevention grants, including the following:

    - $2 million for Local Conservation Corps.
    - $2.5 million for California Conservation Corps.
    - $1.5 million for the Future Fire Academy.
    - $4 million for the Forestry and Fire Recruitment Program.

- $2.5 million to CalFire for a fire training center.

- $33.4 million to Parks for forest health and watershed improvement projects.

- $30 million to CalFire for fuel reduction, structure hardening, defensible space, reforestation, or targeted acquisitions to improve forest health and fire resilience, of which $20 million is for counties in southern California.

- $14 million to CalFire for the Wildfire Conservancy to support wildfire resiliency projects and firefighter health and safety.

- $14 million to CalFire for the California Fire Foundation to support wildfire resiliency projects and firefighter health and safety.

- $10.6 million to DOC for long-term capital infrastructure to use forest and other vegetative waste removed for wildfire mitigation for noncombustible uses.

- $23.3 million to CalFire for wildfire ignition detection technology as follows:

  - $16.8 million for satellite technology.
  - $5 million for AlertCA camera network.
  - $1.2 million for a CalFire study of autonomous flight technologies.

- $10.1 million to the CCC for demonstration jobs projects.

Proposition 4: Chapter 4. Coastal Resilience. The budget appropriates a total of approximately $279 million as follows:

- $62.9 million to SCC for coastal resilience. Of this funding, $3 million shall be available for projects that support the restoration and enhancement of native oyster beds and $5 million for projects that support the conservation and restoration of native steelhead trout populations, including species translocations.

- $40.6 million to SCC for the San Francisco Bay Restoration Authority and San Francisco Bay Conservancy Program.

- $33.3 million to SCC for coastal and combined flood management projects and activities for developed shoreline areas.

- $22.7 million to Ocean Protection Counsil (OPC) for increasing ocean and coastal resilience to the impacts of climate change, including $12 million for grants to support restoration efforts to recover rocky reef and kelp forest habitats and their associated species, including, but not limited to, bull kelp, white abalone, and sunflower sea stars; and to advance related workforce development. Eligible purposes include, but are not limited to, the following: support for a statewide rocky reef and kelp forest restoration network; implementation of in-water restoration and infrastructure improvements, and development of a climate-ready workforce to advance species and habitat recovery. This appropriation also includes $3 million for grants to improve working waterfront infrastructure along the North Coast.

- $20.3 million to OPC for sea level rise mitigation and adaptation.

- $24 million to Parks to implement the Sea Level Rise Adaptation Strategy.

- $23.6 million to CDFW for parental salmon tagging ($11.8 million), climate-ready fisheries management ($11.1 million), and program delivery ($774,000). Funding shall be available for state operations or local assistance to protect and restore island ecosystems, advance climate-ready fisheries management, and support the restoration and management of kelp ecosystems.

- $12.2 million to OPC for the restoration and management of kelp ecosystems and the protection and restoration of island ecosystems. Of this funding, $7 million shall fund kelp and endangered species restoration and $5 million shall be granted to WCB for island restoration. This appropriation also includes $170,000 for OPC state operations.

- $34.6 million to SCC for dam removal and related water infrastructure. Of this funding, $5.5 million shall be available for fish passage barrier removal and habitat restoration for the Potter Valley Project and $20 million to facilitate the Matilija Dam removal.

- $5 million to CDFW for Central Valley Chinook Salmon hatcheries.

Proposition 4: Chapter 5. Extreme Heat Mitigation. The budget appropriates a total of $109.8 million from as follows:

- $23.1 million to the GO-LCI for the Extreme Heat and Community Resilience Program.

- $1 million to GO-LCI for Transformative Climate Communities Program.

- $46.8 million to CNRA for the Urban Greening Program.

- $500,000 to CalFire for urban forests.

- $764,000 to GO-LCI for community resilience centers.

- $37.6 million to CDFA for fairground upgrades.

Proposition 4: Chapter 6. Biodiversity and Nature-Based Solutions. The budget appropriates a total of $389.8 million as follows:

- $256 million to WCB for the protection and enhancement of fish and wildlife resources and habitats, and achievement of the state's biodiversity, public access, and conservation goals. Of this amount, funding is allocated for the following:
  - $16 million grant for the purchase of a conservation easement at San Julian Ranch. The grant agreement for San Julian Ranch shall include provisions for public recreational opportunities consistent with the rights of private property owners, and without having a significant adverse impact on agricultural operations and environmentally sensitive areas.
  - $6.3 million for Native Seed Banking.
  - $10.0 million to CDFW for migratory bird programs, as follows:
    - $1.67 million for the California Winter Wild Rice Habitat Incentive Program.

        - $333,000 for the Bid4Birds Program.
        - $8 million for the Bird Returns Program.
    - $21.5 million for grants for floodplain and habitat restoration projects in the counties of Kern, Kings, and Tulare.
    - $5 million for the Miles Creek and Bear Creek Infrastructure and Flood Plain Initiative.
    - $20 million to CDFW for purposes of protecting state waters from invasive mussels, including the Golden Mussel.

- $20.5 million to WCB to improve habitat connectivity and establish wildlife crossings and corridors.

- $20 million to WCB for the Southern Ballona Creek Watershed.

- Funding to state conservancies to reduce the risks of climate change impacts on communities, fish, wildlife, and natural resources. More specifically:
    - $12.9 million to Baldwin Hills Conservancy.
    - $5.4 million to California Tahoe Conservancy.
    - $2.3 million to Coachella Valley Mountains Conservancy.
    - $4.3 million to Sacramento-San Joaquin Delta Conservancy.
    - $8.1 million to San Diego River Conservancy.
    - $10.3 million to RMC.
    - $5.3 million to San Joaquin River Conservancy.
    - $25.4 million to SMMC.
    - $9.9 million to SNC.

- $9.4 million to CNRA for Tribal Nature-Based Solutions Program.

Proposition 4: Chapter 7. Climate Smart Agriculture. The budget appropriates a total of $152.9 million as follows:

- $35.9 million to CDFA for the Healthy Soils Program.

- $37.6 million to CDFA for the State Water Efficiency and Enhancement Program (SWEEP).

- $19.9 million to CDFA for the Invasive Species Account.

- $7 million to DOC for the protection, restoration, conservation, and enhancement of farm and rangelands.

- $9.6 million to CDFA for certified mobile farmers' markets.

- $9.6 million to CDFA for year-round certified farmers' markets.

- $18.8 million to CDFA for urban agriculture projects.

- $210,000 to CDFA for regional farm equipment sharing.

- $210,000 to CDFA for Tribal food sovereignty.

- $13.9 million to CDE for grants to postsecondary education institutions to develop research farms to improve combated resiliency. Funding is contingent upon passage of AB 1486 (Soria) from the 2025-26 legislative session.

- $230,000 to CSD for the Farmworkers Housing component of the Low-Income Weatherization Program.

Proposition 4: Chapter 8. Park Creation and Outdoor Access. The budget appropriates a total of approximately $466 million as follows:

- $190 million to Parks for the Statewide Park Revitalization Program.

- $108.5 million to Parks for the creation, protection, and expansion of outdoor recreation opportunities, including the following:

  - $20 million for the reduction of climate impacts on disadvantaged communities and vulnerable populations and the creation, protection, and expansion of outdoor recreation opportunities. Of this amount, $10 million is available for the restoration, rehabilitation, protection, and capital improvement of former airport lands to create parks and open space.
  - $30 million for purposes of the Hollister Ranch Public Access Plan. Of this amount $5 million is available immediately for a pilot program to inform the final Environmental Impact Statement.
  - $22 million for Sepulveda Basin Park cleanup.
  - $16.2 million for the Eaton Canyon Natural Area and Nature Center.
  - $5.5 million for the Charles White Park.
  - $5 million for the City of San Marcos Park improvements.
  - $5 million for the Hughes Fire Recovery at Castaic Lake.
  - $5 million for Rosemead Park improvements.
  - $4.3 million for the Grove Neighborhood Park project.
  - $2 million for the Don Fernando Pacheco Adobe rehabilitation.
  - $500,000 for Flat Top Park.

- $10 million to CDFW for the reduction of climate impacts on disadvantaged communities and expansion of outdoor recreation.

- $5 million to WCB for the enhancement of the natural resource value and expanded trail access. The amount appropriated shall be utilized for the 40-Acre Conservation League to acquire and protect critical desert habitat in the Mojave and Colorado Deserts.

- $50.7 million to SCC for enhancement of the natural resource value and expanded trail access, including:
    - $650,000 for the Great Redwood Trail Agency (GRTA) for completion of a master plan for the Great Redwood Trail Project (GRTP).
    - $41.4 million for GRTA for completion of GRTP.
    - $3 million for GRTA for environmental restoration in the Eel River Canyon.
    - $5 million for GRTA for preservation of tribal cultural resources along the Great Redwood Trail.

- $84.4 million to Parks for deferred maintenance.

- $17.4 million to CNRA for various nature education facilities, including:
    - $1 million for the Wolf Museum of Exploration and Innovation in Santa Barbara for an interactive water exhibit.
    - $10 million to the California Academy of Sciences for natural science collection digitization.
    - $1 million to the University of California at Davis Integrative Center for Alternative Mean and Protein (iCAMP).
    - $5 million for Discovery Cube.

Proposition 4: Chapter 9. Clean Air. The budget appropriates a total of approximately $274.9 million as follows:

- $225.7 million to CEC for offshore wind development.

- $46.1 million to CEC for the Distributed Electricity Backup Assets program.

0650 GOVERNOR'S OFFICE OF LAND USE & CLIMATE INNOVATION (GO-LCI)
3360 ENERGY RESOURCES CONSERVATION & DEVELOPMENT COMMISSION (CEC)
3640 WILDLIFE CONSERVATION BOARD (WCB)
3790 DEPARTMENT OF PARKS & RECREATION (PARKS)
3860 DEPARTMENT OF WATER RESOURCES (DWR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Climate-Energy Package Reversions. To address the budget deficit, this budget includes several cuts totaling $305 million ($273 million General Fund and $32 million Greenhouse Gas Reduction Fund (GGRF)) from the multi-year Climate-Energy Package, which was approved and adjusted in recent years. These reversions were not based on policy priorities but rather on which programs had available General Fund balances that could be reverted. The budget includes the following reversions:

Safe Drinking Water Drought, Flood, and Water Resilience.
- $51 million General Fund from SWRCB for water recycling.

- $47 million General Fund from DWR that was for dam safety.
- $15 million General Fund from DWR for systemwide flood risk reduction.

Wildfire and Forest Resilience.

- $68 million General Fund from Parks for stewardship of state-owned land.
- $13 million General Fund from Cal OES for home hardening.

Extreme Heat Mitigation.

- $15 million General Fund from GO-LCI for the Community Resilience and Heat Program.

Biodiversity and Nature-Based Climate Solutions.

- $32 million General Fund from WCB for watershed climate resilience.

Park Creation and Outdoor Access.

- $14 million General Fund from Parks for deferred maintenance.

Clean Energy.

- $50 million ($18 million General Fund and $32 million GGRF) from CEC for the Demand-Side Grid Support Program.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3600 CALIFORNIA DEPARTMENT OF FISH & WILDLIFE (CDFW)
3720 CALIFORNIA COASTAL COMMISSION
3760 STATE COASTAL CONSERVANCY
3790 DEPARTMENT OF PARKS & RECREATION (PARKS)
3860 DEPARTMENT OF WATER RESOURCES (DWR)

Legislative and Administrative Priorities. The budget includes the following General Fund appropriations for local projects:

- $1.5 million to CNRA for the City of Healdsburg for the Healdsburg Villa Community Center Modernization project.
- $50,000 to CNRA for the County of Humboldt for the McKinleyville City Incorporation exploration feasibility study.
- $500,000 to CNRA for the County of Sonoma for Americans with Disabilities Act (ADA) improvements and rehabilitation of the County Veterans Building in Cloverdale.
- $1 million to CNRA for the City of La Puente for the completion of an animal shelter expansion and service K9 training center.
- $1 million to CNRA for the City of San Pablo for the McNeil Park Project.
- $500,000 to CNRA for the City of Sacramento for infrastructure projects within City Council District 1.
- $1.175 million to CNRA for the City of Mission Viejo for the Mission Viejo Oso Creek Trail Improvement project.
- $3.59 million to CNRA for the City of Oceanside to support the expansion of the Oceanside Museum of Art.
- $265,000 to CNRA for the City of San Juan for support of the La Novia urban garden project.

- $300,000 to CNRA for the City of Solana Beach for the Coastal Rail Trail extension.
- $2 million to CNRA for the City of San Jose to support the planning and construction of the School of Arts and Culture at the Mexican Heritage Plaza.
- $1 million to CNRA for the City of Avalon for pier repairs.
- $1 million to CNRA for the Bixby Knows Community Foundation to support the Clean and Safe program and assist small business and non-profit engagement.
- $1.39 million to CNRA for the City of San Diego for public improvements to the Lake Hodges Dam, the Hodges Reservoir, the El Capitan Dam, and the El Capitan Reservoir.
- $615,000 to CNRA for the San Diego Mountain Biking Association for building and maintaining public trails for mountain biking.
- $50,000 to CNRA for the City and County of San Francisco for ADA restroom improvement at the Charity Cultural Services Center.
- $750,000 to CNRA for the University of Southern California for ONE Archives and for distribution to other non-profit entities for the purposes of archiving LGBTQ+ historical materials.
- $1 million to CNRA for the City of Newark for support of the improvement plan for Ash Street Park facilities.
- $2 million to CNRA for the City of Los Angeles Department of Parks and Recreation to rebuild and rehabilitate library and other recreation facilities affected by the Palisades Fire.
- $2 million to CNRA for the California Community Foundation for collaboration with the CONSORTIUM (Community-Oriented Network for Scientific Observation, Recovery, and Tracking of Impacts of Urban Megafires) on a pilot project to remediate homes with the highest levels of lead contamination in the Eaton burn area.
- $5 million to CNRA for the City and County of San Francisco to support the preservation and revitalization of a historic LGBTQ+ venue that will advance economic development in the Castro neighborhood.
- $5 million to CNRA for contracting costs associated with evaluating wildfire risk.
- $1.5 million to CNRA for support costs to administer the funding of grants.
- $1.5 million to CDFW for Eel River Fisheries management, science, and monitoring.
- $2 million to Californian Coastal Commission for the Petaluma River Foundation.
- $6 million to the State Coastal Conservancy for the Great Redwood Trail Agency for general operations, trail and restoration planning, design, construction, and implementation.
- $200,000 to Parks for the City and County of San Francisco’s Sunset Dunes striping and signage.
- $6 million to Parks for the restoration of Will Rogers and Topanga Canyon State Parks.
- $1.5 million to DWR for the City of Sanger sewage line improvements.
- $2.5 million to DWR for the County of Los Angeles Waterworks District 29 System resiliency improvements.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

Holocaust Memorial. The budget includes language authorizing CNRA, a nonprofit organization, Department of General Services, and Exposition Park to plan, construct, and maintain a memorial to the victims and survivors of the Holocaust at Exposition Park.

Museum of Tolerance. The budget includes $10 million General Fund in 2025-26 through CNRA to support a variety of improvements at the Museum of Tolerance. Of this amount, $6.3 million will be used to extend the themes from the new antisemitism exhibit to the rest of the museum, including installing interactive and immersive learning features. The project is expected to be completed in June 2027. The proposal also includes $2 million to make improvements to the museum's entryway, lobby, and memorial plaza. Those improvements are expected to be completed in January 2026. Both components would be funded solely by this proposal. The remaining funds from this proposal will cover project overhead ($1.2 million) and CNRA administrative costs ($500,000).

California Natural Resources Agency Proposition 68 Statewide Bond Costs. The budget appropriates $346,000 Proposition 68 general obligation bond and two positions, in addition to funding for consulting services, to make system improvements needed to track statewide bond requirements and deliver the necessary outcomes and mapping reporting related to bond expenditures per bond accountability requirements.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3480 DEPARTMENT OF CONSERVATION (DOC)
3600 CALIFORNIA DEPARTMENT OF FISH & WILDLIFE (CDFW)
3860 DEPARTMENT OF WATER RESOURCES (DWR)

Gregory Bateson Building Rent Increase. The budget appropriates $3.28 million in 2025-26, $3.39 million in 2026-27, and $3.78 million annually beginning in 2027-28 across various fund sources to support increased rental costs at the newly renovated Gregory Bateson Building. In 2021, CNRA and eleven of its entities consolidated space from multiple locations throughout the Sacramento area to two locations in conjunction with CNRA's downtown campus development. This includes the new Resources Building at 715 P Street, as well as a renovated Gregory Bateson Building at 1600 9th Street. In total, the move includes the relocation of approximately 600 staff.

CNRA VARIOUS DEPARTMENTS

CNRA Bond and Technical Adjustments. The budget includes various bond and technical adjustments such as reappropriations and extensions of liquidation.

3110 SPECIAL RESOURCES PROGRAM: TAHOE REGIONAL PLANNING AGENCY (TRPA)

Tahoe Regional Planning Agency Salary Adjustments. The budget appropriates $230,000 Environmental License Plate Fund (ELPF) in 2025-26 and $130,000 ELPF ongoing to support the state's share of TRPA staff salary adjustments to be aligned with state employee pay.

3125 CALIFORNIA TAHOE CONSERVANCY

Conceptual Feasibility Planning. The budget appropriates $300,000 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for initial conceptual feasibility planning for development of potential capital outlay projects over its ownership of approximately 4,700 parcels. Conceptual feasibility planning is intended to focus on

Conservancy ownerships in key watersheds, several potential lakefront access points, and other sites requiring restoration and improvements for future watershed habitat and recreation. The Conservancy intends to use the funding to hire outside contractors and for existing Conservancy staff to carry out the planning work. The current schedule estimates study activities will be carried out between July 1, 2025, and June 30, 2026.

Opportunity Acquisitions. The budget appropriates $5.98 million from various funds for the acquisition of lands in environmentally sensitive or significant resource areas. In addition, this item includes reversion of $1.3 million Proposition 68 local assistance funding from the 2019 Budget Act. Conservancy staff and partner agencies have identified up to 13 properties (commercial development, and residential lots on environmentally sensitive land) for acquisition in the City of South Lake Tahoe, El Dorado County, and Placer County.

Upper Truckee River Sunset Stables Reach 6 Restoration Project. The budget includes $250,000 in authority ($150,000 in Federal Trust Fund authority and $100,000 in Habitat Conservation Fund (HCF)) to develop preliminary plans for the multiple-benefit Upper Truckee River Sunset Stables Reach 6 Restoration Project (Project). The Conservancy estimates total project costs at $2.9 million.

Department of General Services (DGS) Updated Pro Rata Structure. The budget appropriates $400,000 California Environmental License Plate Fund (ELPF) one-time and adds budget bill language (BBL) to specify this funding is for project management, construction management, inspection, and overhead costs associated with bond and grant funded project activities by DGS.

Lake Tahoe Blvd Demolition and Site Stabilization. The budget includes a supplemental appropriation of $591,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 68) to cover increased costs reflected in an updated working drawings estimate of the Lake Tahoe Blvd Demolition and Site Stabilization Project. Total project costs are now estimated at $3.45 million. In 2024-25, the Conservancy received authorization to use $2.86 million ($2 million Proposition 68, $756,000 Tahoe Conservancy Fund, and $100,000 Habitat Conservation Fund) for the project.

Minor Capital Outlay. The budget includes an appropriation of $479,000 Proposition 68 and $271,000 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund (Proposition 50) for various minor capital outlay projects on Conservancy land. These projects involve demolishing existing structures, stabilizing and improving previously acquired property, installing public safety features, and completing upgrades on developed facilities.

Opportunity Acquisitions. The budget appropriates $5.6 million for the acquisition of lands in environmentally sensitive or significant resource areas. The funding is comprised of: (1) $1.3 million Proposition 68, (2) $4.3 million of reimbursement authority to ELPF, and (3) reversion of $1.3 million Proposition 68 local assistance from the 2019 Budget Act. This funding is intended to go towards the acquisition of environmentally sensitive or resource significant property to promote biodiversity, protect critical habitats, and promote climate resilience, and provide equitable access.

Upper Truckee Marsh South Project. The budget appropriates $500,000 Proposition 68 to study restoration and recreation needs and complete environmental review for the Upper Truckee Marsh South Project.

Van Sickle Bi-State Park Safety and Equitable Access Improvements. The budget appropriates $200,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84) for the Van Sickle Bi-State Park Safety and Equitable Access Improvements Project (Project). The Project is a coordinated effort with the State of Nevada to ensure public safety and accessibility, improve visitor experience, enhance water quality, protect the environment, and allow for year-round operations. The Project includes a paved Americans with Disabilities Act (ADA) compliant multi-use trail connecting the Park entrance, California and Nevada day-use areas, and new state line monument and plaza. In addition, the Project includes stormwater and snow storage improvements at the California day-use area to allow year-round Van Sickle Bi-State Park operations and water quality protection. Funding will be used to complete the Preliminary Planning phase of the Project.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

Greenwood Residential Center (Construction): Reappropriation. The budget reappropriates $6.4 million for the construction phase of the Greenwood: New Residential Center project.

Auberry, New Residential Center: Demolition. The budget includes an appropriation of $4.08 million Collins-Dugan California Corps Reimbursement Account one-time for the preliminary plans, working drawings, and construction phase of the Auberry, New Residential Center: Demolition project. The demolition of these deteriorating and unusable buildings is necessary to allow for the construction of a new residential center at this site, and to reduce the risk of vandalism and unlawful entry of the existing buildings.

Los Piños Airport Fire Facility Repairs. The budget includes an appropriation of $3.5 million Collins-Dugan California Corps Reimbursement Account one-time to repair dormitory 7 that was damaged by the Airport Fire at the existing Los Piños Center located in Orange County. Funds will be made available for encumbrance or expenditure until June 30, 2028.

3480 DEPARTMENT OF CONSERVATION (DOC)

Division of Mine Reclamation SMARA-4. The budget includes one permanent position and an appropriation increase of $866,000 Surface Mining and Reclamation Account (SMARA) to contract a Software-as-a-Service (SaaS) solution vendor to implement and configure an integrated case management system with external facing portals for stakeholder document submission and communications to replace four aging and unsupportable software systems.

Oil and Gas Environmental Remediation Account. The budget includes an annual ongoing appropriation of $1 million Oil and Gas Environmental Remediation (OGER) Account, an increase of $950,000 to the existing $50,000 annual appropriation, to remediate wells that pose a danger to life, health, water quality, wildlife or natural resources. Additionally, budget bill language that would authorize the Department of Finance to augment the appropriation if it concurs with a finding by the DOC and CalGEM that expenditures above that amount are necessary to prevent or respond to a danger to life, health, water quality, wildlife, or natural resources. The language includes notice to the Joint Legislative Budget Committee 10 days prior to authorization of any augmentations.

3480 DEPARTMENT OF CONSERVATION (DOC)
3540 DEPARTMENT OF FORESTRY & FIRE PROTECTION (CALFIRE)
3600 CALIFORNIA DEPARTMENT OF FISH & WILDLIFE (CDFW)
3720 CA CALIFORNIA COASTAL COMMISSION
3790 DEPARTMENT OF PARKS & RECREATION (PARKS)

Natural Resources Chaptered Legislation Proposals. The budget includes funding from the General Fund and various special funds as well as positions to implement statutory requirements associated with legislation chaptered in 2024. Please see the figure below for requested resources by department.

2025-26 Governor's Budget
Natural Resources Agency Chaptered Legislation Proposals
Dollars in Thousands

BU	Department	Issue Title (Chapter/Bill)	Fund Source	2025-26	2026-27	2027-28	2028-29	Total Ongoing Positions
3480	Department of Conservation	Idle Oil and Gas Wells (Chapter 548, AB 1866)	3046	$4,766	$4,491	$4,491	$4,491	20.0
3480	Department of Conservation	Low-production Oil and Gas Wells (Chapter 549, AB 2716)	3046	$2,018	$1,896	$1,896	$1,896	9.0
3540	Department of Forestry and Fire Protection	Fire Prevention: Prescribed Fire: State Contracts: Maps (Chapter 778, SB 1101)	3228	$511	$566	$549	$549	2.0
3540	Department of Forestry and Fire Protection	State Fire Marshal: Fire Safety: Regulations: Lithium-based Battery Systems: Telecommunications Infrastructure (Chapter 781, SB 1152)	3144	$148	$288	$0	$0	2.0
3540	Department of Forestry and Fire Protection	Emergency Management Assistance Compact: California Wildfire Mitigation Financial Assistance Program (Chapter 402, AB 2469)	0001	$529	$809	$809	$809	0.0
3600	Department of Fish and Wildlife	Cannabis Cultivation: Environmental Remediation (Chapter 839, AB 2643)	3351	$0	$0	$0	$0	7.0
3720	California Coastal Commission	Local Coastal Program Guidance for Accessory Dwelling Units (Chapter 454, SB 1077)	0001	$106	$0	$0	$0	0
3720	California Coastal Commission	Local Coastal Program Updates for Housing (Chapter 282, AB 3093)	0001	$565	$1,202	$1,838	$1,838	8.0
3790	Department of Parks and Recreation	Firearms: Destruction (Chapter 547, SB 1019)	0001	$420	$398	$398	$398	2.0

Source: Department of Finance

The funding requested by the departments to implement the bills included in this proposal were cited during the 2024 legislative process, including in the Senate and Assembly Appropriations Committees prior to their enrollment. The Department of Finance has evaluated these requests and concurs with the level of resources requested to implement new statutory requirements.

3540 DEPARTMENT OF FORESTRY & FIRE PROTECTION (CalFire)

Forester Registration Program Fee Increases. The budget includes language to increase the statutory limits of the Office of Professional Foresters Registration fee schedule, as specified.

Firefighter Transition from Seasonal to Permanent Positions. The budget includes language to require the Department of Forestry and Fire Protection to begin to employ sufficient permanent firefighting personnel to increase the base period hand crew staffing levels. The language specifies that the department maintains the ability to hire seasonal, temporary firefighters as needed to allow for surge hiring capacity to address emergency fire conditions or other personnel shortages.

Capital Outlay Projects. The budget includes funding for multiple capital outlay projects, as follows:

Alma Helitack Base (HB): Relocate Facility. The budget appropriates $2.69 million General Fund for the preliminary plans phase of the Alma HB: Relocate Facility project, located in Santa Clara County. This is a continuing project. Total estimated project costs are $67.98 million.

Boggs Mountain Helitack Base (HB): Relocate Facility. The budget appropriates $1.61 million General Fund for the preliminary plans phase of the Boggs Mountain HB: Relocate Facility project in Lake County. The project includes site acquisition, design, and construction of a new Boggs HB including a helicopter hangar, support vehicle garage, barracks building, generator/pump/storage building, wash rack canopy, hazmat/retardant storage, an operation building, and helicopter-training tower. Additionally, the scope of work will include site work and utilities as needed. This is a continuing project. Total project costs are estimated at $79.77 million and is expected to be completed in April 2029.

Butte Fire Center: Replace Facility. The budget appropriates $95.33 million public buildings construction fund for the construction phase of the Butte Fire Center: Replace Facility project, located in Butte County. This is a continuing project. Total estimated project costs are $100.73 million and is expected to be completed in February 2028.

Higgins Corner Fire Station (FS): Replace Facility. The budget appropriates $9.55 million General Fund for the construction phase of the Higgins Corner FS: Replace Facility project, located in Colusa County. This is a continuing project. The total estimated project costs are $12 million and estimated to be completed in February 2028.

Kneeland Helitack Base (HB): Replace Facility. The budget includes a supplemental appropriation of $485,000 for the preliminary plans phase of Kneeland HB: Replace Facility project, located in Humboldt County. The project includes acquisition of a new parcel and construction of a helicopter landing pads, helicopter hangar, support vehicle garage, barracks building, generator/pump/storage building, wash rack canopy, hazmat/retardant storage, and helicopter training tower. The project site requires significant amount of off-site work that was not included in the original estimate. This is a continuing project. Total estimated project costs are $35.4 million and expected to be completed in September 2029.

Macdoel Fire Station (FS): Relocate Facility. The budget appropriates $10.8 million General Fund for the construction phase of the Macdoel Fire Station: Relocate Facility project, located in Siskiyou County. The project includes the construction of a single- building, fire station, a generator/pump/storage building with generator, a storage building, an administration building, a field office for the California Highway Patrol, and all site improvements and appurtenances required for the project. This is a continuing project. Total estimated project costs are $12.5 million and is expected to be completed in April 2027.

Prado Helitack Base (HB): Replace Facility. The budget includes a supplemental appropriation of $17.42 million Public Buildings Construction Fund for the construction phase of the Prado Helitack Base: Replace Facility project located in San Bernardino County. This is a continuing project. The project includes a helicopter hangar, a warehouse/shop building, a support vehicle garage, a barracks building, a generator/pump/storage building, a wash rack canopy, hazmat/retardant storage, and a helicopter training tower. The scope of work includes necessary grading and drainage, above-ground fuel storage and dispensing facilities, a water tank and fire suppression pump system, asphalt paving, sidewalks, curbs, a wash rack, landscaping, lighting, solar power, fencing, water, electrical power (including a generator), liquefied petroleum gas/natural gas, telephone cabling/installation, radio cabling/installation, and associated appurtenances. This is a continuing project. Total estimated project costs are $43.55 million and is expected to be completed in February 2027.

Baker Forest Fire Station: Replace Facility. The budget includes a supplemental appropriation of $8.83 million Public Building Construction Fund for the construction phase of the Baker Forest Fire Station: Replace Facility project, located in Tehama County. This is a continuing project. The total estimated project costs are $19.76 million. Additional funding is requested as the original construction appropriation was approved in 2019 and has not been updated to reflect increasing costs.

Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities. The budget includes a supplemental appropriation of $3.56 million General Fund for the preliminary plans phase of the Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities project, located in San Benito County. Total estimated project cost is $204.45 million. This supplemental appropriation is for the relocation of the flame retardant pits and helipad as there is insufficient room to accommodate the larger modern aircraft as intended in the original proposal.

Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility. The budget includes a supplemental appropriation of $2.23 million General Fund for the working drawings phase of the Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility project, located in Shasta County. This is a continuing project. This supplemental appropriation is intended to address an increase in the facility size by more than 50 percent from the previous estimate. The increase is due to a combination of acquiring a larger than anticipated site for the project and a near doubling of staffing at the Shasta Trinity Unit Headquarters/Northern Operations facility since the project was first proposed.

Statewide: Construct Communication Facilities, Phase III. The budget includes a supplemental appropriation of $307,000 General Fund for the construction phase of the Statewide: Construct Communication Facilities, Phase III project, located in various counties. This is a continuing project. The total estimated project costs are $21.01 million. The supplemental appropriation is intended to pay the last outstanding invoices for the project and to complete architectural certification for the remaining towers.

Columbia Air Attack/Helitack Base: Replace Facility. The budget increases Item 3540-301-0001 by $200,000 one-time in fiscal year 2025-26 in study phase of the Columbia Air Attack/Helitack Base project. The study phase of the project will address the major construction challenges, adequate clearances, and the airport's future taxiway expansion.

Kneeland Helitack Base: Relocate Facility. The budget includes $1.2 million one-time for the acquisition phase of the project. The Kneeland Helitack Base is expected to receive a repurposed Firehawk Helicopter in the Spring of this year, but the current Helitack base is not suitable to store and maintain the helicopter.

Rincon Fire Station: Replace Facility. The budget includes $5.04 million one-time in the construction phase of the project. Additional project funding is requested to avoid implementing several deductive alternates including removing the vehicle wash building and eliminating all site fencing.

Penon Blanco & Deadwood Peak Lookout: Repair Facilities. The budget includes $587,000 one-time for the preliminary plans phase of the project. The scope of the project includes repairing structural elements of the towers to provide safe functioning operational platform for use in support of communications and early fire detection.

Various Capital Outlay Reappropriations and Reversions. The budget includes 35 reappropriations and 27 reversions to align existing appropriations with current capital outlay project schedules. The projects experienced unanticipated delays and have been identified for reappropriation if the schedule indicates funding is needed in 2025-26 or reversion if the schedule indicates funding is not needed until 2026-27 or later. It is anticipated that any reversions will result in future proposals to re-establish funding when the project has reached the appropriate milestone.

The reversions total $120.33 million ($84.68 million General Fund and $35.66 million Public Buildings Construction Fund), including $31.52 million General Fund for acquisition of property for a new training center. CalFire is exploring more cost-effective alternatives that will meet the same training capacity goals as the additional training center project through a combination of expanding and upgrading existing training facilities and utilizing newly identified long-term lease opportunities to minimize delays in training output. These options will provide sufficient training capacity increases to meet the demands associated with increases in staffing in recent years, including the transition to a 66-hour work week.

Forester Registration Program Fee Increase. The budget includes language to increase the statutory limits of the Office of Professional Foresters Registration's (Office) fee schedule, as follows:

- From $200 to $600 for application fees for registration.
- From $250 to $750 for certificate of specialization fees and registration renewal fees.
- From $25 to $75 for duplicate displays of registration and certificates of specialization.
- From $25 to $75 for penalty of failing to renew registration.
- From $50 to $150 for reinstatement of registration or certification.

These fees have not been revised for over 30 years. CalFire intends for the increases to provide a long-term solution for the Professional Forester Registration Fund while the Board of Forestry and Fire Protection and the Administration continue to address, through license outreach and fee increases, the decline in revenue, which has led to the structural imbalance of the Professional Forester Registration Fund. The increase to the fee range in statute comes in preparation for a wave of retirements among current registered professional foresters.

Exclusive Use Aircraft Contract Increase. The budget amends the amount included within existing provisional language in Item 3540-006-0001, which waives specified state contracting requirements to enable CalFire to contract for Exclusive Use aircraft to address emergency fire conditions and support fire suppression operations. The threshold of $27.5 million, which was originally approved in the 2021 Budget Act, will be increased to $65 million based on a historical average methodology. The increase will be for 2025-26 and 2026-27 only.

Home Hardening. The budget appropriates a total of $12.5 million General Fund for purposes of home hardening, as follows:

Program	Cost
Home Hardening Certification Program	$3 million
Wildfire County Coordinator Program	$9.5 million
Total	$12.5 million

Statewide Certification Program. The budget requires the State Fire Marshal, using the existing Wildfire Mitigation Advisory Committee, to develop a home hardening certification program that identifies home hardening measures, including defensible space that can be implemented during property improvement projects to substantially reduce the risk of loss during a fire and bring existing housing stock into alignment with state building standards.

Home hardening includes vegetation management compliance and building materials used to resist the intrusion of flames or embers projected by a wildland fire. Such measures may be applied to new construction or when retrofitting an older home. California Building Standards Code Chapter 7A, developed with the State Fire Marshal, provides for ignition resistant construction standards, such as fire-resistant siding, tempered glass, and ignition-resistant roofs, in the wildland urban interface.

Wildfire County Coordinator Program. The budget builds out local capacity for scaling up home hardening, defensible space, education, and community mitigation actions alongside local Fire Safe Councils, the Office of the State Fire Marshal, and the California Wildfire and Forest Resilience Task Force by funding a wildfire county coordinator to increase fire resilience in the built environment.

Similar to the California Earthquake Authority, the Wildfire County Coordinator program establishes a streamlined program that can coordinate the implementation of the statewide plans, programs and incentives needed to significantly increase the number of homes that are fire hardened in California, particularly in high fire risk areas.

The Office of the State Fire Marshal administers the program and coordinates with County Fire Departments and local Fire Safe Councils. The program supports outreach and engagement, working with CalFire to train defensible space/home hardening inspectors. In addition, it will streamline and expedite the administrative delivery of the program to harden homes on a neighborhood scale.

Fireline Pay for Incarcerated Firefighters. The budget assumes increasing the hourly wage rate for incarcerated hand crew members while assigned to an active fire incident, upon enactment of future legislation; costs related to this increase will be paid from the annual emergency fund appropriation within CalFire's budget (Item 3540-006-0001). The initial estimate of the cost resulting from an increase in the hourly wage rate to $7.25 is in the range of $10-12 million, but the actual cost will vary from year to year based on the level of fire activity, which drives the number of hours worked on active fire incidents by incarcerated hand crew members.

Transition 3,000 Firefighter Positions from Seasonal to Permanent. The budget appropriates $39 million General Fund in 2025-26 and states the intent of the Legislature to appropriate $78 million General Fund ongoing to transition seasonal firefighter positions to permanent positions.

Firefighter Transition Technical Cleanup. The budget includes language, which is technical cleanup to provisions requiring CalFire, subject to an appropriation of funds, to begin to employ sufficient permanent firefighting personnel to increase the base period staffing levels, without limitation to hand crew staffing levels.

3560 STATE LANDS COMMISSION (SLC)

Bolsa Chica Lowlands Restoration Project. The budget includes $4.08 million in 2025-26, $4.05 million in 2026-27 and $4.35 million in 2027-28 from the General Fund for continued operations and management responsibilities for the Bolsa Chica Lowlands Restoration Project (BCLRP) in Orange County.

This action also includes $330,000 in 2025-26 to hire a consultant to initiate a feasibility study for the implementation of Sea Level Rise (SLR) adaptations to protect the habitat, wildlife, oil operations and surrounding neighborhood from flooding, and associated liability to the state. Bolsa Chica sits below mean sea level due to oil drilling subsidence and will be impacted by SLR earlier than other coastal areas.

This item includes maintenance and operations, such as annual dredging, support contracts, and deferred repairs. The cost of annual dredging required to sustain the wetland habitat has increased significantly in the last three years, contributing to the overall increase in maintenance and operational costs.

Rincon Decommissioning Project Implementation. The budget includes $12.5 million General Fund in 2025-26, with an extended encumbrance period through June 30, 2028, to implement the Rincon Decommissioning Project (Project). The Project addresses the decommissioning of Rincon Island, the associated Onshore Facility and the related onshore pipeline connections, all of which supported oil and gas production from state leases offshore. The work proposed includes remediation of soil and groundwater contamination at the Onshore Facility, and soil and interstitial water contamination at the Island. Additionally, these funds are needed to address the state's liability for remediation of the adjacent Coast Ranch Parcel, recently donated to the state through a settlement, and to cover project cost contingencies and staff costs for project implementation.

An appropriation of $12.5 million is intended to resolve the funding gap between total estimated project costs of $22.5 million, and the remaining available balance in SLC's Special Deposit Fund (estimated to be $10 million at the time Phase 3 will commence).

Completion of Phase 3 decommissioning activities is intended to protect public health and safety by remediating contaminated state lands and removing hazards from state lands. The decommissioning activities proposed will also make these sites available for future leasing opportunities, including habitat preservation and conservation, consistent with the state's 30x30 Initiative.

Caretaker costs are estimated at $476,000 per year but have been under budget each year to date. Caretaker costs will continue to be expended until decommissioning is complete.

Approximately $10 million will be available in the Special Deposit Fund for decommissioning work after accounting for anticipated caretaker costs. No other funding is currently available to support clean-up and decommissioning costs.

Selby Slag Remediation Reappropriation. The budget includes a reappropriation of $1.63 million General Fund and $2.65 million in reimbursement authority, with an extended encumbrance period through June 30, 2027, to accept cost-sharing contributions for the preliminary plans phase of the Remedial Action Plan (RAP) at Selby Slag. This funding was originally authorized for 2022-23 and was reappropriated in 2023-24.

This project represents the implementation of the RAP. The Department of General Services (DGS) will act as the Project and Construction Manager on SLC's behalf, pursuant to the DGS Project Management Plan. Total project costs are currently estimated at $144.48 million. The current project schedule estimates the certification of the environmental impact report by DTSC by the end of 2025, with the Preliminary Plans beginning by March 2026, and being completed by August 2027.

South Ellwood Project — Platform Holly Plug & Abatement Reappropriation. The budget includes Item 3560-490 to extend the period to liquidate encumbrances of $1.06 million remaining in Item 3560-001-0001, Budget Act of 2022, until June 30, 2027, to develop an Environmental Impact Report (EIR) for the decommissioning of the Platform Holly oil platform, offshore of Santa Barbara County. Due to difficulties with plugging wells in an active natural seep field, full plug and abandonment took longer than expected and was completed in October 2024. Accordingly, work on the EIR started later than originally expected and current encumbered funds vital for that work will expire June 30, 2025. Development of the EIR is necessary for ExxonMobil to undertake its contractual obligation to decommission the oil platform.

3600 CALIFORNIA DEPARTMENT OF FISH & WILDLIFE (CDFW)

Various Technical Adjustments. The budget includes an adjustment to a Fish and Game Preservation Fund (FGPF) dedicated account, Federal Trust Fund authority, and Special Deposit Fund authority resulting in an increase of $15.2 million in fiscal year 2025-26 and $15.3 million in 2026- 27 and ongoing. Additionally, it includes an extension of the liquidation period to continue work on the Yuba River Watershed. This is intended to establish adequate authority for CDFW to receive and expend mitigation agreement and federal grant funds vital to the department's operation. The reduction to the FGPF dedicated account will align the account's expenditure authority with revenues and help CDFW maintain stability, structural balance, and workload for the fund.

Protecting Against Invasive Mussels. The budget includes TBL appropriating $20 million from Proposition 4 to address invasive mussel infestations, including the Golden Mussel, and expands the Quagga and Zebra Mussel sticker fee to "invasive mussels." Among other things, this trailer bill:

- Expands the scope of the provisions related to "dreissenid" mussels to "invasive" mussels, such as requiring the California Department of Fish and Wildlife (CDFW) to implement measures to avoid infestation by invasive mussels and to control or eradicate any infestation that may occur in a water supply system.

- Defines "invasive mussels" as any nonnative detrimental mussel species, as specified.

- Renames the quagga and zebra mussel infestation prevention fee as the invasive mussel infestation prevention fee. The trailer bill increases the fee, as specified, and requires the fee to be adjusted for inflation. The trailer bill requires the department to collect, from resident and nonresident vessel owners, an invasive mussel infestation prevention fee.

3720 CALIFORNIA COASTAL COMMISSION

Amendment to Budget Bill Item 3720-001-0890, Support. The budget increases Item 3720-001-0890 by $470,000 one-time to reflect various federal grants awarded to the California Coastal Commission from the National Oceanic and Atmospheric Administration that will be implemented in 2025-26.

3720 CALIFORNIA COASTAL COMMISSION
0650 GOVERNOR'S OFFICE OF LAND USE & CLIMATE INNOVATION (GO-LCI)

2028 Los Angeles Olympic Games and Paralympic Games: Coastal Act Exemption (TBL). The budget includes TBL that exempts all temporary development undertaken for the 2028 Olympic Games and Paralympic Games from the requirement under the California Coastal Act to obtain a coastal development permit, as specified. This bill provides that the exemption shall apply until the temporary development is removed, but in no case later than December 31, 2028.

2028 Los Angeles Olympic Games and Paralympic Games: California Environmental Quality Act (CEQA) Exemption (TBL). The budget includes TBL exempting from CEQA activities or approvals necessary to the bidding for, hosting or staging of, and funding of the upcoming 2028 Olympic and Paralympic Games; and exempts the construction of temporary facilities for the Games.

3760 STATE COASTAL CONSERVANCY (SCC)

Coastal Resource Enhancement and Public Access Projects. The budget includes an appropriation of $10.73 million Violation Remediation Account, a subaccount of the SCC Fund (Fund 0565), and $12 million in reimbursements from Fund 0565 to fund coastal resource enhancement and public access projects statewide. Funds are available for encumbrance or expenditure through June 30, 2027, given the multi-year nature of projects.

3780 NATIVE AMERICAN HERITAGE COMMISSION (NAHC)

Department of Justice (DOJ) Litigation Costs. The Governor's budget originally included one-time $430,000 General Fund in 2025-26 to cover DOJ litigation costs. The NAHC was involved in litigation initiated by the City of Corona regarding the NAHC's designation of a Native American cemetery on the site of construction of a wastewater reclamation facility after the discovery of Native American human remains.

Amendment to Budget Bill Item 3780-001-0001, Support. However, the final budget removed the $430,000 due to conclusion of the case.

3790 DEPARTMENT OF PARKS & RECREATION (PARKS)

State Parks Roads and Bridges Program. The budget includes language to require the Governor's annual Budget Bill to increase the cap on the amount of funding appropriated by the Legislature from the Highway Users Tax Account, Transportation Tax Fund to the State Parks and Recreation Fund from $3.4 million to $12 million.

Border Field State Park (SP): Monument Mesa Day Use and Interpretive Area. The budget includes $1 million in spending authority in 2025-26 for the working drawings phase of the Border Field SP: Monument Mesa Day Use and Interpretive Area project. This project will update the outdoor educational plaza at Monument Mesa with areas for mixed-use group events as well as provide interpretive elements and exhibits. This project will also improve walkways and landscaping. This project is intended to enhance the visitor experience by providing landscape and hardscape upgrades to Monument Mesa and installing integrated interpretive elements and exhibits that will discuss and highlight the border story, as well as commemorate the importance of Friendship Park. Total project costs are estimated at $5 million and the project is expected to be competed in December 2028.

California Indian Heritage Center (CIHC): Design and Construction. The budget appropriates $9 million in 2025-26 for the CIHC project in Yolo County. This action includes $3 million General Fund for initial designs in the working drawing phase, $3 million in reimbursement authority to the State Parks and Recreation Fund (SPRF) for subsequent drawings, and $3 million General Fund for the construction of immediate public use improvements to advance the first phase of the park buildout. This action includes budget bill language to make the working drawings funds available for encumbrance for two years rather than one.

California State Parks Library Pass Program. The budget includes a one-time transfer of $6.75 million General Fund to the SPRF for the Library Pass program in 2025-26. This is intended to provide 33,000 State Library Parks Passes to more than 1,100 library branch locations throughout the state.

Candlestick Point SRA: Phase 01 Initial Build-Out of Park. The budget appropriates $2 million from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Fund (Proposition 68) in 2025-26 for the working drawings phase of the Candlestick Point State Recreation Area (CPSRA): Initial Build-Out of Park project in San Francisco County. This continuing project is intended to allow for the design and construction of the initial build-out of the park unit to provide core improvements, public access, and recreation enhancements.

Provisional language makes these program funds available for encumbrance for two years, rather than one year. This project location is a place of natural resource sensitivity. This results in longer than average time requirements for design, permitting, environmental compliance, and construction.

As a portion of the funding needed to complete this project is tied to future land transfers associated with the ongoing redevelopment of the adjacent communities, working drawings and construction have been split into two phases. This item will fund Phase 01 working drawings. Parks will not request funding for Phase 02 working drawings until sufficient funding has been received to complete the project.

Total project costs, including Phase 01 ($20 million) and Phase 02 ($30 million), are $50 million ($10 million Proposition 68, $10 million Natural Resources and Parks Preservation Fund, and $30 million from future land transfers to the State Park Contingent Fund) for the initial build-out of core improvements at this park.

Hollister Hills State Vehicle Recreation Area (SVRA): Entrance Kiosk. The budget appropriates $182,000 Off-Highway Vehicle Trust Fund (OHVTF) in 2025-26 for the preliminary plans phase of the Hollister Hills State Vehicular Recreation Area (SVRA) Entrance Kiosk project in San Benito County. This new project includes an entrance kiosk, site work, utilities, and accessible parking. Total project costs are estimated at $1.65 million and estimated to be completed in October 2028.

Provisional language is included to make these program funds available for encumbrance for two years, rather than one year — This project is in a park with culturally and naturally sensitive areas, which results in longer than average time requirements for design, permitting, environmental compliance and construction.

Off-Highway Vehicle Trust Fund (OHVTF) Local Assistance Grants. The budget appropriates $29 million OHVTF in 2025-26 for local assistance grants. The OHVTF provides state funds to local and state agencies and other organizations for grants that support various off-highway motorized vehicle projects and programs.

R.H. Meyer Memorial State Beach (SB): Parking Lot Expansion, Facility and Site Modifications. The budget appropriates $4.8 million Natural Resources and Parks Preservation Fund in 2025-26 for the construction phase of the continuing project, R.H. Meyer Memorial SB: Parking Expansion, Facility and Site Modifications project in Los Angeles County. This project includes increasing available parking to help reduce pedestrian and vehicle accidents, installing permanent vault toilets, repairing the beach trail, and reducing beach trail erosion through grading and the use of more durable yet permeable surfaces. Total project cost is $5.49 million and construction is estimated to be completed in December 2026.

State Parks Roads and Bridges. The budget appropriates $8.6 million SPRF ongoing and an increase of $8.6 million in ongoing annual transfers from the Highway Users Tax Account, Transportation Tax Fund (HUTA) to SPRF beginning in 2025-26. The increased transfer will increase the department's proportional share of current HUTA revenues, which have not been updated since 1993.

In addition, statutory language, requires the Governor's annual Budget Bill to increases the amount not to exceed from $3.4 million to $12 million to be appropriated by the Legislature from the HUTA to SPRF for state park highway purposes.

Escalating construction costs and unchanged resource levels over the last 30 years have contributed to roads and bridges within the state park system to increasingly fall into disrepair.

This increase is intended to right-size the department's share of highway maintenance funding. This funding will be used for continued improvement and maintenance of roads and bridges within the state park system. Additional HUTA funding will also allow Parks to work more cooperatively with the California Department of Transportation and local counties to address road and bridge concerns by leveraging state funds to pursue additional federal highway funding.

Harbors and Watercraft Revolving Fund Sustainability. The budget includes various adjustments to the Harbors and Watercraft Revolving Fund (HWRF). Adjustments include aligning revenues and expenditures by temporarily decreasing Boating Safety and Enforcement Aid (BSEFA) Grants to baseline funding of $8.1 million set in 1996-97, removing $1.75 million annual baseline funding for the Abandoned Watercraft Abatement Fund (AWAF), reducing support allocations by a total of $1.5 million, reducing baseline funding for Quagga Zebra Mussel Infestation Prevention Grants by $1 million, and transfers of $3.9 million from the AWAF and $6.3 million from the Public Beach Restoration Fund (PBRF) back to the HWRF.

Provisional language requires the Administration, no later than January 10, 2027, to develop a comprehensive proposal designed to keep the HWRF in structural balance on an ongoing basis, in consultation with stakeholders.

Mount Diablo State Park: Visitor Center. The budget includes $1.92 million in reimbursement authority in 2025-26 to the State Parks and Recreation Fund (SPRF) for the construction phase of the Mount Diablo State Park (SP): Visitor Center. This continuing project includes replacing a small existing visitor center trailer with a larger visitor center, remodeling the existing restroom and site to meet accessibility standards, and constructing an outdoor interpretive structure. The Mount Diablo Interpretive Association (MDIA) will provide funding to Parks for design review, project management, and construction. In addition to the MDIA funds, the department has secured grant funding to cover the increased costs of construction.

Silver Strand State Beach (SB): Low-Cost Accommodations. The budget includes $750,000 in reimbursement authority in 2025-26 to the State Parks and Recreation Fund (SPRF) for the preliminary plans phase of the Silver Strand SB: Low-Cost Accommodations project. This continuing project will allow for the planning and initial development of low-cost accommodations at Silver Strand SB. The funds for this request and all other phases of the project will come from a grant from the State Coastal Conservancy.

Various Capital Outlay Reappropriations and Extension of Liquidation. The May Revision proposes reappropriation and extension of liquidation of existing capital outlay appropriations to allow completion of current projects without delay.

Parks Federal Background Checks. The budget includes language authorizing Parks to require employees, volunteers, and contractors to undergo a fingerprint-based state and national criminal history background check. Parks is required to submit to the Department of Justice fingerprint images and related information for these individuals who are subject to a state and national criminal history background check, as specified.

Leasing Authority (TBL). The Governor's May Revision proposed TBL related to the department's leasing authority, but Subcommittee 2 deferred this proposal to the legislative policy process.

3815 SALTON SEA CONSERVANCY

Chaptered Legislation: Salton Sea Conservancy (SB 583). The budget includes a total of 15 permanent positions, $9.93 million Proposition 4 for the establishment and operation of the Salton Sea Conservancy. Specifically, the budget includes $1.64 million and four permanent positions in 2025-26,

$3.22 million and six permanent positions in 2026-27, $3.85 million and four permanent positions in 2027-28, and $1.21 million and one permanent position in 2028-29. Beginning in 2027-28 this funding will shift to the Salton Sea Lithium Fund. This is intended to fund the initial start-up costs over the first four fiscal years of the new Conservancy to meet its legislative mandates starting in 2025-26. Once established, the Conservancy will need to complete updated workforce planning and budgeting to assess the need for additional organizational capacity and funding to meet future workload demands as the Salton Sea Management Plan. This budget includes funding for the Salton Sea Conservancy as part of the overall Proposition 4 Spending Plan.

3820 SAN FRANCISCO BAY CONSERVATION & DEVELOPMENT COMMISSION (SF BCDC)

Regulatory Management System. The budget appropriates $500,000 Bay Fill Clean-up and Abatement Fund in 2025-26 and $55,000 ongoing to procure and establish a modern, comprehensive digital regulatory management system to manage and track permits and permit applications, as well as receive permits and permit fees online. The database will allow BCDC’s permitting, enforcement, and planning programs to be more effective and efficient. BCDC also requests statutory changes to the Bay Fill Clean-up and Abatement Fund to include technology services, programs, and personnel that directly support the existing authorized uses of the Fund.

Bay Fill Clean-Up and Abatement Fund. The budget includes language to clarify that moneys from the Bay Fill Cleanup and Abatement Fund may be expended on technology services, programs, and personnel that directly support the existing authorized uses of this fund.

3825 SAN GABRIEL & LOWER LOS ANGELES RIVERS & MOUNTAINS CONSERVANCY (RMC)

San Joaquin River Conservancy Fund Increase for Operations and Maintenance Services. The budget includes an additional $260,000 in 2025-26, and ongoing, from the San Joaquin River Conservancy Fund (SJRCF). The 2022 Budget Act allocated three permanent positions to the Conservancy as part of the San Joaquin River Conservancy Workload Support proposal to carry out the increased workload as the Conservancy is opening lands for recreational use. The Conservancy now owns 20 properties (nearly 3,000 acres). Staff dedicated to operations and maintenance are needed to fulfill legislative directives and the Administration’s priorities of Access for All.

3855 SIERRA NEVADA CONSERVANCY (SNC)

Sierra Nevada Conservancy Fund Ongoing Local Assistance Reimbursement Authority. The budget includes ongoing reimbursement authority of $1 million for local assistance under the SNC Fund.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

Central Valley Flood Protection Board (CVFPB): Yolo Bypass Cache Slough Partnership and Federal Comprehensive Studies. The budget appropriates $324,000 Proposition 68 in 2025-26 to provide planning and communication support for currently authorized positions to support CVFPB’s role in supporting the Yolo Bypass Comprehensive Study (YBCS), Yolo Bypass Master Plan and associated environmental compliance (CEQA), and the Yolo Bypass Cache Slough Partnership communication and engagement. This item reverts approximately $31,000 Proposition 68 bond previously appropriated to the CVFPB in the Budget Act of 2021. The funding is needed to support CVFPB staff to continue support for the YBCS Partnership, Yolo Bypass Master Plan, and the newly defined Yolo Bypass Comprehensive Study in 2024-2025. CVFPB staff participates in document development, provides support, and helps to coordinate planning initiatives essential to the flood system, the long-term stability of flood risk reduction, and multi-benefit projects.

CVFPB: Extension of Reimbursable Authority from Sacramento Area Flood Control Agency (SAFCA). The budget extends the reimbursable authority by the Sacramento Area Flood Control Agency (SAFCA) of $1 million annually for two years (2025-26 and 2026-27) to support the existing permanent positions complete and work authorized by the 2019 Budget Act. These positions oversee project coordination with partnering agencies including DWR, SAFCA, USACE, and local Levee Maintaining Agencies (LMA). Activities also include development and reporting of activities monthly and annually to CVFPB as required.

Delta Levees Special Flood Control Projects and Delta Levees Maintenance Subventions. The budget includes a reversion of $8.7 million Proposition 1 Local Assistance (LA) funding appropriated in 2021-22, and a new corresponding appropriation of $8.7 million for State Operations (SO). An $8.7 million shortfall is anticipated in 2025-26 of SO funds to administer both the Delta Levees Special Flood Control Projects and Delta Levee Maintenance Subventions Programs. These funds are intended to allow continuation of the Delta Levees Special Flood Control Projects and Delta Levee Maintenance Subventions Programs in the Sacramento-San Joaquin Delta to implement and manage/administer projects for levee repairs, improvement and maintenance, and habitat mitigation and enhancement.

Water Desalination Grant Program — Planning, Monitoring, and Administration. The budget appropriates $1.62 million Proposition 1 for the Water Desalination Program funding consisting of approximately $540,000 annually over three years for administration of desalination grants. This funding is for DWR staff to continue monitoring and administration activities that include preparing grant agreement amendments, managing budget, and processing invoices to ensure claimed expenses are eligible; reviewing and approving project deliverables; conducting site visits to verify the work is being completed as contracted and billed; reviewing and analyzing the invoices and progress reports, resolving disputes, tracking expenditure; preparing project completion reports; responding to program audits, maintaining project information in a tracking database, meeting bond reporting requirements, overseeing program performance evaluation and responding to legislative and executive inquiries, managing post-project performance monitoring; tracking and quantifying statewide desalination production to assess contribution of Proposition 1 funding to statewide supplies; and monitoring advances in desalination technologies to support implementation of funded projects.

Rehabilitation of High Hazard Potential Dams Grant Federal Trust Fund Authority. The budget includes a total of $30 million ($10 million per year for three years) of additional federal trust fund authority to DWR, Division of Flood Management (DFM) for the Federal Emergency Management Agency's (FEMA) Federal Rehabilitation of High Hazard Potential Dams (HHPD) Grant Program. DWR currently receives $10 million in federal trust fund authority. The increase will give DWR authority to receive and pass-through FEMA's Rehabilitation of HHPD Grant assistance through 2027-28. The purpose of FEMA's HHPD program is to provide eligible dam owners with technical, planning, design, and construction assistance for eligible rehabilitation activities that reduce dam risk and increase community preparedness.

Habitat Restoration Contracting. The budget includes language to provide DWR authority to contract for the delivery of multi-benefit habitat and environmental outcomes. This authority is intended to enable the department to continue contracting for full delivery of multi-benefit and habitat restoration projects through Public-Private-Partnerships based on available funding.

FEMA Hazard Mitigation Grant Reimbursement Authority. The budget includes a total of $8.7 million in reimbursement authority ($4 million in 2025-26, $3.35 million in 2026-27, and $1.35 million in 2027-28) for FEMA Hazard Mitigation Grant Program (HMGP) grants related to alluvial fan hazard mitigation efforts. This is intended to support three Division of Flood Operations existing staff. DWR needs a continuation of reimbursement authority to leverage federal funds for major disaster preparedness mitigation activities. The primary goal of DWR's project is to develop a statewide alluvial fan risk early warning/emergency management system that conveys the general extent of risk areas and provides the framework for risk management, response and recovery work including post fire evacuation warnings.

Reduction of Groundwater Bulletin Frequency. The budget includes language to reduce the frequency of DWR's report of findings related to the state's groundwater basins (Bulletin 118) to the Governor and Legislature from every five years to 10 years. Bulletin 118 is the state's official publication on the occurrence and nature of groundwater in the state, such as the location, characteristics, use, management status, and conditions, as well as findings and recommendations that support the future management and protection of groundwater.

Urban Community Drought Relief Grant Program. The budget reappropriates up to $4.27 million California Emergency Relief Fund from the 2021 Budget Act for the Urban Community Relief Grant Program, and to be available for encumbrance or expenditure until June 30, 2028. This funding is intended to assist a water consolidation project in Monterey County.

3860 DEPARTMENT OF WATER RESOURCES (DWR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Delta Conveyance Project (DCP). The May Revision proposed language that, among other things, was intended to do the following: streamline permitting for DCP by eliminating certain deadlines from existing State Water Project (SWP) water right permits; specify that DWR has authority to issue bonds for the cost of DCP, which are to be repaid by participating water agencies; streamline judicial review of litigation; and, streamline authorization to acquire land that supports construction of DCP. The intended purposes of these statutory changes are to prevent delays and reduce costs. The Legislature rejected this proposal and deferred it to the legislative process. No policy bill was introduced on this matter.

Water Quality Control Plans — CEQA Exemption; formerly titled, "Bay-Delta Plan CEQA Recirculation" (TBL). The May Revision proposed TBL to exempt an action of SWRCB or a Regional Water Quality Control Board relating to regional water quality control plans (RWQCPs) from California Environmental Quality Act (CEQA) provided that the action does not involve relaxation of existing water quality objectives. More specifically, the title of the pdf for this proposal, "Bay-Delta Plan CEQA Recirculation," on the Department of Finance website at the time this proposal was heard in Subcommittee 2, showed that it was directed at the Bay-Delta Plan. The Legislature rejected this proposal and deferred it to the legislative process. No policy bill was introduced on this matter.

Natural Resources and Environmental Protection Budget Bills and Trailer Bills

1. *Budget Acts of 2023 and 2024 – AB 100 (Gabriel), Chapter 2, Statutes of 2025.*
2. *Budget Act of 2025 — SB 101 (Wiener), Chapter 4, Statutes of 2025.*
3. *Budget Act of 2025 — AB 102 (Gabriel), Chapter 5, Statutes of 2025.*
4. *Budget Act of 2022, 2023, and 2024 — SB 103 (Wiener), Chapter 6, Statutes of 202.5*
5. *Budget Act of 2025 — AB 104 (Gabriel), Chapter 77, Statutes of 2025.*
6. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025.*
7. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 124 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2025.*
8. *Public Resources and Environmental Protection — AB 149 (Committee on Budget), Chapter 106, Statutes of 2025.*

ENVIRONMENTAL PROTECTION

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION (CalEPA)

California Environmental Reporting System Project. The budget includes $6.6 million in spending authority from the Unified Program Account in 2025-26 to implement a technology refresh project on the California Environmental Reporting System (CERS) known as CERS NextGen. CERS Nextgen is an ongoing information technology project. This is continued funding for five permanent positions approved in the 2022 Budget Act.

ServiceNow Governance and Stabilization. The budget appropriates $662,000 in 2025-26 and ongoing from various special fund sources, and three permanent full-time positions to stabilize the Agency-wide implementation of ServiceNow and to oversee continuous governance and maintenance of the system. These positions are intended to ensure that the system maintenance and updates are applied in a timely fashion, security features are properly applied, system enhancements and modifications adhere to CalEPA's standards, and that system changes are coordinated and communicated Agency-wide to ensure business essential functions are not impacted.

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)
3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Legal Resources to Respond to Federal Actions. The budget includes a total of $2.99 million from various special funds and 12 permanent positions in 2025-26 and ongoing to defend California's environmental laws and programs that advance the state's climate, water, public health and overall environmental priorities in response to increased federal legal challenges.

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)
3900 CALIFORNIA AIR RESOURCES BOARD (CARB)
3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
3970 DEPARTMENT OF RESOURCES RECYCLING & RECOVERY (CALRECYCLE)

CalEPA Bond and Technical Proposals. The budget includes various bond and technical adjustments such as reappropriations, reversions, and extensions of liquidation.

CalEPA Chaptered Legislation Proposals. The budget includes various actions for resources from the General Fund and special funds to implement statutory requirements associated with legislation chaptered in 2024. The resources requested by the departments to implement the bills were cited during the 2024 legislative process, including in the Senate and Assembly Appropriations Committees prior to their enrollment. The Department of Finance evaluated these requests and concurred with the level of resources requested to implement new statutory requirements.

The following figure provides a breakdown of enacted bills in this action and proposed funding and positions.

BU	Department	Issue Title, Chapter (Bill)	Fund Source(s)	2025-26	2026-27	2027-28	2028-29	2029-2030	Total Ongoing Positions
3900	State Air Resources Board	Analysis of Industrial Sources of Emissions - Chapter 595 (SB 941)	3237 Cost of Implementation Account	$120	$0	$0	$0	$0	0.0
3930	Department of Pesticide Regulation	Pesticides - Anticoagulant Rodenticides - Chapter 571 (AB 2552)	0106 Department of Pesticide Regulation Fund	$258	$193	$193	$193	$193	1.0
3930	Department of Pesticide Regulation	Pesticide Use Near Schoolsites - Chapter 552 (AB 1864)	0001 General Fund 0106 Department of Pesticide Regulation Fund	$690	$200	$200	$200	$200	1.0
3940	State Water Resources Control Board	Technical, Managerial, and Financial Standards - Chapter 507 (SB 1188)	0306 Safe Drinking Water Account 3324 Safe and Affordable Drinking Water Fund	$925	$675	$675	$900	$900	4.0
3940	State Water Resources Control Board	Drinking Water Outreach for Domestic Well Owners and Tenants - Chapter 506 (AB 2454)	0001 General Fund	$225	$225	$225	$225	$225	1.0
3970	Department of Resources Recycling and Recovery	Solid Waste Reduction and Recycling - Chapter 421 (AB 2902)	3228 Greenhouse Gas Reduction Fund	$345	$345	$345	$345	$345	2.0
3970	Department of Resources Recycling and Recovery	Organic Waste Reduction - Chapter 452 (SB 1046)	3228 Greenhouse Gas Reduction Fund	$500	$0	$0	$0	$0	0.0
3970	Department of Resources Recycling and Recovery	Propane Cylinder Waste Management - Chapter 466 (SB 1280)	0387 Integrated Waste Management Account	$474	$174	$174	$174	$174	1.0
3970	Department of Resources Recycling and Recovery	Organic Waste Reduction Regulations - Chapter 712 (AB 2346)	3228 Greenhouse Gas Reduction Fund	$315	$315	$315	$315	$315	2.0
3970	Department of Resources Recycling and Recovery	Beverage Container Recycling - Chapter 983 (SB 551)	0133 Beverage Container Recycling Fund	$141	$141	$141	$141	$141	1.0
3980	Office of Environmental Health Hazard Assessment	Studying the health effects of microplastics in drinking and bottled water - Chapter 881 (SB 1147)	0001 General Fund	$453	$253	$253	$253	$253	1.0

Source: Department of Finance

For summaries of the enacted legislation, please refer to the Subcommittee 2 hearing agenda for March 20, 2025.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

US Environmental Protection Agency (USEPA) Lead and Copper Rule Revisions. The budget includes eight permanent positions from the Public Water System, Safe Drinking Water State Revolving Fund, which is continuously appropriated. Federal grant awards supporting position and contract funding will be expended from the same fund, with no additional appropriation authority required, to implement a system (WaterTAP) for intake, management, analytics support, and federal reporting of lead and copper data in compliance with the revised Lead and Copper Rule Revisions (LCRR).

This action creates a Division of Drinking Water (DDW) unit to manage data collection, maintenance, analytics and publishing for information provided by public water systems. The eight positions will assist with the implementation of the new database, as well as with ongoing maintenance and reporting needs. This unit will also support 14 staff from the 2023-24 LCRR Regulation Implementation and Database BCP in both the implementation and adoption of regulations by collecting and making available related data and analytics.

Implementation of the Sustainable Groundwater Management Act (SGMA). The budget includes a loan of $16.4 million from the Underground Storage Tank Cleanup Fund to the Water Rights Fund to support 22 existing positions and continue critical implementation tasks in SWRCB's SGMA program. The funding is intended to mitigate fee uncertainty until sufficient fee revenue is collected. The loan of $16.42 million will cover the cost of the 22 positions for up to three years. The loan shall be repaid with future SGMA fee revenues, if feasible; alternatively, if fee funding is not legally able to be collected as anticipated, this loan shall be repaid from the General Fund.

Replacing, Removing, or Upgrading Storage Tanks (RUST) Program Augmentation. The budget appropriates $23 million one-time from the Petroleum Underground Storage Tank Financing Account to provide sufficient expenditure authority to meet current funding demand for the removal or replacement of petroleum underground storage tanks.

The budget also includes language to allow tank owners to begin projects while waiting for a final funding agreement to be executed for purposes of administrative efficiencies.

Monterey County Primacy Delegation Agreement Termination. The budget appropriates $2.72 million ongoing and includes 12 permanent positions from the Safe Drinking Water Account to carry out the public small water system (SWS) regulatory program for Monterey County (County). The County's local primacy agency delegation will be terminated and regulation of SWSs will be returned to the state in September 2025. Oversight of 284 water systems is anticipated to be transferred from the County to the Water Board in August 2025, and the state is legally mandated to administer this regulatory program.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

National Priorities List (NPL) and State Orphan Sites. The budget includes a transfer of $36.6 million from TSCA to the Site Remediation Account (SRA) and $36.6 million expenditure authority from SRA in 2025-26 to fund the state's NPL obligations and state orphan sites with Priorities 1A, 1B, 2, and 3, and statewide service contracts. The following provides high-level definitions of each priority:

- ***Priority 1A.*** Immediate and acute conditions requiring a "time critical" response.
- ***Priority 1B.*** Ongoing operations and maintenance (O&M) of a state or federally funded site remediation treatment system necessary to prevent exposure to human or environmental receptors. Priority 1B includes state-match NPL.
- ***Priority 2.*** Actual human exposure or natural resource impacts under current conditions.
- ***Priority 3.*** Potential exposure under current conditions; and could allow the contamination to spread, impacting additional people and resources and increasing future costs.

DTSC assigns the highest priority to those sites with federally mandated costs, those that have immediate acute health threats, and those that have existing systems that require ongoing contracted costs to operate and maintain the remedy.

Exide Repurpose Facility Closure and Cleanup Funding. The budget reverts $75 million remaining of the $132 million General Fund appropriated in the 2021 Budget Act for cleanup activities at the Exide Facility and appropriate $35 million Lead-Acid Battery Cleanup Fund and $40 million General Fund to loan to the Toxic Substances Control Account (TSCA) to fund continued cleanup activities. This action also includes provisional language to allow flexibility to spend those funds on residential cleanup or facility remediation related to the Exide Facility cleanup. Additionally, the budget reappropriates $1.2 million General Fund and $1 million Lead-Acid Battery Cleanup Fund to pay for ongoing storage of physical evidence related to the ongoing Exide cost recovery litigation.

Santa Susana Field Laboratory (SSFL) Litigation Contracts Costs. The budget includes expenditure authority of $2 million Hazardous Waste Control Account (HWCA) in 2025-26 with a two-year encumbrance period in order to fund legal services contracts for SSFL litigation. The legal services costs will be billed through cost recovery from the three responsible parties for SSFL-the United States Department of Energy, the National Aeronautics and Space Administration, and the Boeing Company.

Implementation of Generation and Handling Fee Regulations. The budget appropriates $837,000 HWCA in 2025-26 and ongoing, and $1.72 million TSCA in 2025-26, and $1.62 million in 2026-27 and annually thereafter and nine permanent positions to support implementation of the exemption review and reporting penalty assessment processes required by newly adopted regulations, as authorized by SB 156 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2024.

Imperial County Certified Unified Program Agency Costs. The budget includes an increase of $475,000 in expenditure authority for the State Certified Program Agency (SCUPA) Account beginning in 2025-26 and ongoing. The budget eliminates $150,000 in reimbursement authority because it is not utilized. The SCUPA Account has a fund balance of approximately $2.3 million to cover these costs for the next couple of years without requiring a fee increase (which last occurred in 2019).

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH)

Biomonitoring California Funding Realignment. The budget shifts $425,000 General Fund from CDPH to DTSC in 2025-26 and ongoing. This fund shift is in lieu of continuing an Interagency Agreement (IAA) that supports laboratory services provided by DTSC per the legislative mandate of SB 1379 (Perata), Chapter 599, Statutes of 2006. The General Fund transfer to the Toxic Substances Control Account (TSCA) will fund two permanent positions in 2025-26 and ongoing to support DTSC's statutory obligations for implementation of the California Biomonitoring program. This request has no net cost to the General Fund or any other fund.

3970 DEPARTMENT OF RESOURCES RECYCLING & RECOVERY (CALRECYCLE)

Reusable Grocery Bag Program (SB 270) Fund Shift. The budget includes a fund shift of $256,000 in 2025-26 and ongoing from the Integrated Waste Management Account (IWMA) to the Reusable Grocery Bag Fund (RGBF) to fund an existing Environmental Scientist and Accounting Office to implement SB 270 (Padilla), Chapter 850, Statutes of 2014. Additionally, the budget provides CalRecycle authority to use RGBF funds collected in the amount of $256,000 collected to date to cover its staffing costs with the SB 270 program requirements. This shift in funding and authority is meant to ensure that fees collected from reusable grocery bag producers are used as intended to fund the implementation of the Reusable Grocery Bag Program, thereby reducing the expenditures currently incurred by the IWMA. The fund shift and appropriation will be a net zero cost.

Responsible Textile Recovery Act of 2024 — Implementation of SB 707. The budget included 27 permanent ongoing positions to be phased in over two years with a total ongoing cost of $4.6 million to implement the Responsible Textile Recovery Act of 2024 (SB 707 (Newman), Chapter 864, Statutes of 2024).

In addition, the budget includes provisional language to authorize a loan (equally split between the Beverage Container Recycling Fund (BCRF) and Electronic Waste Recovery and Recycling Account (EWWRA) to cover implementation costs until CalRecycle is reimbursed by the Producer Responsibility Organization (PRO).

CalRecycle Integrated Information System. The budget appropriates $45 million from various funds one-time to implement the CalRecycle Integrated Information System (CRIIS) project. CRIIS is a comprehensive initiative to modernize and migrate 30 program applications across multiple business processes into a single enterprise-wide system.

<u>Natural Resources and Environmental Protection Budget Bills and Trailer Bills</u>

1. *Budget Acts of 2023 and 2024 – AB 100 (Gabriel), Chapter 2, Statutes of 2025.*

2. *Budget Act of 2025 — SB 101 (Wiener), Chapter 4, Statutes of 2025.*

3. *Budget Act of 2025 — AB 102 (Gabriel), Chapter 5, Statutes of 2025.*

4. *Budget Act of 2022, 2023, and 2024 — SB 103 (Wiener), Chapter 6, Statutes of 2025.*

5. *Budget Act of 2025 — AB 104 (Gabriel), Chapter 77, Statutes of 2025.*

6. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025.*

7. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 124 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2025.*

8. *Public Resources and Environmental Protection — AB 149 (Committee on Budget), Chapter 106, Statutes of 2025.*

ENERGY, AIR QUALITY, AND UTILITIES

3355 OFFICE OF ENERGY INFRASTRUCTURE SAFETY (OEIS)

Enforcement of the Dig Safe Law. The budget includes $1.3 million ongoing from the Safe Energy Infrastructure and Excavation Fund (SEIEF) for seven positions to address Energy Safety's Underground Safety Board's ongoing and unmet needs associated with the operational alignment of SB 661 (Hill), Chapter 809, Statutes of 2016; SB 865 (Hill), Chapter 307, Statues of 2020; associated legislation; its partnership in pipeline safety regulatory responsibilities with the Pipeline and Hazardous Materials Safety Administration (PHMSA); excavation safety outreach; and education, as mandated.

3360 CALIFORNIA ENERGY COMMISSION (CEC)

Grid Resilience and Innovation Partnership 2 (GRIP 2) Federal Authority. The budget includes $600.6 million in budget authority from the Federal Trust Fund to receive federal funds awarded through the Grid Resilience and Innovation Partnership (GRIP) program authorized by the Infrastructure Investment and Jobs Act (IIJA).

California Energy Commission Chairperson Salary Increase Trailer Bill Language. SB 127 (Committee on Budget and Fiscal Review), Chapter 15, Statutes of 2025, authorizes the increase of the salary of the chairperson of the California Energy Commission by 5 percent for the 2025-26, 2026-27, and 2027-28 years. In 2023, the budget included trailer bill language that provided increases in CEC commissioner salaries of five percent per year for the next three fiscal years. This proposal is to reflect a similar increase for the chairperson of the Commission, because the prior language did not apply to the chair.

Demand Side Grid Support Trailer Bill Language. SB 127 amends the Demand Side Grid Support program by exempting the program from the Administrative Procedure Act, allowing the use of third party block grant or contract with incentive program implementers, allowing CEC to provide an advance up to 25 percent of awarded funds at a time, and exempting contracts, grants, or loans as part of the program from any review, consent, or approval from the Department of General Services or other state department or agency.

Distributed Electricity Backup Assets (DEBA) Program. The budget includes $50 million from Proposition 4 bond funds for the Distributed Electricity Backup Assets program. Of this amount, $375,000 is set aside for statewide bond costs, $497,000 is for department implementation of the program, and $46.1 million is for project delivery. SB 105 specifies funding should go towards clean microgrids, or new non-residential or aggregated residential distributed clean energy and storage projects and no less than $12.5 million shall provide state cost sharing for water utility projects that have received awards from the United States Department of Energy Grid Resilience and Innovation Partnerships program only if that federal funding is secure and in place.

Offshore Wind. The budget includes $228 million from Proposition 4 bond funds for the development of offshore wind generation. Specifically, $2.5 million is set aside for program delivery, $3.6 million is for statewide bond costs, and $225.7 million is for projects funding. SB 105 clarifies these funds may go towards the Offshore Wind Waterfront Facility Improvement Program as well as requires a specified report by January 10, 2026 regarding the plan for the use of Proposition 4 bond funds for offshore wind development.

Clean Transportation Program Block Grant Trailer Bill Language. SB 127 revises eligibility requirements for the Clean Transportation Program by eliminating the restriction that block grants or incentive programs be administered by public entities or not-for-profit technology entities and by expanding the category to authorize this funding for block grants or incentive programs for zero-emission vehicle infrastructure.

Alternative Fee Structure for the Power Plant Licensing and Compliance Programs Trailer Bill Language. SB 127 changes the existing certification process for power plants, energy storage systems, and related facilities at the CEC. Specifically, it requires a person submitting an application for certification to submit with the application a nonrefundable deposit of $750,000 and would require the applicant to pay all costs incurred by the Energy Commission in processing the application; require the Energy Commission to provide invoices for additional fees, at least annually, for the actual costs incurred by the Energy Commission in excess of the deposit; increase the annual fee to $70,000 for each year the facility retains its certification; and specify that the petition fee is nonrefundable.

In addition, the budget includes $1.9 million limited-term funding per year for three years (through fiscal year 2027-28) for nine temporary positions from the Energy Facility Licensing and Compliance Fund (EFLCF, Fund 3062) for the CEC's Siting, Environmental, Engineering, and Safety and Reliability Program to process anticipated applications for certification, to ensure compliance of a facility's license, and to successfully implement the new AB 205 (Committee on Budget), Chapter 61, Statutes of 2022, opt-in expedited licensing program.

Electric Program Investment Charge (EPIC) Program Follow-on Funding Extension Trailer Bill Language. SB 127 extends the CEC's follow-on funding authority for the EPIC program January 1, 2028. The EPIC program is a ratepayer-funded program, intended to fund scientific and technological research to accelerate innovation in the electricity sector to meet the state's energy and climate goals.

Federal Funding Expenditure Authority. The budget includes $71.0 million in Federal Trust Fund expenditure authority to administer three federal awards authorized as part of the federal Infrastructure Investment and Jobs Act (IIJA) of 2021 and $12 million reimbursement authority to supplement an existing federal program. The CEC received awards for the Community Energy Reliability and Resilience Investment (CERRI), Resilient and Efficient Codes Implementation (RECI), the Grid Resilience and Innovation Partnerships (GRIP) programs, and pledges from three entities to supplement the Charging and Fueling Infrastructure federal program funded via the California Department of Transportation that will be funded in fiscal year 2025-26.

Fusion. The budget includes $5 million for support and grants for fusion projects, including for the Fusion Research and Development Innovation Initiative. Fusion projects that have received federal funding and will leverage additional private investment shall be prioritized and expedited for funding.

CADEMO. The budget includes $4 million to support the CADEMO offshore wind demonstration project.

3360 CALIFORNIA ENERGY COMMISSION (CEC)
8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

Electric Transmission Grid Study (AB 3264). The budget includes $829,000 ongoing for three permanent positions and $500,000 per year for four years for consulting services from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) for the CPUC; and $204,000 from the Energy Resources Program's Account annually and one permanent position for CEC to implement requirements from AB 3264 (Petrie-Norris and Rivas), Chapter 762, Statutes of 2024 to enhance clean energy initiatives by developing and reporting on a new and complex framework for assessing, tracking, and analyzing total annual energy costs paid by residential households in California.

Implementation Support for SB 846 of 2022. The budget includes $1.1 million ongoing for five positions from PUCURA for the CPUC and $319,000 ongoing for two positions from the Cost of Implementation Account, Air Pollution Control Fund (COIA) for the CEC for the ongoing workload related to SB 846 (Dodd), Chapter 239, Statues of 2022.

3860 DEPARTMENT OF WATER RESOURCES

Electricity Supply Strategic Reliability Reserve Facility Divestiture Trailer Bill Language. SB 127 specifies restrictions on operations be applied to facilities constructed and owned by the department, not just facilities constructed by the department as currently stated in existing statute.

3900 STATE AIR RESOURCES BOARD (CARB)

Cap and Trade Administrative Services (WCI, Inc.). The budget includes $1 million in 2025-26 and $2 million ongoing beginning in 2026-27 from the Cost of Implementation Account for the California Air Resources Board (CARB)'s increased contract services costs. Specifically, CARB is facing a cost increase for contract services from the Western Climate Initiative (WCI, Inc.) to help support the Cap-and-Trade program.

Conversion of Limited-Term to Permanent Positions for Advanced Clean Fleets and Zero-Emission Airport Shuttle Regulations. The budget includes permanent position authority for 10 limited-term (LT) positions beginning 2025-26 and $2.5 million in ongoing funding authority starting in 2026-27 from the Air Pollution Control Fund (APCF) to implement the Zero-Emission Airport Shuttle (ZEAS) regulations. These LT positions were approved in the 2023-24 Zero-Emission Vehicle (ZEV) Portfolio proposal and appropriated in the Budget Act of 2023 SB 101 (Skinner), Chapter 12, Statutes of 2023.

Conversion of Limited-Term to Permanent Positions for Incentives Portfolio. The budget includes position authority for CARB to convert 25 positions from limited-term to permanent. These positions are intended to support the department's incentives programs and will be funded out of the five percent administrative set asides from funding for incentive programs.

E15 Fuel Specification. The budget includes $2.3 million ongoing from the Air Pollution Control Fund for 10 permanent positions to complete the regulatory process to authorize the use of motor vehicle fuels with up to 15 percent ethanol blending (E15) and conduct ongoing program implementation enabling the use of E15 fuels in California.

Expanded Resources for Carbon Capture, Removal, Utilization and Storage Program (SB 905). The budget includes $2.2 million in 2025-26 and $4.3 million ongoing beginning in 2026-27 from the Cost of Implementation Account (COIA) for 18 positions to implement SB 905 (Caballero and Skinner), Chapter 359, Statutes of 2022. SB 905 requires that CARB establish a Carbon Capture, Removal, Utilization, and Storage Program (Program) to evaluate carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from those technologies.

Mobile Source Laboratory Equipment Support and Maintenance. The budget includes $8 million ongoing from the Certification and Compliance Fund for CARB to support and maintain its mobile source laboratory, which is key to investigating manufacturers violating emissions standards. Of this amount, $6.5 million will support cost increases in maintenance, service, and training contracts, equipment procurements, and laboratory supplies. The remaining $1.5 million will fund the replacement of laboratory equipment beyond its useful life.

In addition, SB 127 specifies deficiency fines and fees are a part of the certification, audit, and compliance programs regulating motor vehicle manufacturers.

Right Sizing of IT Procurement, Contracting, and Business Technology Management. The budget includes $439,000 in 2025-26 and $840,000 ongoing beginning in 2026-27 from various funds for information technology (IT) procurement, contracting, business technology management, and contact management units.

Transport Refrigeration Unit Fee Trailer Bill Language. Authorizes the State Air Resources Board to impose a fee on regulated entities under the Transport Refrigeration Unit program for implementation, administration, and enforcement. The fee shall be set to the amount as of January 1, 2025 and increase annually based on the Consumer Price Index.

California Climate Investments Administration. The budget includes $666,000 from the Greenhouse Gas Reduction Fund ongoing to convert three limited-term positions to permanent to provide technical assistance to agencies administering the California Climate Investments programs for quantification, reporting, and policy guidance to maximize greenhouse gas (GHG) reductions and ensure benefits to disadvantaged communities and low-income communities and households.

Legal Resources to Respond to Federal Actions. The budget includes $1.9 million from the Air Pollution Control Fund for eight positions for its Legal Office to support the significant workload attributable to the current federal administration in the form of affirmative and defensive litigation, as well as associated e-discovery, records management, and administrative support.

California Environmental Quality Act (CEQA) Exemption for SB 253/261 Regulations. AB 154 exempts regulations adopted to implement two recent emissions disclosure laws, SB 253 (Wiener), Chapter 382, Statutes of 2023 and SB 261 (Stern), Chapter 383, Statutes of 2023 from CEQA.

Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). The budget includes $132.2 million from the Air Pollution Control Fund for HVIP. Specifically, the appropriation shall be from a recent legal settlement with Hino Motors. In addition, SB 153 (Committee on Budget and Fiscal Review), Chapter 109, Statutes of 2025, provided an exemption to the Administrative Procedures Act for this appropriation.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

California Public Utilities Commission Energy Reports (AB 2462). The budget includes $400,000 for one-time consulting services and $50,000 per year ongoing for subscription fees from PUCURA to annually report on recommendations for actions that could be undertaken during the succeeding 12 months to limit utility cost and rate increases, consistent with the state's energy and environmental goals, culminating in the creation of the SB 695 Report.

Implementation Support for AB 14 (Aguiar-Curry), Chapter 658, Statutes of 2021. The budget includes $602,000 ongoing from PUCURA to convert three limited-term positions to permanent positions to continue to administer and maintain surcharge and user fee revenues.

Implementation Support for SB 28 (Caballero), Chapter 673, Statutes of 2021. The budget includes $1.14 million annually from PUCURA to convert four limited-term positions to permanent positions, and the addition of one new permanent position to implement new complaint and enforcement procedures related to video services.

Implementation Support for SB 4 (Gonzalez), Chapter 671, Statutes of 2021. The budget includes $1.19 million ongoing from PUCURA to convert five limited-term positions to permanent positions; and $2.55 million one-time for consultant services with an extended encumbrance and liquidation period from the California Advanced Services Fund (CASF) to address the increased demand for broadband funding, larger collection authority, and overall expansion of the CASF program.

I**ndustrial Process Heat Recovery AB 2109 (Carrillo), Chapter 700, Statutes of 2024.** The budget includes $222,000 ongoing for one position from PUCURA to establish rules regarding the exemption of non bypassable or departing load surcharges from applying to a reduction in kilowatt-hours of electricity consumption due to industrial heat process technology that meets prescribed requirements.

Neighborhood Decarbonization Zones SB 1221 (Min), Chapter 602, Statutes of 2024. The budget includes $1.65 million ongoing for seven positions and $49,000 one-time, $240,000 over four years, and $7,000 for training, travel, workshop support, and software licensing from PUCURA to implement a new neighborhood decarbonization program to transition customers from natural gas usage to cleaner forms of energy usage.

Public Utilities Rate of Return AB 2666 (Boerner), Chapter 413, Statutes of 2024. The budget includes $2.72 million ongoing for 12 positions; $35,000 for one-time equipment and training; $40,000 per year for two-years for workshop travel; and $20,000 ongoing for software subscriptions from PUCURA to establish guidelines, evaluate rate of return variances, and adjust revenue requirements as appropriate while ensuring sufficient funds for safe and reliable services, in addition to clearly communicating to consumers about the CPUC and utility work in support of implementing this statute and outcomes.

SB 1130 (Bradford), Chapter 457, Statutes of 2024 Electricity: Family Electric Rate Assistance Program. The budget includes $222,000 ongoing from PUCURA for one senior analyst position to implement the changes to the Family Electric Rate Assistance (FERA) program, pursuant to SB 1130.

System Reliability and Outages AB 2368 (Petrie-Norris), Chapter 713, Statutes of 2024. The budget includes $845,000 ongoing for four positions from PUCURA to implement the reliability and modeling requirements in the integrated resource planning and resource adequacy programs pursuant to AB 2369.

Public Advocates Office Administrative Support (AB 2109, AB 2368, and SB 1221). The budget includes $925,000 from the Public Utilities Commission Public Advocates Office Account (PUC) for four positions to meet the Public Advocates Office's statutory obligations resulting from AB 2109, AB 2368, and SB 1221.

Support for Administrative Law Judge Division. The budget includes $340,000 ongoing for three new support staff positions and position authority for two existing Senior Legal Typist positions to support the Administrative Law Judge (ALJ) Division's timely management and issuance of documents in proceedings and to enhance agenda support functions, records filling and maintenance, as well as support the Intervenor Compensation unit.

Support for CPUC Administrative Functions. The budget includes $575,000 ongoing for four positions, 0.5 position authority to enhance and strengthen the core administrative functions and provide customer service supporting the entire CPUC, and $150,000 ongoing for licensing/data storage from various special funds.

Deaf and Disabled Telecommunications Program Trailer Bill Language. SB 142 (Committee on Budget and Fiscal Review), Chapter 19, Statutes of 2025, extends the surcharge for the Deaf and Disabled Telecommunications Program (DDTP) until December 31, 2034 and authorizes the CPUC to make recommendations to the Legislature regarding the appropriations for the DDTP.

California LifeLine – State Operations and Local Assistance. The budget includes $528 million in 2025-26 from the Universal LifeLine Telephone Service Trust Administrative Committee Fund (0471) for the Universal LifeLine Telephone Service Program to provide low-income California households with basic, high-quality wireless and wireline services at affordable rates in accordance with the Public Utilities Code section 871 et seq.

Community Renewable Energy and Storage. The budget cuts $33 million General Fund for programs funding community renewable energy projects at the CPUC. This is a part of the Clean Energy Reliability Investment Plan (CERIP), a $1 billion commitment to clean energy programs as part of the Diablo Canyon Power Plant extension agreement.

Safe Battery Energy Storage Systems. The budget includes $3.7 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2025-26 and 2026-27, and $2.9 million ongoing

PUCURA and 12 positions in 2027-28 to support compliance and enforcement of safety standards for large-scale, electric grid connected battery energy storage systems at the CPUC.

VARIOUS DEPARTMENTS

Greenhouse Gas Reduction Fund (GGRF) Spending Plan. The budget includes the following discretionary expenditures from the GGRF:

- $1 billion for CalFIRE fire protection activities.
- $188 million for formula Transit and Intercity Rail Capital Program (TIRCP).
- $180 million for competitive TIRCP.
- $100 million for the implementation of AB 617 Community Air Protection Program.
- $81 million for the Motor Vehicle Account.
- $40 million for medium- and heavy-duty zero-emission vehicle charging and refueling infrastructure.
- $25 million for district Clean Cars 4 All.
- $7 million for livestock methane reduction programs.

In addition, the budget includes intent language to appropriate the following amounts from the Greenhouse Gas Reduction Fund for the Department of Forestry and Fire Protection's fire protection activities if the General Fund is projected to be in a deficit: $1.25 billion in the 2026–27 fiscal year, $500 million in the 2027–28 fiscal year, and $500 million in the 2028–29 fiscal year.

Energy Related Budget Bills and Budget Trailer Bills

1. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*
2. *Budget Act of 2022, 2023, and 2024 – Senate Bill 103 (Wiener), Chapter 6, Statutes of 2025.*
3. *Budget Acts of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*
4. *Climate Change Trailer Bill – Senate Bill 127 (Committee on Budget and Fiscal Review), Chapter 15, Statutes of 2025.*
5. *Deaf and Disabled Telecommunications Program – Senate Bill 142 (Committee on Budget and Fiscal Review), Chapter 19, Statutes of 2025.*

6. *Transportation Trailer Bill – Senate Bill 153 (Committee on Budget and Fiscal Review), Chapter 109, Statutes of 2025.*

7. *California Environmental Quality Act – Assembly Bill 154 (Committee on Budget), Chapter 609, Statutes of 2025.*

SUBCOMMITTEE 3
ON
HEALTH
AND
HUMAN SERVICES

Senate Committee on Budget and Fiscal Review

Members

Akilah Weber Pierson, Chair
Shannon Grove
Caroline Mengivar

Consultants
Scott Ogus
Elizabeth Schmitt

SUBCOMMITTEE NO. 3

HEALTH and HUMAN SERVICES

Health

Human Services

HEALTH

0000 MULTIPLE DEPARTMENTS

Statewide Immunization and Preventive Services Guidance. The Legislature approved trailer bill language to revise statewide requirements and guidance related to the provision of immunizations and the coverage and delivery of various preventive health care services, including the following:

- Establishes baseline recommendations for preventive services, items, and immunizations recommended, as of January 1, 2025, by the United States Preventive Services Task Force (USPSTF), the Advisory Committee on Immunization Practices (ACIP), and the Health Resources and Services Administration (HRSA).

- Authorizes the California Department of Public Health (CDPH) to modify or supplement the baseline recommendations, taking into consideration guidance and recommendations from additional medical and scientific organizations including, but not limited to, the American Academy of Pediatrics (AAP), the American College of Obstetricians and Gynecologists (ACOG), and the American Academy of Family Physicians (AAFP).

- Authorizes CDPH to incorporate subsequent evidence-based recommendations from USPSTF, ACIP, or HRSA, to the extent the department determines they promote public health.

- Requires CDPH to publish the baseline recommendations, including any modification or supplement, ant that any updates, modifications, or supplements are deemed effective on the date of publication.

- Replaces references to USPSTF, ACIP, or HRSA for coverage of preventive services and items, and for the administration of vaccines by various health professionals and other personnel and entities, with references to these federal recommendations as they existed on January 1, 2025, as modified or supplemented by CDPH pursuant to its authority under the baseline recommendations.

- Until January 1, 2030, extends protection of liability for any injury caused by an act or omission in prescribing, dispensing, ordering, furnishing, or in the administration of vaccines or other immunizing agents if required by state law or administered in accordance with guidance from CDPH according to its baseline recommendations, unless the act or omission constitutes willful misconduct or gross negligence.

Los Angeles Olympics and Paralympic Games. The Legislature approved trailer bill language to implement exemptions and other provisions regarding licensing of health professionals and facilities during the 2028 Los Angeles Olympic and Paralympic Games, including the following:

- Provides licensure exemptions to certain medical personnel, on a temporary basis, to ensure adequate medical coverage for the Games, to account for medical needs of Olympic teams from visiting nations, as well as overall requirements of the Olympic Games.

- From May 15 through September 2028, clinics approved by the Organizing Committee may operate without standard state licensure if run by California-licensed practitioners or affiliated health facilities.

- Allows emergency medical technicians (EMTs), paramedics, and other health care practitioners licensed in other states or countries to practice in California for activities related to the Olympic and Paralympic Games, under oversight from the California Department of Public Health, Department of Consumer Affairs, and the Emergency Medical Services Authority.

California Electronic Visit Verification (CalEVV) Resources. The budget includes expenditure authority of $1.4 million ($1.1 million General Fund and $341,000 federal funds) for the California Department of Aging (CDA), the Department of Health Care Services (DHCS), and the Department of Developmental Services (DDS) to support compliance with the electronic visit verification requirements of the federal 21st Century Cures Act.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CALHHS)

Health and Human Services Agency Federal HR 1 Response. The budget includes General Fund expenditure authority of $294,000 in 2025-26 to support staff resources coordinating the agency's responses to House Resolution (HR) 1.

Electronic Benefit Transfer Project – SUN Bucks Operations. The budget includes expenditure authority from the California Health and Human Services Fund of $86.38 million ($43.2 million General Fund) in 2025-26 for the operation and administration of the SUN Bucks program.

Child Welfare Services – California Automated Response and Engagement System (CWS-CARES). The budget includes $185.3 million ($94.1 million General Fund) in 2025-26 and re-appropriates $45.6 million ($22.8 million General Fund) unspent from 2023 Budget Act, for a total of $230.9 million ($116.9 million General Fund) to continue the design, development, and implementation activities for the CWS-CARES project, which will replace the state's child welfare case management system. Expenditure of these funds is contingent upon continued project approval from the Department of Technology. In addition, budget bill language authorizes the Department of Finance to augment the appropriation by up to $118.5 million ($59.4 million General Fund) based on satisfactory project progress.

Early Childhood Policy Council and Whole Child Initiative Carryover. The budget re-appropriates $752,000 General Fund for the early Childhood Policy Council.

Preschool Development Grant Award Authority Adjustment. The budget includes federal fund authority of $280,000 for the Preschool Development Grant and a conforming increase in reimbursements for the California Department of Social Services (CDSS).

Behavioral Health Transformation – Behavioral Health Services Act Implementation. The budget includes expenditure authority from the Behavioral Health Services Fund of $154,000 in 2025-26 to support coordination and implementation of behavioral health initiatives, including SB 326 (Eggman), Chapter 790, Statutes of 2024, the Behavioral Health Services Act, approved by voters in March 2024 as Proposition 1.

Juvenile Justice Realignment Block Grant Formula Revision. The budget includes trailer bill language to revise the Juvenile Justice Realignment Block Grant. In 2025-26, the formula retains the existing by-county distribution methodology. In 2026-27, the formula establishes a by-county distribution as follows: 25 percent for the total realigned population; 20 percent for the realigned population not committed to a secure youth treatment facility (SYTF); 35 percent for the total youth population; and 20 percent for youth who were committed to an SYTF and then transferred to a less restrictive program. In 2027-28, the formula establishes a by-county distribution as follows: 20 percent for the total realigned population; 20 percent for the realigned population not committed to a SYTF; 35 percent for the total youth population; 10 percent for youth who were committed to an SYTF and then transferred to a less restrictive program; and 15 percent for youth who were committed to an SYTF and then transferred to a less restrictive program that is not in a facility regulated by Subchapter 5 (commencing with Section 1300) of Chapter 1 of Division 1 of Title 15 of the California Code of Regulations. In 2028-29 and ongoing, the formula establishes a by-county distribution as follows: 20 percent for the total realigned population; 20 percent for the realigned population not committed to a SYTF; 35 percent for the total youth population; 5 percent for youth who were committed to an SYTF and then transferred to a less restrictive program; and 20 percent for youth who were committed to an SYTF and then transferred to a less restrictive program that is not in a facility regulated by Subchapter 5 (commencing with Section 1300) of Chapter 1 of Division 1 of Title 15 of the California Code of Regulations. Trailer bill language requires the Office of Youth and Community Restoration (OYCR) to review the formula and report to the Legislature with an assessment of the formula's efficacy in meeting the Legislature's intent to implement public health approaches to support positive youth development and outcomes, build the capacity of a continuum of community-based approaches, and reduce recidivism. Additionally, trailer bill language prohibits a county board of supervisors from allocating funding to any juvenile hall, camp, ranch, or SYTF that is, or at any time during the prior fiscal year was, deemed unsuitable and used for the confinement of youth on any day when the facility was prohibited by law from being used for the confinement of youth, and allows a county board of supervisors to withhold funding from any entity that is, or at any time during the prior fiscal year was, operating an unsuitable juvenile hall, camp, ranch, or SYTF and is confining or did confine one or more youth in the unsuitable facility on any day when the facility was prohibited by law from being used for confinement of youth. Trailer bill language requires county realignment block grant plans to include a summary of expenditures from the prior fiscal year, including, but not limited to, total expenditures, a description of whether the expenditures were consistent with the county's realignment block grant plan, and a description of how those expenditures improve outcomes for the realigned population.

Employment Outcomes Reporting. Supplemental Report Language requires CalHHS to coordinate with the Department of Developmental Services (DDS), the Department of Rehabilitation (DOR), and the State Council on Developmental Disabilities (SCDD) to submit a written update on access to employment services and employment outcomes to the Legislature.

0530 CALHHS – OFFICE OF TECHNOLOGY SOLUTIONS INTEGRATION (OTSI)
4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH)

Information Technology Enhancement Resource Shift from CDPH to CalHHS. The budget includes net-zero transfer of General Fund expenditure authority of $381,000 annually from CDPH to CalHHS to continue support for information technology capital planning, prioritization, and enterprise portfolio management workload currently being performed by CalHHS under an interagency agreement.

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

Reappropriation for Community Services Infrastructure Grant Program. The budget includes reappropriation of General Fund expenditure authority of $20.6 million, originally approved in the 2021 Budget Act, until June 30, 2028, to allow for completion of existing projects awarded under the Community Services Infrastructure (CSI) Grant Program.

Reappropriation for Investment in Mental Health Wellness Program. The budget includes reappropriation of General Fund and Behavioral Health Services Fund expenditure authority, originally approved in the 2016 Budget Act, until June 30, 2028, to continue support for crisis residential treatment, crisis stabilization, mobile crisis support teams, and family respite care authorized under the Investment in Mental Health Wellness Program.

Non-Designated Public Hospital Loan Program. The budget includes bill language to extend the repayment period for non-designated public hospitals participating in the Non-Designated Public Hospital Loan Program that CHFFA determines were unable to repay their loan under the original loan agreement.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)

Facility Cost Increase. The budget includes General Fund expenditure authority of $676,000 in 2025-26, $766,000 in 2026-27, and $676,000 annually thereafter to support facility cost increases for the EMSA Headquarters building lease, building security, and tenant improvements.

California Poison Control System Funding Augmentation. The budget includes expenditure authority of $2.7 million ($1.1 million General Fund and $1.6 million reimbursements) in 2025-26, $3.5 million ($1.4 million General Fund and $2.2 million reimbursements) in 2026-27, and $4.4 million ($1.7 million General Fund and $2.7 million reimbursements) annually thereafter, to support increased salaries and benefit expenses resulting from collective bargaining agreements negotiated with staff operating the California Poison Control System.

Enterprise Services and Data Management Solution Reappropriation. The budget includes reappropriation of General Fund expenditure authority of $3.6 million, originally authorized in the 2021 Budget Act, to support continued implementation of the Enterprise Services and Data Management Solution that will support the Electronic Physician Orders for Life Sustaining Treatment (ePOLST), the Central Registry replacement system, and the California EMS Information System (CEMSIS) replacement system.

Technical Correction to Baseline Budget. The budget includes General Fund expenditure authority of $5.5 million to correct an error in the 2024 Budget Act that inadvertently duplicated a reduction in ongoing resources for EMSA.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)

BH-CONNECT Workforce Initiative. The budget includes 57 positions and expenditure authority of $190.2 million ($66.6 million General Fund, $95.1 million reimbursements, and $28.5 million Behavioral Health Services Fund) in 2025-26 to support implementation of several behavioral health workforce programs under the Behavioral Health Community-Based Networks of Equitable Care and Treatment (BH-CONNECT) Workforce Initiative. The budget also includes provisional budget bill language to authorize HCAI to contract with an entity to administer behavioral health workforce initiatives under the BH-CONNECT demonstration.

Rural Health Transformation Program. The budget includes expenditure authority from the California Health Data and Planning Fund of $1 million to support submission of an application for the federal Rural Health Transformation Program.

Diaper Access Initiative. The budget includes General Fund expenditure authority of $7.4 million in 2025-26 and $12.5 million in 2026-27 to support establishment of the Diaper Access Initiative, to provide three months of free diapers to every baby born in California, regardless of income.

CalRx Partnerships Expansion and Reappropriation. The budget includes reappropriation of General Fund expenditure authority of up to $5.6 million, originally approved in the 2022 Budget Act, to support CalRx partnerships for the manufacturing, procurement, and distribution of generic or brand name drugs to address emerging health concerns, including for reproductive health care.

The budget also includes trailer bill language to authorize CalRx to enter into partnerships to increase competition, lower prices, and address supply shortages for generic or brand name drugs to address emerging health concerns including reproductive health care, gender affirming care, vaccines, medical supplies, and medical devices.

CalRx Reduction for Biosimilar Insulin Manufacturing Facility. The budget includes a reduction of General Fund expenditure authority of $45 million that was previously allocated to support building or acquisition of a manufacturing facility for the state's partnership to develop biosimilar insulin.

Healthcare Payments Data Program Long-Term Funding. The budget includes 47 positions and expenditure authority of $15 million ($6 million General Fund, $2.2 million reimbursements, and $6.8 million Health Care Payments Data Fund) in 2025-26 and $5.5 million reimbursements annually thereafter, as well as reappropriation of remaining General Fund expenditure authority originally approved in the 2018 Budget Act, to support operation and implementation of the Healthcare Payments Data Program. The budget also includes trailer bill language to authorize the transfer of funding from the Managed Care Administrative Fines and Penalties Fund to the Health Care Payments Data Fund to support the Healthcare Payments Data Program.

AB 112 Implementation – Data Reporting. The budget includes three positions, funded with previously approved expenditure authority, to support collection and administration of hospital balance sheet data submissions under the Distressed Hospital Loan Program, pursuant to the requirements of AB 112 (Committee on Budget), Chapter 6, Statutes of 2023.

Enterprise Risk Management – Cybersecurity, Patient Privacy, and Governance Staffing. The budget includes one position and expenditure authority from the California Health Data and Planning Fund of $209,000 annually to support increased workload demands resulting from new state and federal cybersecurity, patient privacy, and data laws and policies.

Long-Term Care Staffing and Transparency Data Reporting. The budget includes three positions and expenditure authority from the Health Data and Planning Fund of $597,000 in 2025-26 to support implementation of new federal rules regarding healthcare data reporting requirements.

American Reproductive Centers Fertility Clinic Repairs and Structural Improvements. The budget includes General Fund expenditure authority of $500,000 to support repairs and structural improvements for the American Reproductive Centers Fertility Clinic in Palm Springs.

Northeast Valley Health Corporation Infrastructure Improvements and Expansion. The budget includes General Fund expenditure authority of $3 million to support infrastructure improvements and expansion of the Northeast Valley Health Corporation.

Youth Mental Health Academy. The budget includes General Fund expenditure authority of $2 million to support the Youth Mental Health Academy in Los Angeles.

Wellness Coaches. The budget includes trailer bill language to make technical changes to the statute governing certified wellness coaches to align with current terminology, specify supervision requirements, and revise activities that can be carried out be a certified wellness coach.

Community Health Workers. The budget includes trailer bill language to repeal various statewide certification requirements for community health workers, consistent with the significant reduction in community health worker development programs at HCAI.

Implementation of Chaptered Legislation (HCAI). The budget includes positions and resources for HCAI to implement the following chaptered legislation:

- **Clinical Placements (AB 1577).** The budget includes one position and expenditure authority from the Health Data and Planning Fund of $170,000 annually to support tracking, receipt, and posting of written justifications from health facilities and clinics regarding clinical nursing placement opportunities and other activities, pursuant to the requirements of AB 1577 (Low), Chapter 680, Statutes of 2024.

- **Seismic Safety (AB 869, SB 1382, SB 1447).** The budget includes 10 positions and expenditure authority from the Hospital Building Fund of $2.6 million in 2025-26 and $2.4 million annually thereafter to support program services associated with various seismic safety requirements pursuant to the requirements of AB 869 (Wood), Chapter 801, Statutes of 2024; SB 1382 (Glazer), Chapter 796, Statutes of 2024; and SB 1447 (Durazo), Chapter 896, Statutes of 2024.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)
4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

Pharmacy Benefit Manager Licensure and Data Requirements. For HCAI, the budget includes six positions and expenditure authority from the Pharmacy Benefit Manager Fund of $6.2 million in 2025-26 to implement statutory changes to pharmacy benefit manager (PBM) licensure and data reporting requirements.

For DMHC, the budget includes expenditure authority from the Managed Care Fund of $2.3 million in 2025-26 to support implementation of licensure and data reporting requirements for PBMs.

The budget includes trailer bill language to:

- Require PBMs to be licensed and regulated by DMHC and to submit information to the Health Care Payments Data Program at HCAI. PBMs must obtain and maintain a license no sooner than January 1, 2027, or the date on which DMHC establishes the licensure process.

- Require health care service plans that contract with a PBM to require the PBM to comply with regulatory requirements, register and obtain any necessary licensure from DMHC, and inform contracted pharmacists of the right to submit complaints to DMHC.

- Require PBMS to submit organizational and financial documents, ownership and governance information, and certain information about its pharmaceutical business operations.

- Authorizes DMHC to suspend or revoke a PBM license or assess administrative penalties if the Director determine the licensee has committed acts or omissions constituting grounds for disciplinary action.

- Authorizes an annual fee to be assessed on PBMs to support PBM licensure and oversight.

- Authorizes DMHC to conduct periodic routine and non-routine examinations of the fiscal and administrative affairs of any PBM.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)
4800 CALIFORNIA HEALTH BENEFITS EXCHANGE (COVERED CALIFORNIA)

Abortion Access. The trailer bill language to establish the Abortion Access Fund at HCAI to provide funding for abortion services through grants to provide abortion access. The language also requires the director of the Covered California health benefit exchange to order the transfer to the Abortion Access Fund of up to 75 percent of the funds from each qualified health plan's segregated account for abortions with a positive balance as of July 1, 2025, and with up to 50 percent transferred annually thereafter.

4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

Behavioral Health Transformation. The budget includes one position and expenditure authority from the Managed Care Fund of $194,000 in 2025-26, $188,000 in 2026-27, and $188,000 in 2027-28 through 2029-30 to support investigation of county complaints about managed care health plans' compliance with SB 326 (Eggman), Chapter 790, Statutes of 2023, the Behavioral Health Services Act, approved by voters in March 2024 as Proposition 1.

Identity and Access Management (IDAM) Project Planning. The budget includes expenditure authority from the Managed Care Fund of $187,000 in 2025-26 to support planning for a project to provide an Identity and Access Management (IDAM) solution that includes Single Sign-On capability, application user role, and user account management to enhance application security, simplify user access, and streamline the management of digital identities.

Web Accessible Service Portal (WASP) Replacement. The budget includes expenditure authority from the Managed Care Fund of $344,000 in 2025-26 and $212,000 in 2026-27 to support replacement of the existing Web Accessible Service Portal (WASP) enterprise service management system.

Customer Relationship Management (CRM) Modernization Project Planning. The budget includes expenditure authority from the Managed Care Fund of $1.2 million in 2025-26 to support planning to modernize the consumer and provider complaint Customer Relationship Management System in the department's Help Center.

Program Workload Resources. The budget includes expenditure authority form the Managed Care Fund of $2.6 million in 2025-26, $2.3 million in 2026-27, $2.5 million in 2027-28, $2.5 million in 2028-29, and $2.5 million annually thereafter to support modernization of information technology infrastructure and ongoing consultant costs to address increased volumes of consumer complaints and mandated caseloads.

Implementation of Chaptered Legislation (DMHC). The budget includes positions and resources for DMHC to implement the following chaptered legislation:

- **Claims Reimbursement and Electronic Filing and Analysis of Claims Settlement Data (AB 3275).** The budget includes 17 positions and expenditure authority from the Managed Care Fund of $4.6 million, 24 positions and $5.4 million in 2026-27, $5.4 million in 2027-28, $5.4 million in 2028-29, and $5.5 million annually thereafter to support the planning phase to implement an Electronic Filing and Analysis of Claims (eFAC) Settlement data solution, pursuant to the requirements of AB 3275 (Soria), Chapter 763, Statutes of 2024.

- **Biomedical Industry and Multiple Employer Welfare Arrangements (AB 2072 and AB 2434).** The budget includes expenditure authority from the Managed Care Fund of $508,000 in 2025-26 to support an impact analysis of multiple employer welfare arrangements, pursuant to the requirements of AB 2072 (Weber), Chapter 374, Statutes of 2024, and AB 2434 (Grayson), Chapter 398, Statutes of 2024.

- **Medication-Assisted Treatment (AB 1842).** The budget includes expenditure authority from the Managed Care Fund of $64,000 in 2025-26 and $133,000 annually thereafter to support specialized consulting funding to develop a survey methodology and provide clinical review during health plan surveys, pursuant to the requirements of AB 1842 (Reyes), Chapter 633, Statutes of 2024.

- **Emergency Medical Services (SB 1180).** The budget includes one position and expenditure authority from the Managed Care Fund of $357,000 in 2025-26, $421,000 in 2026-27, $423,000 in 2027-28, $425,000 in 2028-29, and $427,000 annually thereafter to support clinical and statistical consulting to implement the requirements of SB 1180 (Ashby), Chapter 884, Statutes of 2024.

- **Utilization Review (SB 1120).** The budget includes three positions and expenditure authority from the Managed Care Fund of $761,000 in 2025-26 and $740,000 annually thereafter to support development of survey methodologies and clinical review to implement the requirements of SB

1120 (Becker), Chapter 879, Statutes of 2024.

- **Treatment for Infertility and Fertility Services (SB 729).** The budget includes three positions and expenditure authority from the Managed Care Fund of $691,000 in 2025-26, seven positions and $2 million in 2026-27, and $2.1 million annually thereafter to support implementation of coverage requirements for treatment of fertility and infertility, pursuant to the requirements of SB 729 (Menjivar), Chapter 930, Statutes of 2024.

  The trailer bill language to delay implementation of SB 729 requirements from July 1, 2025, until January 1, 2026, and to authorize DMHC and the California Department of Insurance to, until January 1, 2027, issue guidance related to the bill's requirements that would not be subject to the Administrative Procedures Act.

- **Human Milk (AB 3059).** The budget includes expenditure authority from the Managed Care Fund of $64,000 in 2025-26 and $133,000 annually thereafter to support specialized consulting funding for clinical and statistical consultants to implement the requirements of AB 3059 (Weber), Chapter 975, Statutes of 2024.

- **Civil Penalties (SB 858).** The budget includes reappropriation of expenditure authority from the Managed Care Fund of up to $2.8 million, originally approved in the 2024 Budget Act, to align funding with information technology delays in receiving final approval in the project approval lifecycle process, to support implementation of SB 858 (Wiener), Chapter 985, Statutes of 2022.

- **Voluntary Employees' Beneficiary Associations (AB 2063).** The budget includes expenditure authority from the Managed Care Fund of $178,000 in 2027-28 and 2028-29 to support specialized consulting services to implement requirements of AB 2063 (Maienschein), Chapter 818, Statutes of 2024.

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Medi-Cal Local Assistance Funding. The budget includes $179 billion ($37.4 billion General Fund, $108.6 billion federal funds, and $32.9 billion special funds and reimbursements) in 2024-25 and $196.7 billion ($44.9 billion General Fund, $119.7 billion federal funds, and $32.1 billion special funds and reimbursements) in 2025-26 for the delivery of health care services to low-income individuals and families in the Medi-Cal program. These funds are distributed as follows:

- **Medi-Cal Benefits.** $171.4 billion ($36 billion General Fund, $102.5 billion federal funds, and $32.9 billion special funds and reimbursements) in 2024-25 and $189.3 billion ($43.6 billion General Fund, $113.7 billion federal funds, and $32 billion special funds and reimbursements) in 2025-26 for the provision of health care benefits to Medi-Cal beneficiaries.

- **County and Other Local Assistance Administration**. $7.6 billion ($1.4 billion General Fund, $6.2 billion federal funds, and $44.2 million special funds and reimbursements) in 2024-25 and $7.5 billion ($1.3 billion General Fund, $6 billion federal funds, and $123.1 million special funds and reimbursements) in 2025-26 for eligibility determinations and other administrative activities performed by counties.

Medi-Cal caseload is estimated to be 14,970,700 in 2024-25 and 14,873,800 in 2025-26.

Family Health Programs Local Assistance Funding. The budget includes $297.6 million ($270.8 million General Fund, $5.5 million federal funds, and $21.3 million special funds and reimbursements) in 2024-25 and $274.6 million ($248.3 million General Fund, $5.8 million federal funds, and $20.5 million special funds and reimbursements) in 2025-26 for state-only health care programs, as follows:

- **California Children's Services (CCS) Program.** $83.7 million ($76.2 million General Fund and $7.5 million special funds and reimbursements) in 2024-25 and $91.4 million ($85.2 million General Fund and $6.3 million special funds and reimbursements) in 2025-26. Counties will contribute an additional $83.6 million in 2024-25 and $91.4 million in 2025-26 for state-only services in the CCS Program. The CCS Medi-Cal caseload is estimated to be 174,837 in 2024-25 and 174,064 in 2025-26, and the CCS State-Only caseload is estimated to be 13,965 in 2024-25 and 14,284 in 2025-26.

- **Genetically Handicapped Persons Program (GHPP).** $195.1 million ($194.5 million General Fund and $535,000 special funds and reimbursements) in 2024-25 and $163.6 million ($163.2 million General Fund and $459,000 special funds and reimbursements) in 2025-26. The GHPP Medi-Cal caseload is estimated to be 641 in 2024-25 and 612 in 2025-26, and the GHPP State-Only caseload is estimated to be 624 in 2024-25 and 599 in 2025-26.

- **Every Woman Counts (EWC) Program.** $18.8 million ($5.5 million federal funds and $13.3 million special funds) in 2024-25 and $19.5 million ($5.8 million federal funds and $13.8 million special funds) in 2025-26. The EWC caseload is estimated to be 8,786 in 2024-25 and 9.255 in 2025-26.

General Fund Solution – Enrollment Freeze for Full-Scope Medi-Cal Coverage for Undocumented Expansion Population. The budget includes General Fund savings of $86.5 million in 2025-26, $857.5 million in 2026-27, $2 billion in 2027-28, and $3.3 billion annually thereafter from implementing a freeze on new enrollment to full-scope coverage for undocumented individuals age 19 and over, beginning on January 1, 2026. These savings are achieved primarily from expected reduction in enrollment in Medi-Cal coverage for undocumented Californians over time. The budget includes trailer bill language implementing this General Fund solution.

General Fund Solution – Monthly Premiums for Individuals with Unsatisfactory Immigration Status (UIS). The budget includes General Fund costs of $30 million in 2026-27 and General Fund saving of $250 million in 2027-28 and $675 million annually thereafter from the imposition of $30 per member per month premiums on Medi-Cal beneficiaries with unsatisfactory immigration status (UIS), ages 19 through 59, beginning July 1, 2027. The budget includes trailer bill language implementing this General Fund solution.

General Fund Solution – Elimination of Dental Benefits for UIS Population. The budget includes General Fund savings of $336 million annually, beginning in 2027-28 from the elimination of dental benefits for Medi-Cal beneficiaries with unsatisfactory immigration status ages 19 and older, beginning July 1, 2027. The budget includes trailer bill language implementing this General Fund solution.

General Fund Solution – Elimination of Prospective Payment System Payments for UIS Population. The budget includes General Fund savings of $1.1 billion annually, beginning in 2027-28, from the elimination of payments to community clinics under the prospective payment system for services provided to Medi-Cal beneficiaries with unsatisfactory immigration status (UIS). The budget includes trailer bill language implementing this General Fund solution.

General Fund Solution – Medi-Cal Rx Rebates for Unsatisfactory Immigration Status. The budget includes General Fund savings of $370 million in 2025-26 and $600 million annually thereafter from implementation of a rebate aggregator to secure state rebates for individuals with unsatisfactory immigration status (UIS).

General Fund Solution - Elimination of Medi-Cal Coverage for Glucagon-Like Peptide 1 (GLP-1) Drugs for Weight Loss. The budget includes General Fund savings of $85 million, increasing to $680 million annually by 2028-29, from elimination of Medi-Cal coverage of glucagon-like peptide 1 (GLP-1) drugs, such as Ozempic or Wegovy, for weight loss beginning January 1, 2026.

General Fund Solution – Elimination of Medi-Cal Coverage of Certain Over-the-Counter Drugs. The budget includes General Fund savings of $3 million in 2025-26 and $6 million annually thereafter from the elimination of pharmacy coverage in Medi-Cal of COVID-19 antigen tests, over-the-counter vitamins, and certain antihistamines.

General Fund Solution – Utilization Management. The budget includes General Fund savings of $25 million in 2025-26 and $50 million annually thereafter from implementation of utilization management and prior authorization for prescription drugs in Medi-Cal.

General Fund Solution – Step Therapy. The budget includes General Fund savings of $87.5 million in 2025-26 and $175 million annually thereafter from implementation of a step therapy strategy to promote utilization management and control prescription drug costs in Medi-Cal.

General Fund Solution – HIV/AIDS and Cancer Drug Rebates. The budget includes General Fund savings of $75 million in 2025-26 and $150 million annually thereafter from implementing minimum manufacturer rebates for HIV/AIDS and cancer drugs in the Medi-Cal program.

General Fund Solution – Prior Authorization for Continuation of Drug Therapy. The budget includes General Fund savings of $62.5 million in 2025-26 and $125 million annually thereafter from elimination of the continuing care status for pharmacy benefits under CalRx, effective January 1, 2026, instead requiring Medi-Cal beneficiaries to obtain drugs no longer on or removed from the contracted drug list through the prior authorization process. In addition, statutory language requires a 60-day notice to beneficiaries and stakeholders that a drug is no longer on the contracted drug list.

General Fund Solution – Proposition 35 Support for Medi-Cal Capitation Rates. The budget includes General Fund savings of $1.3 billion in 2024-25, and General Fund costs of $200 million in 2025-26 and $400 million in 2026-27 related to the managed care organization (MCO) tax approved by the Legislature and approved by voters in November 2024 as Proposition 35. The budget achieves these savings by utilizing MCO tax revenue to support the portion of managed care capitation rate increases attributable to the payment of provider rates. The Administration estimates that $804 million in 2024-25, $2.8 billion in 2025-26, and $2.4 billion in 2026-27 will be available for provider rate increases.

General Fund Solution – Medical Providers Interim Payment Loan. The budget includes General Fund savings of $3.1 billion in 2025-26 and $1.3 billion in 2026-27, from extending the repayment of a loan from the General Fund to the Medical Providers Interim Payment Fund to support the Medi-Cal program that was approved in March 2025.

General Fund Solution – Reinstate Medi-Cal Asset Limit. The budget includes General Fund savings of $45 million in 2025-26, $343 million in 2026-27, and $510 million annually thereafter from reinstating the asset limit for Medi-Cal eligibility for seniors and persons with disabilities to $130,000 for an individual and $65,000 for each additional person in the household.

General Fund Solution – Behavioral Health Services Fund General Fund Offset. The budget includes General Fund savings of $40 million from offsetting General Fund expenditures in the Behavioral Health Bridge Housing Program and the Behavioral Health Transformation County Funding with Behavioral Health Services Fund resources.

General Fund Solution – Eliminate Skilled Nursing Facility Workforce and Quality Incentive Program and Backup Power Requirements. The budget includes General Fund savings of $168.2 million in 2025-26, $280 million in 2026-27, and $140 million annually thereafter from elimination of the Skilled Nursing Facility Workforce and Quality Incentive Program and suspending the requirement for facilities to maintain a backup power system for no fewer than 96 hours, implemented pursuant to AB 1511 (Irwin), Chapter 788, Statutes of 2022.

General Fund Solution – Health Care Services Plan Fines and Penalties Fund Transfer. The budget includes General Fund savings of $20.4 million in 2025-26 and $3.5 million in 2026-27 from utilizing expenditure authority from the Health Care Services Plan Fines and Penalties Fund to offset General Fund expenditures in the Medi-Cal program.

General Fund Solution – Eliminate Proposition 56 Supplemental Payments for Dental Services. The budget includes General Fund savings of $362 million annually, beginning in 2027-28, from the elimination of Proposition 56 supplemental payments for dental services, beginning July 1, 2027.

General Fund Solution – Suspend Proposition 56 Loan Repayment Program for 2025-26. The budget includes General Fund savings of $26 million from suspension of the final cohort of the physician and dentist loan repayment program supported by Proposition 56 tobacco and e-cigarette tax revenue and redirecting the funding to offset General Fund expenditures in the Medi-Cal program.

General Fund Solution – Prior Authorization for Hospice Services. The budget includes General Fund savings of $50 million annually, beginning in 2026-27, from implementation of prior authorization for hospice services, beginning July 1, 2026.

General Fund Solution – Cap Payments for Programs for All-Inclusive Care for the Elderly. The budget includes General Fund savings of $30 million annually, beginning in 2027-28, from limiting payments to Programs for All-Inclusive Care for the Elderly (PACE) to the midpoint of actuarial ranges, except for newly enrolled providers receiving enhanced rates for two years, beginning July 1, 2027.

AB 186 Skilled Nursing Facility Workforce Standards and Accountability Sanctions. The budget includes 14 positions and expenditure authority of $2.9 million ($1.4 million Long-Term Care Quality Assurance Fund or LTC QAF, and $1.4 million federal funds) in 2025-26 and $2.8 million ($1.4 million LTC QAF and $1.4 million federal funds) annually thereafter to support implementation and program integrity efforts for the Workforce Standards Program (WSP) and the Accountability Sanctions Program (ASP), two new skilled nursing facility financing programs authorized pursuant to AB 186 (Committee on Budget), Chapter 46, Statutes of 2022.

Civil Rights Compliance. The budget includes 12 positions and expenditure authority of $2 million ($987,000 General Fund and $986,000 federal funds) in 2025-26 and $1.9 million ($933,000 General Fund and $932,000 federal funds) annually thereafter to support civil rights compliance workload within DHCS.

Medi-Cal Administrative Activities for CalAIM Justice Involved Initiative. The budget includes five positions and expenditure authority of $798,000 ($399,000 General Fund and $399,000 federal funds) in 2025-26 and $753,000 ($377,000 General Fund and $376,000 federal funds) annually thereafter to support establishment of a Medi-Cal Administrative Activities program for the Justice Involved Initiative, which provides eligibility and health care services to individuals 90 days prior to release from a jail, prison, or other correctional facility.

Programs for All-Inclusive Care for the Elderly (PACE) Growth and Expansion. The budget includes 33 positions and expenditure authority of $6.3 million ($2.9 million PACE Oversight Fund and $3.4 million federal funds) in 2025-26 to support DHCS administration, operation, monitoring, and oversight of PACE organizations.

Value Strategy for Hospital Payments in Medi-Cal Managed Care. The budget includes expenditure authority of $11.3 million ($2 million California Health Data and Planning Fund, $5.6 million federal funds, and $3.6 million reimbursements) to support the development by DHCS of a comprehensive hospital value strategy.

Program Workload Resources. The budget includes 16 positions and expenditure authority of $7.9 million ($2 million General Fund, $4.4 million federal funds and $1.5 million Long-Term Care Quality Assurance Fund or LTC QAF) in 2025-26, $7.8 million ($2 million General Fund, $4.3 million federal funds, and $1.5 million LTC QAF) in 2026-27, and $3 million ($1.5 million General Fund and $1.5 million federal funds) annually thereafter to support ongoing program workload in the DHCS.

Population Health Management Reappropriation. The budget includes reappropriation of General Fund expenditure authority of up to $19.8 million, originally authorized in the 2021 Budget Act, to continue support for the department's Population Health Management service, known as Medi-Cal Connect.

Children and Youth Behavioral Health Initiative Reappropriation. The budget includes reappropriation of General Fund expenditure authority of up to $381.9 million, originally authorized in the 2022 Budget Act, to support continued implementation of the Children and Youth Behavioral Health Initiative.

Behavioral Health Infrastructure Bond Act. The budget includes 22 positions and expenditure authority from the Behavioral Health Infrastructure Fund of $13.5 million annually to support implementation of the Behavioral Health Continuum Infrastructure Program, expanded through AB 531 (Irwin), Chapter 789, Statutes of 2023, and Proposition 1, the Behavioral Health Bond Act.

Behavioral Health Transformation - Behavioral Health Services Act Continued Implementation. The budget includes 104 positions and expenditure authority of $131 million ($52 million federal funds and $54 million Behavioral Health Services Fund) in 2025-26 and $80.1 million ($26.1 million federal funds and $54 million Behavioral Health Services Fund) in 2026-27, and $18.1 million ($9.1 million federal funds and $9 million Behavioral Health Services Fund) annually thereafter to support efforts to modernize the Mental Health Services Act and improve statewide accountability and access to behavioral health services, pursuant to the Behavioral Health Services Act, SB 326 (Eggman), Chapter 790, Statutes of 2023, and Proposition 1, approved by voters in March 2024.

Centers for Medicare and Medicaid Services (CMS) Interoperability. The budget includes expenditure authority of $1.1 million ($194,000 General Fund and $909,000 federal funds) in 2025-26 and $1.1 million ($270,000 General Fund and $811,000 federal funds) annually thereafter to support planning and implementation of the federal Centers for Medicare and Medicaid Services (CMS) Interoperability and Patient Access final rule and the new CMS Advancing Interoperability and Improving Prior Authorization Processes final rule.

Federally Qualified Health Center (FQHC) Policy Guide. The budget includes expenditure authority of $700,000 ($350,000 federal funds and $350,000 reimbursements) in 2025-26 to support engagement with stakeholders to develop a consolidated policy manual or similar resources to comprehensively document the FQHC prospective payment system. These resources are supported by a grant from the California Health Care Foundation.

Human Resources Plus Modernization. The budget includes expenditure authority of $3.7 million ($1.8 million General Fund and $1.8 million federal funds) in 2025-26 and $2.8 million ($1.4 million General Fund and $1.4 million federal funds) annually thereafter to support planning, procurement, and project costs to modernize human resources and related fiscal systems business technology.

Transforming Maternal Health (TMaH) Model. The budget includes two positions and federal fund expenditure authority of $1.1 million in 2025-26, $1.8 million in 2026-27, $1.3 million in 2027-28, $3.5 million in 2028-29, and $2.3 million annually thereafter to support implementation of the Transforming Maternal Health (TMaH) Model, pursuant to a federal grant.

Long-Term Care Staffing and Payment Transparency Final Rule. The budget includes eight positions and expenditure authority of $2.6 million ($1.4 million federal funds and $1.2 million Long-Term Care Quality Assurance Fund) in 2025-26 to support implementation of new federal rules and program support workload related to new federal final rules.

Behavioral Health Federal Funds Adjustment. The budget includes federal fund expenditure authority of $72.9 million to reflect receipt of federal funding for community mental health and substance use disorder treatment and prevention services.

Behavioral Health Block Grant Reappropriation. The budget includes reappropriation of federal fund expenditure authority of up to $57.5 million, originally approved in the 2021 Budget Act, to support community mental health services.

Medicaid Managed Care, Access, and Eligibility Final Rules. The budget includes 47 positions and expenditure authority of $7.8 million ($3.9 million General Fund and $3.9 million federal funds) in 2025-26 to support implementation and planning, as well as increased workload, related to new federal Medicaid managed care rules.

988 Suicide and Crisis Lifeline Allocation Increase. The budget includes expenditure authority from the 988 State Suicide and Behavioral Health Crisis Services Fund of $17.5 million in 2025-26 to support managing an increase in 988 contact volume, including growth in 988 calls, chats, and texts.

Title X Restoration. The budget includes General Fund expenditure authority of $15 million in 2025-26 to backfill lost federal reproductive health funding for Title X programs.

Children and Youth Behavioral Health Initiative (CYBHI) – Behavioral Health Services and Supports Platform. The budget includes General Fund savings of $3 million from reduction of resources for the Behavioral Health Services and Supports Platform.

Proposition 36 Funding. The budget includes General Fund expenditure authority of $50 million in 2025-26 to provide non-competitive grants to county behavioral health departments for implementation of Proposition 36 (2024), administered by DHCS. The funding can be used for planning, capacity building, treatment services, and other workload and implementation costs.

CalHOPE Warm Line. The budget includes expenditure authority from the Behavioral Health Services Fund of $5 million in 2025-26 to support the continuation of the CalHOPE Warm Line.

Adverse Childhood Experiences Provider Training. The budget includes expenditure authority of $2.9 million ($1.5 million Behavioral Health Services Fund and $1.5 million federal funds) to support additional provider trainings for adverse childhood experiences (ACEs).

State Operations for the Breast Cancer Fund. The budget includes a reduction of expenditure authority from the Breast Cancer Fund of $1.7 million annually to reflect updated revenue projections in the fund.

Home- and Community-Based Alternatives Waiver and PACE Sanctions. The budget includes trailer bill language to add Home- and Community-Based Alternatives (HCBA) Waiver providers, and Programs for All-Inclusive Care for the Elderly (PACE) to the list of DHCS contractors subject to contract termination or sanctions if the contractor fails to comply with contract requirements, state or federal laws or regulations, the state plan or waivers, or other good cause.

Medi-Cal Anti-Fraud Special Deposit Fund. The budget includes trailer bill language to establish a permanent Medi-Cal Anti-Fraud Special Deposit Fund to accept Medi-Cal provider payments withheld while investigating a credible allegation of fraud.

Cognitive Health Assessment Training and Reporting. The budget includes trailer bill language to remove the cognitive health assessment training and biannual reporting requirement associated with the department's Dementia Care Aware initiative.

Nondesignated Public Hospital Supplemental Fund and Intergovernmental Transfer Programs. The budget inlcudes trailer bill language to expand eligibility for supplemental reimbursement programs for nondesignated public hospitals and authorize DHCS to retain a portion of intergovernmental transfer funding for the program to cover the administrative costs of operating the program.

Behavioral Health Services Schoolsite Fee Schedule Administrator. The budget includes trailer bill language to revise requirements for the statewide Behavioral Health Services Schoolsite Fee Schedule third party administrator to reduce administrative burdens of collecting health plan enrollment data on local educational agencies (LEAs), and ensuring timely payment of claims.

Streamline Legislative Reporting Requirements. The budget includes trailer bill language to streamline and eliminate obsolete reporting requirements to the Legislature by DHCS.

Medical Interpreters Pilot Extension. The budget includes trailer bill language to extend the expenditure, encumbrance, and liquidation period for expenditure of funding for a medical interpreters pilot until June 30, 2026.

Implementation of Chaptered Legislation (DHCS). The budget includes positions and resources for DHCS to implement the following chaptered legislation:

- **Utilization Review (SB 1120).** The budget includes two positions and expenditure authority of $340,000 ($170,000 General Fund and $170,000 federal funds) in 2025-26 and $322,000 ($161,000 General Fund and $161,000 federal funds) annually thereafter to support implementation of new restrictions on the use of artificial intelligence (AI) for utilization review and management, pursuant to the requirements of SB 1120 (Becker), Chapter 879, Statutes of 2024.

- **Claim Reimbursement (AB 3275).** The budget includes two positions and expenditure authority of $331,000 ($166,000 General Fund and $165,000 federal funds) in 2025-26, and $313,000 ($157,000 General Fund and $156,000 federal funds) annually thereafter to support implementation of timely claims payments, pursuant to the requirements of AB 3275 (Soria), Chapter 763, Statutes of 2024.

- **Involuntary Treatment – Antipsychotic Medication (SB 1184).** The budget includes six positions and expenditure authority of $1.1 million ($543,000 General Fund and $542,000 federal funds) in 2025-26, and $1 million ($516,000 General Fund and $515,000 federal funds) annually thereafter to support collection and reporting of data from county behavioral health directors regarding involuntary treatment, pursuant to the requirements of SB 1184 (Eggman), Chapter 643, Statutes of 2024.

- **Medi-Cal Providers Family Planning (SB 1131).** The budget includes one position and expenditure authority of $160,000 ($16,000 General Fund and $144,000 federal funds) in 2025-26 and $151,000 ($14,000 General Fund and $137,000 federal funds) annually thereafter to support provider enrollment, onboarding, and training for non-clinician site certifiers for clinics providing services for the Family Planning, Access, Care, and Treatment (Family PACT) program, pursuant to the requirements of SB 1131 (Gonzalez), Chapter 880, Statutes of 2024.

- **Medi-Cal Call Centers Standards and Data (SB 1289).** The budget includes six positions and expenditure authority of $1 million ($515,000 General Fund and $514,000 federal funds) in 2025-26 and $975,000 ($488,000 General Fund and $487,000 federal funds) annually thereafter to support collection of call center metrics and quarterly reporting, pursuant to the requirements of SB 1289 (Roth), Chapter 792, Statutes of 2024.

- **Health Facilities (SB 1238).** The budget includes seven positions and expenditure authority of $1.2 million ($586,000 General Fund and $586,000 federal funds) in 2025-26 and $1.1 million ($555,000 General Fund and $554,000 federal funds) annually thereafter to support oversight of additional county facilities for evaluation and treatment of behavioral health conditions, pursuant to the requirements of SB 1238 (Eggman), Chapter 644, Statutes of 2024.

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AIDS Drug Assistance Program (ADAP) Program Estimate. The budget includes expenditure authority of $356.3 million ($241.1 million ADAP Rebate Fund and $115.2 million federal funds) in 2024-25 and $411.7 million ($301.4 million ADAP Rebate Fund and $110.3 million federal funds) in 2025-26 to support medication and health care coverage for individuals living with HIV/AIDS in ADAP.

ADAP Rebate Fund – Backfill of Lost Federal Funding. The budget includes trailer bill language authorizing the use of $75 million of ADAP Rebate Fund to support the loss of federal funding for HIV prevention program.

Maintenance and Operations Support for CalCONNECT. The budget includes General Fund expenditure authority of $18 million in 2025-26 to support maintenance and operations costs for the California Confidential Network for Contact Tracing (CalCONNECT), California's contact tracing system used to manage case and contact records and notify individuals of possible exposure to people who test positive for infectious diseases.

Maintenance and Operations Support for the SaPHIRE System. The budget includes General Fund expenditure authority of $27 million in 2025-26, $20.4 million in 2026-27, and $16.3 million annually thereafter to support maintenance and operations of the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) system, an integrated data system that provides 24 hour processing of lab results for all reportable infectious diseases.

Maintenance and Operations Support for myCAvax. The budget includes General Fund expenditure authority of $31.5 million to support maintenance and operations of the California Vaccine Management System (myCAvax).

CAIR3 Design, Development, and Implementation. The budget includes General Fund expenditure authority of $5.1 million in 2025-26 to support the design, development, and implementation of the California Immunization Registry 3 (CAIR3) Project, which would upgrade California's statewide immunization information system used to capture, store, track, and consolidate vaccination data.

California Syndromic Surveillance Program Reappropriation. The budget includes reappropriation of expenditure authority from the Opioid Settlements Fund of up to $2.5 million, originally authorized in the 2022 Budget Act, to support implementation of the California Syndromic Surveillance Program (CalSys), respond to the state's overdose epidemic by tracking early symptoms data on opioid overdoses statewide, and enable hospitals to meet statewide requirements in SB 159 (Committee on Budget and Fiscal Review), Chapter 40, Statutes of 2024.

Wastewater Surveillance for Infectious Diseases. The budget includes General Fund expenditure authority of $3.2 million in 2025-26 to support a wastewater surveillance program for all regions of California.

Public Health Coordination. The budget includes General Fund expenditure authority of $4 million to support building capacity and coordinated communications with other states, academic partners, health systems, health insurers, clinical professional organizations, local public health, and other health organizations.

Laboratory Personnel Licensing and Certification Fees. The budget includes trailer bill language to establish an updated schedule of fees to be paid to CDPH for the licensing and certification of laboratory personnel.

General Fund Solution – Reduction of Public Health Workforce Development and Engagement Program. The budget includes General Fund savings of $2.8 million from reduction of resources for the Public Health Workforce Development and Engagement Program, which supports public health workforce upskilling. $370,000 was maintained within the program to support previously made commitments to training cohorts.

Genetic Disease Screening Program Estimate. The budget includes expenditure authority from the Genetic Disease Screening Fund of $173.5 million ($37.6 million state operations and $136 million local assistance) in 2024-25, and $174.5 million ($36.4 million state operations and $138.1 million local assistance) in 2025-26 to support newborn and prenatal screening in the Genetic Disease Screening Program.

Genetic Counselors Licensing and Certification Fees. The budget includes trailer bill language to establish an updated schedule of fees to be paid to CDPH for the licensing and certification of genetic counselors.

Women, Infants, and Children (WIC) Program Estimate. The budget includes expenditure authority of $1.4 billion ($1.2 billion federal funds and $192.7 million WIC Manufacturer Rebate Fund) in 2024-25 and $1.5 billion ($1.3 billion federal funds and $186.3 million WIC Manufacturer Rebate Fund) in 2025-26 to support food and nutrition programs through the WIC program. The federal funds include state operations costs of $69.5 million in 2024-25 and $71.1 million in 2025-26.

Biomonitoring California Funding Realignment. The budget shifts two positions and annual General Fund expenditure authority of $425,000 from CDPH to the Department of Toxic Substances Control (DTSC) to transition funding directly to DTSC for laboratory services it currently providers under an interagency agreement. There is no net cost to the General Fund.

Governor's Advisory Council on Physical Fitness and Mental Well Being Extension. The budget includes reappropriation of General Fund expenditure authority of $2.5 million, originally approved in the 2022 Budget Act, available for encumbrance and expenditure until June 30, 2027, to support the Governor's Advisory Council on Physical Fitness and Mental Well Being.

BabyBIG Infant Botulism Treatment and Prevention Program. The budget includes two positions and expenditure authority from the Infant Botulism Treatment and Prevention Fund of $3 million in 2025-26 and $2.2 million annually thereafter to support increased manufacturing and regulatory costs associated with producing Lots 8 and 9 of Human Botulism Immune Globulin Intravenous (BabyBIG), used for the treatment of infant botulism.

Industrial Hemp Compliance Enforcement. The budget includes General Fund expenditure authority of $758,000 in 2025-26 to support compliance enforcement of the manufacturing and distribution of industrial hemp products, as required by AB 45 (Aguiar-Curry), Chapter 576, Statutes of 2021, and associated regulations.

California Neurodegenerative Disease Registry. The budget includes reappropriation of General Fund expenditure authority of $3 million, originally approved in the 2021 Budget Act, available through June 30, 2027, to support the California Neurodegenerative Disease Registry.

Transgender, Gender Non-conforming, and Intersex (TGI) Wellness and Equity. The budget includes transfer of General Fund expenditure authority of $15 million to the Transgender, Gender Non-conforming, and Intersex (TGI) Wellness and Equity Fund, and reappropriation of expenditure authority from the TGI Wellness and Equity Fund of $7.2 million, originally approved in the 2022 Budget Act, to support continuation of existing gender health equity programs within the Office of Health Equity Gender Health Equity Section.

Lesbian, Bisexual, Transgender, Queer (LBTQ) Women's Health Funding Reappropriation. The budget includes reappropriation of General Fund expenditure authority of $15.5 million, originally approved in the 2019 Budget Act, to support a local comprehensive grant program to address lesbian, bisexual, transgender, and queer (LBTQ) women's health disparities and to fund research targeting LBTQ women's health needs and an inventory of existing programs.

LGBTQ+ Foster Youth Funding Reappropriation. The budget includes reappropriation of General Fund expenditure authority of $4.1 million, originally approved in the 2022 Budget Act, to continue support for increased capacity, training, and care for LGBTQ+ foster youth.

Reproductive Health Funding Reappropriation. The budget includes reappropriation of General Fund expenditure authority of $13.3 million, originally approved in the 2022 Budget Act, to support reproductive health and sexual health education.

Behavioral Health Services Act Implementation. The budget includes expenditure authority from the Behavioral Health Services Fund of $7.4 million in 2025-26 to support implementation of population-level prevention and behavioral health initiatives, pursuant to the Behavioral Health Services Act, SB 326 (Eggman), Chapter 790, Statutes of 2024, and Proposition 1, approved by voters in March 2024.

Amyotrophic Lateral Sclerosis (ALS) Wraparound Services. The budget includes General Fund expenditure authority of $3.5 million in 2025-26 to support a wraparound model of care for individuals diagnosed with amyotrophic lateral sclerosis and their caregivers.

Vital Records Staffing Resources. The budget includes expenditure authority from the Health Statistics Special Fund of $2.4 million in 2025-26 through 2027-28, and $1.7 million annually thereafter to support efforts to eliminate backlogs in requests for vital records and reduce wait times by one to three months.

Food Safety and Epidemiology Contract Services. The budget includes a shift of expenditure authority from the Food Safety Fund of $45,000 from local assistance to state operations to allow CDPH to maintain existing contract services with the University of California, Davis to support the California Epidemiologic Investigation Service Fellowship Program.

Proposition 99 Expenditure Adjustments. The budget includes the following adjustments to Proposition 99 tobacco tax expenditure accounts to reflect updated tax revenue: 1) $723,000 reduction to the Research Account, 2) $286,000 reduction to the Unallocated Account, and 3) $6.3 million reduction to the Health Education Account.

Breast Cancer Fund Adjustment. The budget includes a reduction of expenditure authority of $10,000 in the Breast Cancer Research Account of the Breast Cancer Fund to reflect updated tobacco tax revenue estimate.

Public Contract Code Exemption for Emergencies and Threats. The budget includes trailer bill language to exempt from the Public Contract Code requirements for department operations supporting preparedness and response during emergencies and imminent threats with the potential for significant public health impacts.

Center for Health Care Quality Internal Departmental Quality Improvement Account (IDQIA). The budget includes expenditure authority from the Internal Departmental Quality Improvement Account (IDQIA) of $3.1 million in 2025-26 to support planning and implementation costs for the Centralized Application Branch (CAB) Online Licensing Application Project.

Center for Health Care Quality Policy and Legislation Branch Expansion. The budget includes seven positions and expenditure authority from the Licensing and Certification Fund of $1.1 million annually to support expansion of the Center for Health Care Quality's Public Policy and Legislative Branch.

Center for Health Care Quality Operations Support. The budget includes eight positions and expenditure authority from the Licensing and Certification Fund of $1.5 million annually to support operations within the Center for Health Care Quality.

Center for Health Care Quality Acute Psychiatric Hospitals Support. The budget includes five positions and expenditure authority from the Licensing and Certification Fund of $1 million annually to support investigations of complaints at acute psychiatric hospitals. The budget includes trailer bill language to authorize promulgation of emergency regulations, and final regulations no later than 18 months thereafter, for oversight of acute psychiatric hospitals.

Special Deposit Sub-Fund Conversion to Special Funds. The budget includes trailer bill language to convert four special deposit funds to their own, separate special funds, including the Internal Departmental Quality Improvement Account (IDQIA), the Skilled Nursing Facility Minimum Staffing Penalty Account, the State Facilities Citation Penalties Account, and the Federal Health Facilities Citation Penalties Account.

Implementation of Chaptered Legislation (CDPH). The budget includes positions and resources for CDPH to implement the following chaptered legislation:

- **Online Accreditation and Certification Application System Development for Lead Related Construction (SB 1076).** The budget includes a net decrease of expenditure authority of $2.8 million in 2025-26, consisting of a decrease of $5 million of Lead Related Construction Fund and an increase of $2.2 million from the General Fund, to support development of an online accreditation and application system for firms and individuals who perform lead renovation, repair, and painting work, pursuant to the requirements of SB 1076 (Archuleta), Chapter 507, Statutes of 2022.

- **Worker Secondhand Cannabis Smoke Guidance (AB 1775).** The budget includes one position and General Fund expenditure authority of $183,000 annually to support implementation of secondhand cannabis smoke guidance pursuant to the requirements of AB 1775 (Haney), Chapter 104, Statutes of 2024.

- **Mental Health and Impacts of Social Media (AB 1282).** The budget includes expenditure authority from the Behavioral Health Services Fund of $463,000 in 2025-26 and $232,000 in 2026-27 to support development and submission of a report to the Legislature on a statewide strategy to address the mental health risks linked to the use of social media in children and youth, pursuant to the requirements of AB 1282 (Lowenthal), Chapter 807, Statutes of 2024.

- **Health Care Service Artificial Intelligence (AB 3030).** The budget includes three positions and expenditure authority from the Licensing and Certification Fund of $672,000 annually to support enforcement of requirements that health care services providers that use artificial intelligence to provide patient communications include a disclaimer and instructions describing how a patient may contact a human health care provider or other appropriate person, pursuant to the requirements of AB 3030 (Calderon), Chapter 848, Statutes of 2024.

- **Long-Term Health Care Facilities – Payment Source and Resident Census (SB 1354).** The budget includes 1.25 positions and expenditure authority from the Licensing and Certification Fund of $307,000 annually to support oversight of skilled nursing facility requirements to make daily resident census and nurse staffing data available, pursuant to the requirements of SB 1354 (Wahab), Chapter 339, Statutes of 2024.

- **Data Collection – Sexual Orientation, Gender Identity, and Intersex Status (SB 957).** The budget includes three positions and General Fund expenditure authority of $538,000 annually to support implementation of changes and preparation of reports to comply with the requirements of SB 957 (Wiener), Chapter 868, Statutes of 2024.

- **Anti-Fraud Death Data Files (SB 1511).** The budget includes expenditure authority from the Health Statistics Special Fund of $492,000 annually to support implementation of new requirements related to death registration, pursuant to the requirements of SB 1511 (Committee on Budget and Fiscal Review), Chapter 492, Statutes of 2024.

- **Coroners – Duties (AB 1859).** The budget includes one position and General Fund expenditure authority of $288,000 annually to support analysis and posting of xylazine overdose data gathered by coroners to the California Overdose Surveillance Dashboard, pursuant to the requirements of AB 1859 (Alanis), Chapter 684, Statutes of 2024.

- **Patient Safety and Antidiscrimination (AB 3161).** The budget includes expenditure authority from the Licensing and Certification Fund of $1.1 million in 2025-26 to support oversight of hospital patient safety plans to include demographic data on injured patients to address racism and discrimination in health care, pursuant to the requirements of AB 3161 (Bonta), Chapter 757, Statutes of 2024.

4440 DEPARTMENT OF STATE HOSPITALS (DSH)

The budget includes $3.2 billion in 2025-26 for the Department of State Hospitals (DSH), a decrease of 188.2 million (6 percent) as compared to 2024-25.

Infrastructure and Facilities. The budget includes the following adjustments related to infrastructure and facilities at DSH.

- *Napa: Electrical Infrastructure Upgrade*. The budget includes $2.8 million General Fund for the preliminary plans phase of the DSH-Napa Electrical Infrastructure Upgrade project. This project includes replacing the existing transformer, substation, utility feeder lines, facility transformers, and switch gear, and installing emergency generators.

- *Statewide Project Management*. The budget includes 12.0 positions (authority only) in 2025-26 and ongoing to convert contract positions to civil staff positions to address increased workload related to projects managed by the Facility Planning, Construction & Management section.

- *Coalinga: Hydronic Loop Replacement*. The budget reverts $26.2 million General Fund from 2024-25 and provides a new appropriation of $34.4 million General Fund in 2025-26 for the construction phase of the DSH-Coalinga Hydronic Loop Replacement project.

- *Patton: Fire Alarm System Upgrade*. The budget includes a reappropriation of $21.6 million General Fund in 2025-26 for the construction phase of the Patton Fire Alarm System Upgrade project.

Incompetent to Stand Trial (IST). DSH reported a waitlist of 278 IST individuals as of the 2025-26 May Revision, and has reported consistently meeting the court-ordered timelines for treatment of IST patients. The budget included the following adjustments related to IST programs at DSH.

- *IST Infrastructure Grant Program Reversion*. The budget includes a reduction of $232.5 million one-time General Fund included in the 2022 Budget Act for grants to counties to increase residential treatment housing capacity for individuals designated IST. This funding was unspent due to lower than expected demand for the program.

- *IST Program Rightsizing.* The budget reflects savings of $4.5 million in 2024-25, $161.1 million in 2025-26, $238.8 million in 2026-27 and $157.3 million in 2027-28 and ongoing from right-sizing IST programs including Early Access and Stabilization Services (EASS), Community-Based Restoration and Diversion, and County Collaborative Workgroup Grant funding. This creates a new baseline for IST funding that will allow the continuation of current programs, including programs with contracts in negotiation.

- *Savings and Caseload Adjustments.* The budget reflects savings of $12.3 million in 2025-26 and ongoing related to the Los Angeles County Community-Based Restoration and Diversion contract to reflect current enrollment rates, and a caseload adjustment resulting in savings of $10.9 million in 2024-25, $37.8 million in 2025-26, and $39.0 million in 2026-27 related to EASS and Jail-Based Competency Treatment. The budget also reflects one-time savings of $237.5 million in fiscal year 2024-25, $82.1 million in 2025-26, and $78.9 million in 2026-27, largely due to updated timelines for activating new community-based IST programs.

- *Court-Appointed Evaluator Training Reversion*. The budget includes a reversion of $4.6 million from 2023-24 and $4.5 million from 2024-25 in unused funding originally appropriated for the Judicial Council to develop trainings for court-appointed evaluators.

- *Positions.* The budget redirects $6.0 million from IST savings to fund 23 ongoing positions. This includes one new position to support data collection related to Felony Mental Health Diversion, and the extension of 22 existing, limited-term positions to support Re-evaluation Services for the Felony IST Program.

Metropolitan Increased Secure Bed Capacity Project. The budget reflects one-time savings of $10.3 million in 2024-25 due to delays in the DSH-Metropolitan Increased Secure Bed Capacity project.

County Bed Reimbursement Authority. The budget includes $13.4 million in 2025-26 and $21 million in 2026-27 and ongoing in reimbursement authority to collect county bed payments. This increased reimbursement authority is due to (1) a projected increase in the Lanterman-Petris-Short (LPS) patient census and (2) negotiated daily bed rate increases of 4.0 percent in 2025-26 and 3.5 percent in 2026-27. The increase in LPS census is due to the conversion of 25 existing beds, and the decision to use one of the new secure 44-bed units at DSH-Metropolitan for LPS patients instead of IST patients, due to higher demand for LPS beds.

Enhanced Treatment Program (ETP). The budget includes statutory changes to extend the ETP pilot to January 1, 2030, and reflects savings of $571,000 in 2024-25 due to a delay in activation of the DSH-Patton ETP.

Decrease Court Reporting Requirements for a Limited Patient Population. The budget includes statutory changes and a reduction of three positions and $1.5 million in 2025-26 and ongoing to modify requirements for reporting to the court from semi-annually to annually for the Not Guilty by Reason of

Insanity population, which aligns with the annual reporting requirements for other long-term patient populations.

Continuum Electronic Health Records Phase 1 Implementation. The budget includes a reappropriation of $7.5 million from 2024-25 to 2025-26 related to DSH's Employee Health Record project, and provisional language allowing a mid-year augmentation to avoid project delays.

DSH-Coalinga Telepsychology Pilot. The budget includes $474,000 in 2025-26 and $342,000 in 2026-27 and 2027-28 for a three-year telepsychology pilot at DSH-Coalinga.

Educational Institution Partnership Contracts. The budget includes provisional language to allow DSH to enter into agreements with educational institutions and hospitals to provide clinical training and education.

Prior Authorization Software. The budget reflects savings of $250,000 in 2025-26, $500,000 in 2026-27, and $1 million in 2027-28 and ongoing related to the implementation of prior authorization and utilization management software for certain specialty care services.

Patient Driven Operating Expenses and Equipment Adjustment. DSH uses a standardized methodology to provide funding for patient-related operating expenses and equipment (OE&E), adopted in the 2019 budget. OE&E categories include utilities, clothing, food, pharmaceuticals, and other population-driven expenses. The budget includes an increase of $20.2 million in 2024-25 and $22.0 million in 2025-26 and ongoing for increased expenses in utilities, pharmaceuticals, food, and outside hospitalization.

Other Adjustments. The budget includes the following other adjustments for DSH:

- Three positions (authority only) in 2025-26 and ongoing to address increased workload related to referral intake for *Coleman* patients.

- Savings of $6.9 million in 2024-25 due to reduced census in the Conditional Release Program Non-Sexually Violent Predators program.

- Savings of $22.1 million in 2025-26 and ongoing related to the reduction of 124.1 isolation unit related positions, to align with current isolation practices and utilization.

- Savings of $4.8 million in 2025-26, $5.9 million in 2026-27, and $2.3 million in 2027-28 and ongoing related to various operational efficiencies.

4560 COMMISSION ON BEHAVIORAL HEALTH (CBH)

Emergency, Psychiatric Assessment, Treatment, and Healing (EmPATH). The budget includes extension of the liquidation deadline of expenditure authority from the Behavioral Health Services Fund of up to $7.8 million, originally approved in the 2021 Budget Act, until June 30, 2027, to support grants for emergency, psychiatric assessment, treatment, and healing (EmPATH) units delivering psychiatric care to individuals with behavioral health conditions.

Early Psychosis Intervention (EPI) Plus Program. The budget includes extension of the liquidation deadline of expenditure authority from the Behavioral Health Services Fund of up to $430,000, originally approved in the 2019 Budget Act, until June 30, 2026, to support evidence-based early psychosis and mood disorder detection through the Early Psychosis Intervention (EPI) Plus Program, pursuant to the requirements of AB 1315 (Mullin), Chapter 414, Statutes of 2017.

4800 CALIFORNIA HEALTH BENEFITS EXCHANGE (COVERED CALIFORNIA)

Protection of Gender-Affirming Care Coverage. The budget includes expenditure authority from the Health Care Affordability Reserve Fund of $15 million to support continuation of coverage for gender affirming care services, consistent with California law, in the Covered California health benefit exchange. The budget also approved trailer bill language continuing to require a qualified health plan in the Covered California health benefit exchange to provide coverage for state-mandated gender-affirming care benefits and authorizing the Health Care Affordability Reserve Fund to support payments by Covered California to health plans to defray the cost of offering state-mandated gender-affirming care benefits in the exchange.

Increased Funding to Support Financial Assistance for Health Care Consumers. The budget includes expenditure authority from the Health Care Affordability Reserve Fund of $190 million to support premium subsidies in the Covered California Health Benefits Exchange that will help defray expiring federal premium subsidies provided by the Inflation Reduction Act.

Health-Related Budget Bills and Trailer Bills

1. *Budget Act of 2025 – SB 101 (Wiener), Chapter 4, Statutes of 2025.*

2. *Budget Act of 2025 – AB 102 (Gabriel), Chapter 5, Statutes of 2025.*

3. *Budget Acts of 2023 and 2024 — AB 100 (Gabriel), Chapter 2, Statutes of 2025.*

4. *Budget Acts of 2022, 2023, and 2024 – SB 103 (Wiener), Chapter 6, Statutes of 2025.*

5. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025.*

6. *Health Trailer Bill – AB 116 (Committee on Budget), Chapter 21, Statutes of 2025.*

7. *Health Trailer Bill – AB 144 (Committee on Budget), Chapter 105, Statutes of 2025.*

HUMAN SERVICES

4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES (SCDD)

SCDD is responsible for engaging in advocacy, capacity building, and systems change activities that promote self-determination, independence, productivity, and inclusion for Californians with intellectual and developmental disabilities (I/DD) and their families. The 2025 Budget Act includes $15.4 million total funds for SCDD ($8.8 million federal funds and $6.7 million reimbursements). SCDD's budget was approved as budgeted, including the following adjustments:

Supported Decision-Making Technical Assistance Program. The budget re-appropriates $507,000 General Fund for the support of the Supported Decision-Making Technical Assistance Program.

Increased Reimbursement Authority – Quality Assessment Project. The budget increases reimbursements by $198,000 in 2025-26 and $299,000 in 2026-27 and ongoing to support updates to an existing interagency agreement with the Department of Developmental Services related to the Quality Assessment Project.

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)

CDA administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities. The 2025 Budget Act includes $433 million total funds for CDA ($163.14 million General Fund, $235.4 million federal funds, and the remainder special funds and reimbursements). CDA's budget includes the following changes:

Long-Term Care Ombudsman Program. The budget includes an increase of $3 million in 2025-26, 2026-27, and 2027-28 from the State Health Facilities Citation Penalties Account to investigate complaints against long-term care facilities and to increase visits to those facilities for the purposes of ensuring residents' rights, safety, health, and quality of life.

Multipurpose Senior Services Program Case Management. The budget includes $2.8 million General Fund in 2025-26, $2.7 million General Fund in 2026-27, and $1.1 million General Fund in 2027-28 and ongoing for two positions to implement a case management software system for the Multipurpose Senior Services Program (MSSP). Provisional language allows the Department of Finance to decrease funding if the Centers for Medicare and Medicaid Services' Medicaid and Children's Health Insurance Program Managed Care Access, Finance, and Quality Final Rule is rescinded or repealed, and requires any adjustment of this item to be reported to the Joint Legislative Budget Committee, as specified.

Health Insurance Counseling and Advocacy Program. The budget includes $2.3 million Health Insurance Counseling and Advocacy Program (HICAP) special fund in 2025-26 and 2026-27 to further HICAP modernization efforts, serve more Medicare beneficiaries, and improve service and access. These funds support the continuation of one position at each local HICAP program for volunteer coordination and three positions at CDA to continue program modernization efforts.

Federal Trust Fund Authority Technical Adjustment. The budget includes an increase of federal fund reimbursement authority by $23.2 million for local assistance in 2025-26 and ongoing and $3.87 million for state operations in 2025-26 to align federal fund reimbursement authority with receipt of federal funds.

Technical Baseline Adjustment. The budget includes a technical adjustment of net-zero shifts of existing funds for various programs within each respective state operations item.

No Wrong Door and Aging and Disability Resource Connections. Supplemental Report Language requires CDA to report to the Legislature regarding implementation of a No Wrong Door System for long-term services and supports for older adults and people with disabilities, including options to build out a sustainable network of Aging and Disability Resource Connections (ADRCs).

4180 CALIFORNIA COMMISSION ON AGING

The mission of the California Commission on Aging is to serve as the principal advocacy body for older Californians. The 2025 Budget Act includes $1 million for the Commission on Aging ($931,000 federal funds, $66,000 California Seniors Special Fund, and $48,000 General Fund.) The budget for the Commission on Aging was approved as budgeted.

4185 CALIFORNIA SENIOR LEGISLATURE

The California Senior Legislature was established in 1980 for the purpose of providing model legislation and advocating for the needs of California seniors. The 2025 Budget Act includes $423,000 for the California Senior Legislature ($298,000 General Fund and $125,000 California Senior Citizen Advocacy Voluntary Tax Contribution Fund). The budget for the California Senior Legislature was approved as budgeted.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)

DDS is responsible for administering the Lanterman Developmental Disabilities Services Act (Lanterman Act). Under the Lanterman Act, individuals with intellectual and developmental disabilities (I/DD) are entitled to an array of services and supports sufficiently complete to meet their individual needs and choices, regardless of age or degree of disability, and at each stage of life. The 2025 Budget Act includes $18.7 billion for DDS ($12.2 billion General Fund, $6.4 billion reimbursements, and the remainder federal and other special funds.) DDS's budget includes the following changes:

Quality Incentive Program Eligibility. The budget includes a reduction of $221.7 million General Fund in 2026-27 and ongoing as a result of expanded requirements developmental services providers must meet in order to qualify for the Quality Incentive Program, which comprises up to 10 percent of a provider's full rate. Trailer bill language establishes these requirements, as follows: compliance with Electronic Visit Verification, Home and Community-Based Services rules, and independent audit and fiscal reviews.

Service Provider Rate Reform Hold Harmless. The budget includes a reduction of $75 million General Fund in 2025-26 and corresponding trailer bill language to end the DDS service provider rate reform hold harmless policy as of February 28, 2026 instead of June 30, 2026.

Self-Determination Program. The budget includes a reduction of $22.5 million General Fund in 2025-26 and $45.5 million General Fund ongoing to the DDS Self-Determination Program, corresponding to a number of program changes in trailer bill language. Trailer bill language requires DDS to reduce barriers to participation and improve equity in enrollment by establishing, with community input, no later than March 1, 2027, statewide standardized processes and procedures for the Self-Determination Program. Trailer bill language additionally requires initial individual budgets in the Self-Determination Program to be the total amount of the most recently available 12 months of purchase of service authorizations, services authorized by the Individual Program Plan (IPP) team but not currently provided in a purchase of service authorization, less services paid for by the regional center outside of the self-determination program and one-time expenses. Trailer bill language allows participants to transfer between service codes and budget categories upon the approval of the regional center or the participant's IPP team and requires regional centers to provide timely authorization to the participant's financial management service. Additionally, trailer bill language requires regional centers to certify participant spending plans to verify that goods and services satisfy the following criteria: (1) address the individual's desired outcomes identified in their IPP; (2) are not available from generic services; and (3) are eligible for federal financial participation.

Life Outcomes Improvement System (LOIS). The budget includes an increase of $13.3 million ($5.1 million General Fund) for the extension of 17 limited-term positions at DDS, regional center resources, and consulting services to continue the planning phase of the LOIS project, which will modernize the department's fiscal and case management systems into a single integrated solution.

Porterville Developmental Center. The budget includes a reduction of $25 million General Fund in 2025-26 and $16 million General Fund in 2026-27 and ongoing to align the budget to recent expenditure trends at Porterville Developmental Center.

Porterville Developmental Center Capital Outlay. The budget includes an increase of $2.2 million General Fund one-time for the construction phase of the Fire Sprinkler System project at Porterville Developmental Center and the reversion of $1.1 million General Fund of existing authority for the construction phase, resulting in a net increase of $1 million General Fund.

Public Records Act (AB 1147). The budget includes $10.7 million total funds ($7.6 million General Fund) in 2025-26 and $14.3 million total funds ($10.2 million General Fund) in 2026-27 and ongoing for four permanent headquarters positions and regional center resources (approximately four positions per regional center) to address the new workload associated with AB 1147 (Addis), Chapter 902, Statutes of 2024.

Rate Reform: Employment Services and Tailored Day Services. Trailer bill language makes various changes to employment services to align with DDS rate reform, as follows: changes job coach to consumer ratio from a minimum of 1:3 to 1:2 for group services; removes the requirement that employment services providers be nonprofit agencies; and makes other technical changes. Trailer bill removes the hourly rate for employment services and Tailored Day Services, and instead allows those rates to be set by DDS and posted on the DDS website.

Implicit Bias Training. The budget includes a reduction of $5.6 million General Fund in 2025-26 and ongoing, with corresponding trailer bill language, to remove the requirement that DDS continue ongoing implicit bias training for regional centers.

Health and Safety Waiver Assistance. The budget includes an ongoing reduction of $3 million General Fund to remove specialized allocations to regional centers designed to facilitate applications for health and safety waivers. This includes corresponding trailer bill language.

Federal Access Rule. The budget includes an increase of $1.9 million ($1.6 million General Fund) for nine limited-term positions to support increased compliance with new federal Home and Community-Based Services Access Rule, including the development of a federally compliant grievance process.

Staffing for Health and Safety Investigations and Due Process Caseload. The budget includes an increase of $1.4 million ($1.2 million General Fund) for nine permanent positions in 2025-26 and $2 million ($1.7 million General Fund) in 2026-27 and ongoing to support workload related to health and safety concerns and rising appeals and complaints.

Clinical Monitoring Team for Specialized Homes. The budget includes an increase of $680,000 ($544,000 General Fund) for four permanent positions to support development and monitoring of specialized community homes and services.

Increased Reimbursement and Cost Recovery. The budget includes an increase of $1.3 million ($1.1 million General Fund) for five permanent positions and contracted consultant support to obtain payment from public and private health insurers for services purchased by regional centers on behalf of eligible individuals.

Repeal of Parental Fee Program. The budget includes trailer bill language that repeals the Parental Fee Program and redirects positions to support increased reimbursement and cost recovery efforts.

Master Plan for Developmental Services. The budget includes trailer bill language that establishes ongoing meeting and reporting requirements related to implementation of the Master Plan for Developmental Services.

May Revision Caseload Adjustments. The budget approves caseload and workload adjustments to the department's baseline budget updated at May Revision.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT (CSD)

CSD partners with nonprofit and local government organizations to administer programs to help low-income Californians achieve and maintain economic security, pay energy bills, and make homes more energy efficient. The 2025 Budget Act includes $349.5 million for CSD ($343.9 million federal funds and $5.6 million reimbursements). CSD's budget includes the following changes:

Proposition 4: Low-Income Weatherization Program Farmworker Housing Component. The budget includes $230,000 in 2025-26 and 2026-27 and $236,000 in 2027-28 for state operations for administration of the Low-Income Weatherization Program Farmworker Housing Component, with the timing of corresponding local assistance resources to be determined as part of the 2026 budget process (see the Natural Resources section for more information on the Proposition 4 Spending Plan.)

Low-Income Weatherization Program Re-appropriations. The budget extends the liquidation period for one-time General Funds appropriated in the 2021 and 2022 Budget Acts for the Low-Income Weatherization Program Farmworker Housing Component and Multifamily Housing Component.

General Fund Cash Loan. The budget authorizes a General Fund loan, not to exceed $40 million, to assist in cash flow program needs related to unanticipated delays in the receipt of federal funds.

5160 DEPARTMENT OF REHABILITATION (DOR)

The Department of Rehabilitation (DOR) provides services and advocacy resulting in employment, independent living, and equality for individuals with disabilities. The 2025 Budget Act includes $579.5 million ($480.9 million federal funds, $83.6 million General Fund, and the remainder special funds and reimbursements). The budget for DOR was approved as budgeted.

5170 STATE INDEPENDENT LIVING COUNCIL

The State Independent Living Council's mission is to create policy and system change for independent living for people with disabilities pursuant to the Federal Rehabilitation Act of 1973. The 2025 Budget Act includes $746,000 reimbursements for the State Independent Living Council and was approved as budgeted.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES (DCSS)

The Department of Child Support Services (DCSS) administers the child support program in California through local child support agencies. The budget includes $1.19 billion for DCSS ($733.5 million federal funds, $371.4 million General Fund, $82.8 million Child Support Collections Recovery Fund, and the remainder reimbursements). The budget for DCSS was approved as budgeted, including the following adjustment:

Local Assistance Adjustment. The budget includes a decrease of $1.5 million federal funds and a corresponding increase in Child Support Collections Recovery Fund to reflect an estimated increase in collections received for the federal government's share of child support recoupment based on updated child support collections.

5180 DEPARTMENT OF SOCIAL SERVICES (CDSS)

CDSS administers the state's core social services programs including child care and development, child welfare and foster care, CalFresh and food assistance, CalWORKs, In-Home Supportive Services (IHSS), and other programs. The 2025 Budget Act includes $56.01 billion for CDSS programs ($31.5 billion federal funds and reimbursements, $24.5 billion General Fund, and the remainder special funds.) The CDSS budget includes the following changes:

CHILD CARE

Child Care and Preschool Cost-of-Living Adjustment (COLA). The budget makes several changes to the COLA for child care programs. The statutory COLA is redirected as an increase to the monthly "cost of care plus" rate supplement for all child care and preschool programs, totaling $61.8 million General Fund for CDSS child care programs and $22.0 million ($6.5 million General Fund and $14.6 million Proposition 98) for the California State Preschool Program (CSPP) administered by the California Department of Education (CDE). Trailer bill language outlines a formula for distributing the COLA and requires that future child care COLAs, commencing July 1, 2026, be applied to all subsidized child care and preschool programs as a minimum annual rate increase.

Child Care Providers United (CCPU) Memorandum of Understanding (MOU) and Parity Agreement. The Legislature approved trailer bill language that ratifies the three-year agreement reached between the state and CCPU on August 7, 2025. Trailer bill extends monthly per-child rate supplements, known as cost of care plus, for all subsidized child care and preschool providers, adjusted by the COLA approved in the 2025 Budget Act. Trailer bill also establishes the COLA-adjusted monthly amount per child based on provider type and region, ranging from $107 per child to $230 per child. In addition, trailer bill requires CDSS and CDE to provide all subsidized providers with a one-time stabilization payment of $300 per child for license-exempt family child care providers and $431 per child for small and large family child care providers, center-based providers, and California State Preschool Program (CSPP) providers. Trailer bill language establishes a five percent administrative fee for processing one-time per child stabilization payments and continues the 10 percent administrative fee for processing monthly payments. The 10 percent administrative fee is based on the monthly amount prior to the COLA adjustment. Additionally, trailer bill language requires the state to make a single contribution to three CCPU funds to maintain the balances of those funds, from July 1, 2025 through July 1, 2028, as follows: $15 million to the CCPU Training Partnership Fund; $80 million to the CCPU Retirement Trust; and an amount based on provider enrollment for the CCPU Workers Health Care Fund. Total costs of the MOU and parity agreement is $1.5 billion ($1.28 billion General Fund, $217.6 million Proposition 98) in 2025-26 and $1.3 billion ($1.1 billion General Fund, $180.57 million Proposition 98) for the duration of the three-year agreement. Across both CDSS and CDE programs and inclusive of all CCPU-represented and non-represented providers in 2025-26, costs are distributed as follows: $203.7 million for one-time stabilization payments; $945.4 million for the continuation of cost of care plus monthly rate supplements; $82.8 million for the COLA to the cost of care plus monthly rate supplements; $100 million for the CCPU Health Benefits Trust; $80 million for the CCPU Retirement Benefits Trust; and $15 million for the CCPU Training Fund. Administrative costs for implementation include $6.7 million for administration of one-time stabilization payments; $61.4 million for administration of the cost of care plus rate supplements; $930,000 million for administration of the COLA; and $1.1 million for CDSS and CDE state operations.

Enrollment-Based Pay for Voucher-based Child Care Programs. For voucher-based child care programs, trailer bill language extends payment based on the maximum authorized hours of care, regardless of attendance, for voucher-based child care and preschool programs through July 1, 2028, pursuant to the MOU between the state and CCPU. The budget includes $88.6 million General Fund to extend enrollment-based pay in 2025-26.

Enrollment-Based Pay for Direct Contract Child Care Programs. For direct contract-based child care and preschool programs, including the CSPP program administered by CDE, trailer bill language extends the existing hold harmless policy, which bases contract reimbursement on the lesser of the maximum reimbursable contract amount and net reimbursable program costs, through July 1, 2026. Commencing July 1, 2026, trailer bill establishes payment based on enrollment for these direct contract-based child care and preschool programs.

Administrative Support for Alternative Payment Programs. The budget includes an increase of $70 million General Fund in 2025-26 to provide resources to Alternative Payment Programs for administration and support costs associated with implementing ongoing provisions of the Memorandum of Understanding with CCPU.

Child Care Rate Reform Support Costs. The budget includes an increase of $21.8 million federal funds to support start-up automation activities for CDSS to implement a single rate structure for child care based on an alternative methodology. Budget bill language requires that prior to entering into any contracts for this purpose, CDSS shall provide a written notification to the Joint Legislative Budget Committee which includes an update on how the department proposes to structure child care rates pursuant to the single rate structure.

Child Care Rate Reform. Trailer bill language extends quarterly updates to the Legislature on the implementation of child care rate reform through July 1, 2027. Trailer bill language additionally adds reporting requirements regarding the implementation of prospective payment and payment based on enrollment. Further, trailer bill language establishes legislative intent to cease using a regional market rate for setting child care rates, and use an alternative methodology and a single rate structure instead.

Child Care Prospective Pay. The budget includes $21.9 million General Fund in 2025-26 and $43.8 million General Fund in 2026-27, in addition to $8.2 million for one-time automation costs, for child care contactors to implement the federal requirement to pay child care providers prospectively. Additionally, the budget includes $582,000 and six positions in 2025-26 and $1.1 and six positions in 2026-27 and ongoing for state operations to support local implementation of prospective pay.

Emergency Child Care Bridge. The budget includes a reversion of $30 million General Fund estimated to be unspent in 2024-25, and a reduction of $30 million General Fund in 2025-26 and ongoing, to the Emergency Child Care Bridge program, which funds child care slots for children in foster care on an emergency basis. The budget still retains $57.2 million General Fund for the Emergency Child Care Bridge program.

Child Care 12-Month Eligibility for New Children. The budget includes trailer bill language to clarify that if a family receiving subsidized child care adds an additional child to the family, the family's eligibility period shall be extended for at least 12 months.

Child Care Program Staffing. The budget includes an increase in federal expenditure authority of $6.4 million in 2025-26 and $6.2 million ongoing for 33 federally funded permanent positions to provide policy, program, and administrative support to child care and development programs.

Child Care Direct Deposit Staffing and Re-appropriation. The budget includes an increase of $944,000 and five positions in 2025-26, and $922,000 and five positions in 2026-27 and ongoing to provide administrative support to process child care and development contract payments. The budget also re-appropriates up to $1.1 million from the 2022 Budget Act to extend the existing direct deposit contract funds.

Child Care Clean-Up. The budget includes trailer bill language to omit obsolete references to CDSS child care reporting requirements and makes conforming changes to establish a daily rate based on a documented need of five or more hour per day.

Child Care Development Fund Authority. The budget includes a technical change to increase ongoing federal fund authority by $34.4 million to cover the federal Child Care Development Block Grant program.

Sacramento County Child Care. The budget includes $1.5 million General Fund for the County of Sacramento for onsite child care facilities at the Sacramento International Airport for airport employees.

San Francisco Child Development Center. The budget appropriates $250,000 General Fund to the City and County of San Francisco for accessibility improvements to Wah Mei Child Development Center.

Child Development Institute. The budget appropriates $1.5 million General Fund to the Child Development Institute, a nonprofit child care center in the San Fernando Valley.

California Work Opportunity and Responsibility to Kids (CALWORKS)

Streamlining the CalWORKs Program Experience. The budget includes an increase of $1.5 million total funds in one-time automation costs and decrease of $18.2 million total funds in ongoing savings to streamline the CalWORKs program experience by implementing a set of policy changes that are consistent with family-centered approaches to CalWORKs. The $18.2 million in savings results from replacing county welfare to work data reporting activities with data elements using administrative extracts from California Statewide Automated Welfare System (CalSAWS). Corresponding trailer bill language includes the following program changes: revises the sequence of activities for counties and CalWORKs participants upon enrolment; requires CDSS to develop an updated streamlined appraisal tool; expands allowable activities under a welfare-to-work plan; requires transportation costs included in a welfare-to-work plan to be advanced to participants; makes job club an optional program component; requires a county to verify a CalWORKs participant has secured child care prior to issuing a sanction; defers sanctions during the initial 90 days of program participation; simplifies the process for curing a sanctions; and repeals the requirement that any future Work Participation Rate penalties be passed on to counties.

Work Participation Rate Penalty Impact. The budget includes an increase of $21.1 million to supplement the reduction to the federal TANF block grant due to the Work Participation Rate penalty imposed on the state for failure to meet requirements from federal fiscal years 2012 through 2014.

New Aid Code for TANF Timed-Out Two-Parent Families. The budget includes an increase of $455,000 federal funds to automate a new aid code into the Medi-Cal Eligibility System and CalSAWS for the two parent Temporary Assistance for Needy Families (TANF) timed-out cases to ensure compliance with federal rules.

CALFRESH AND FOOD PROGRAMS

House Resolution 1 (H.R. 1) Response Budget Resources. The budget includes a package of changes to address the impacts of H.R. 1 on the state's CalFresh program. This includes an appropriation of $42 million ($21.7 million General Fund and $20.3 million federal CalFresh administration funds) for CalFresh payment error rate mitigation. Activities to mitigate the state's CalFresh payment error rate include data and technology enhancements and client communication and education. The budget appropriates an additional $9.1 million ($3.2 million General Fund) for CalSAWS and BenefitsCal automation changes necessary to implement the non-discretionary policy provisions of H.R. 1. Provisional budget bill language allows for expenditures of up to $30 million ($15 million General Fund, $15 million federal CalFresh administration funds) for implementing requirements and guidance from the federal government resulting from H.R. 1, and up to $40 million ($20 million General Fund, $20 million federal CalFresh administration funds) for county administration to address provisions of H.R. 1 related to Able-Bodied Adults Without Dependents, with notification to the Joint Legislative Budget Committee at least 10 days in advance. This package includes an additional $2.5 million ($1.3 million General Fund and $1.3 million federal CalFresh administration funds) for CDSS operations, including ten one-year limited-term positions to implement H.R. 1 compliance, federal monitoring, corrective action, and legal support.

H.R. 1 Response Trailer Bill. Trailer bill language makes several changes to enable CDSS to mitigate the impacts of H.R. 1 and reduce the state's CalFresh error rate, which could expose the state to substantial benefit cost sharing in the future as a result of H.R. 1 cost shifts to states. Trailer bill language allows CDSS, until October 1, 2027, and when necessary to reduce the CalFresh payment error rate, to implement and administer the CalFresh program by means of all-county letters and emergency regulations. Trailer bill prohibits all-county letters and emergency regulations adopted in this manner from impeding or reducing an applicant's access to benefits for which they are eligible. Trailer bill pauses implementation of the pre-populated semiannual report in consideration of this policy's unknown effects on the state's CalFresh payment error rate. Trailer bill also pauses, for two years, implementation of the CalFresh pre-release program. Additionally, trailer bill language requires CDSS to consult with various stakeholders beginning in September 2025 and through the duration of H.R. 1 implementation activities, and requires regular reporting to the Legislature on these activities.

CalFood. The budget includes an increase of $72 million General Fund for the CalFood program, which funds California food banks to purchase and distribute California grown and produced food. This brings the total CalFood budget in 2025-26 to $80 million General Fund.

CalFresh Fruit and Vegetable Pilot Program. The budget includes $36 million General Fund to continue the CalFresh Fruit and Vegetable Pilot Program. Trailer bill language makes a technical change to clarify the operational period for which the pilot program will receive an evaluation.

Able-Bodied Adults without Dependents (ABAWD) Waiver Change. The budget includes $116.9 million ($900,000 million General Fund) in benefit savings and $21.9 million ($7.8 million General Fund) administration and training costs to reflect earlier implementation of the ABAWD time limit than previously anticipated. The two-year ABAWD waiver set to expire on January 31, 2027, was rescinded by the federal government and replaced with an updated waiver that expires on January 31, 2026.

SUN Bucks Administration. The budget includes an increase of $267,000 General Fund in 2025-26, $262,000 General Fund in 2026-27 and ongoing, and four positions to support administration of the SUN Bucks program pursuant to the approval of the 2025 plan by the United States Department of Agriculture Food and Nutrition Service. This includes a corresponding increase of $267,000 federal funds in 2025-26, and $262,000 federal funds in 2026-27 and ongoing. Additionally, the budget includes provisional language for contract exemption language related to administration of the program.

California Food Assistance Program (CFAP) Expansion. The budget maintains the planned implementation date of October 1, 2027 for the expansion of CFAP to all eligible adults ages 55 and older, but re-appropriates $26 million General Fund for automation and outreach to 2026-27. This allows automation and outreach to continue in 2025-26 with $12 million General Fund re-appropriated to 2025-26.

CalFresh Outreach. The budget includes an increase in federal expenditure authority of $780,000 in 2025-26 and $760,000 ongoing for CDSS to bolster the CalFresh Outreach program and engage in more strategies to reach people eligible for CalFresh in California.

Disaster CalFresh. The Legislature approved trailer bill language clarifying that in the event of a disaster declaration, CDSS shall receive up to $300,000 General Fund to cover administrative costs associated with the implementation of the Disaster CalFresh program.

CalFresh Confirm. The budget includes an increase in CDSS reimbursement authority by $269,000 to continue receivable Inter-Agency Agreements with fellow state-level entities seeking to use the CalFresh Confirm tool. The positions are funded by the Federal Employment and Training (E&T) funds at 50 percent and from revenue generated from agreements at 50 percent.

CalFresh Enhancement to Populate Income. The budget includes an increase of $270,000 in federal fund authority to auto-populate the income page with data from the payment verification system to reduce manual data entry and improve accuracy.

CalFresh Standard Utility Allowance. The budget includes an increase of $700,000 General Fund and $1 million federal funds to support updates to client-facing forms and notices as well as automation updates to CalSAWS necessary to implement the Final Rule released by United States Department of Agriculture Food and Nutrition Service.

CalFresh Employment and Training Fund. The budget allows for the transfer of federal funds to the newly established CalFresh Employment and Training Fund.

CalFresh Strategic Plan. Trailer bill language requires CDSS to develop a strategic plan for how the department's methodology and outreach strategies may be executed to maximize benefits for those eligible for CalFresh, by July 1, 2027.

YMCA of Metropolitan Los Angeles. The budget appropriates $7.5 million General Fund to the YMCA of Metropolitan Los Angeles for food assistance and legal aid services.

FOSTER CARE AND CHILD WELFARE

Foster Family Agency Bridge Funding. The budget includes one-time funding of $31.5 million ($23 million General Fund) for foster family agencies to mitigate the increased costs of liability insurance, using criteria and a methodology determined by CDSS in consultation with child welfare stakeholders. This funding is available for encumbrance and expenditure through June 30, 2027.

Foster Care Tiered Rate Structure. Trailer bill language states that implementation of the Foster Care Tiered Rate Structure, scheduled for July 1, 2027, is subject to an appropriation. Trailer bill language also includes various technical changes to the Tiered Rate Structure statute. Implementation of the Tiered Rate Structure, which includes resources for state operations and local assistance funding, continues in the budget, as described below.

First Phase of Foster Care Tiered Rate Structure State Operations. The budget includes $3.7 million ($2.5 million General Fund) and 16 positions to support the first phase of implementation of the Foster Care Tiered Rate Structure.

Child and Adolescent Needs and Strengths Fidelity and Training. The budget includes $2.9 million ($2.1 million General Fund) ongoing to support the implementation of the Tiered Rate Structure by integrating the California Integrated Practice-Child and Adolescent Needs and Strengths (IP-CANS) and Child and Family Team (CFT) Fidelity Plans. Funding will facilitate the development, training, and implementation of system-level and case-level fidelity tools, including the County Practice and Implementation Profile and CFT Observation Tool, to monitor and improve practice quality.

Family Urgent Response System (FURS). The budget reverts up to $9 million General Fund estimated to be unspent in both 2023-24 and 2024-25, and reduces FURS funding by $9 million General Fund in 2025-26 to align with recent program spending. This maintains $21 million General Fund ongoing for FURS, which provides 24/7 mobile response to children in foster care.

Adoption Assistance Program (AAP). Trailer bill language restricts the use of AAP payments for placement in an out-of-state residential treatment facility to only those adopted children whose parent(s) live in the state outside of California in which the facility is located. Trailer bill further establishes parameters governing the authorization of AAP payments for families who meet this criteria, including that the facility be licensed, in good standing, eligible for federal funds, and designated as a qualified residential treatment program. Commencing September 1, 2025, and annually thereafter, trailer bill language requires county adoption agencies to provide the following information to CDSS: the total number of children in out-of-state residential treatment facilities, the name and location of each out-of-state residential treatment facility, and the number of days each child placed in an out-of-state residential treatment facility remained in that facility. Additionally, trailer bill language requires CDSS to engage child welfare advocates, county child welfare agencies, tribes, and interested stakeholders to update policies regarding the use of AAP for in-home wraparound and out-of-home placements, and provide proposed statutory changes to the Legislature no later than February 1, 2026.

Child and Family Team Meetings for Family Maintenance Cases. The budget includes trailer bill language that requires county child welfare agencies to convene child and family team meetings for children and youth receiving family maintenance services.

Mandated Reporter Training. The budget appropriates $600,000 General Fund in 2025-26, $300,000 General Fund in 2026-27, $5.6 million General Fund in 2027-28, and $1 million General Fund in 2028-29 for the development and use of a standardized curriculum for mandated reporters. Corresponding trailer bill language requires CDSS, with input from child welfare stakeholders, to develop a standardized curriculum for mandated reporters by July 1, 2027.

Foster Care Placement Services. The budget includes $1.2 million General Fund in 2025-26 and $1.2 million General Fund ongoing for six permanent positions to support the workload associated with developing a Congregate Care Continuous Quality Improvement framework.

Foster Family Home and Small Family Home Insurance Fund. Early budget action authorized the Department of Finance to approve expenditures up to $2 million General Fund, in addition to the unexpended balance available from prior years' appropriations, in the Foster Family Home and Small Family Home Insurance Fund to cover costs associated with increased claims paid on behalf of foster family homes, small family homes, resource families, and tribally approved homes. Budget bill language requires the Department of Finance to notify the Joint Legislative Budget Committee of any approved adjustment. In addition to early action, the budget includes an increase to the allowable transfer amount from the General Fund to the Family Home and Small Family Home Insurance Fund of up to $4.2 million for approved claims exceeding $600,000. The budget also includes clean-up to eliminate federal fund transfer authority to this fund.

Adoption and Legal Guardianship Incentive Grant. The budget increases federal fund expenditure authority by $5 million federal funds to reflect receipt of the Adoption and Legal Guardianship Incentive federal grant.

Marin County Foster Care. The budget appropriates $250,000 General Fund to the County of Marin for the Marin County Foster Care Association for resources and support for children and youth in foster care and adoptive care.

Kern County Child Protective Services. The budget appropriates $2 million General Fund to the Kern County Department of Human Services for Child Protective Services support.

CDSS HOUSING AND HOMELESSNESS PROGRAMS

Home Safe. The budget appropriates $83.8 million General Fund one-time to continue the Home Safe program, which provides housing support for seniors and adults with disabilities involved in Adult Protective Services who are experiencing or at risk of homelessness. This funding is available encumbrance or expenditure until June 30, 2028.

Bringing Families Home. The budget appropriates $81 million General Fund one-time for the Bringing Families Home program, which provides housing support to families in the child welfare system and promotes family reunification. This funding is available for encumbrance or expenditure until June 30, 2028.

Housing and Disability Advocacy Program (HDAP). The budget appropriates $44.6 million General Fund one-time for HDAP, which provides housing supports and disability benefit application assistance to people likely eligible for disability benefits and experiencing homelessness or at risk of homelessness.

This one-time funding is available for encumbrance or expenditure until June 30, 2028, and is in addition to the ongoing funding amount for HDAP of $25 million General Fund annually.

Housing and Homelessness Complaint Resolution. The Legislature approved trailer bill language that establishes minimum due process requirements for participants of locally administered CDSS Housing and Homelessness programs, including CalWORKs Housing Support Program, Home Safe, Bringing Families Home, and HDAP. Trailer bill establishes client rights with regard to noticing, the right to submit a compliant, the right to an objective decision-maker, and the right to appeal one's case to a state administrative hearing conducted by an Administrative Law Judge in specified instances. Trailer bill and budget bill language allow for the use of at least $951,000 in local assistance funds to be transferred to CDSS state operations to implement the state administrative hearing process.

Grantee Match Exemption. Trailer bill language extends the suspension of grantee dollar-for-dollar match requirements for counties and tribes offering services through the Home Safe and Bringing Families Home programs. For HDAP, trailer bill language removes the sunset on the requirement for counties and tribes to seek reimbursement of funds used for housing assistance, general assistance, or general relief from the Social Security program pursuant to an interim assistance reimbursement agreement.

Housing and Homelessness Data Reporting. The budget includes limited-term resources of $219,000 General Fund and one limited-term position to support the Housing and Homelessness Data Reporting Systems Implementation, and Maintenance**.**

IN-HOME SUPPORTIVE SERVICES (IHSS)

IHSS: Reinstatement of the Medi-Cal Asset Limit. The IHSS budget conforms to the action under the Department of Health Care Services to reinstate the prior Medi-Cal asset limit of $130,000 for individuals and $65,000 for each additional household member. This results in savings for IHSS of $16 million General Fund in 2025-26, $220.3 million General Fund in 2026-27, and $317.2 million General Fund in 2027-28. (See the Health section for more information on the Medi-Cal asset limit.)

Community First Choice Option Late Penalties. The budget requires counties to share 50 percent of penalty costs related to late reassessments for Community First Choice Option IHSS cases in 2025-26, resulting in savings of $40.5 million General Fund. In 2026-27, the budget passes 100 percent of late penalties on to counties, resulting in estimated savings of $81 million General Fund in 2025-26, $87.4 million in 2026-27, $94.4 million in 2027-28, and $101.8 million in 2028-29. This reduction includes corresponding trailer bill language.

IHSS Collective Bargaining and Overtime. Trailer bill language makes multiple changes related to IHSS program providers, including streamlining the process toward reaching collective bargaining agreements, codifying into state law overtime payment requirements required by federal law, and permitting alternatives to avoid disruption of payroll and deduction processing for the payoff of IHSS provider wages. These changes were included in the Labor trailer bill, SB 156 (Committee on Budget and Fiscal Review), Chapter 110, Statutes of 2025 (see the Labor section for more information).

Case Management Information and Payrolling System (CMIPS) Automation. The budget includes an increase of $162,000 General Fund one-time and a reimbursement increase of $1.3 million one-time to implement automation changes to CMIPS related to the Ensuring Access to Medicaid Services Final Rule. Provisional budget bill language authorizes the Department of Finance to decrease this item and related reimbursement up to these amounts if the rule is rescinded or repealed.

CDSS IMMIGRANT AND REFUGEE PROGRAMS

One California Program Immigration Legal Services. The budget includes an additional $25 million General Fund for immigration legal services administered by CDSS, known commonly as the One California Program. Of this $25 million, $10 million was approved during the First Extraordinary Session for 2024-25 (in addition to other legal services funding under the Judicial Branch), and $15 million was provided in the 2025 Budget Act. This funding provides an array of immigration-related legal services including removal defense and youth legal services, and augments the existing $75 million General Fund ongoing baseline for CDSS immigration legal services. This brings total One California funding to $100 million General Fund.

Children's Holistic Immigration Representation Project. The budget additionally includes $10 million General Fund one-time to continue the Children's Holistic Immigration Representation Project (CHIRP), which provides integrated social and legal services to unaccompanied minors. This funding is available for encumbrance and expenditure through June 30, 2027.

Additional Immigration Legal Services. In addition to the One California program, the budget includes an additional $8.8 million General Fund for immigration legal services provided by specific organizations. The distribution of the $8.8 million General Fund is as follows: $2.8 million for the Sierra Health Foundations for immigrant services; $1.5 million for Catholic Charities for immigration related services on the Central Coast; $1.5 million to Catholic Charities for immigration related services in Orange County; $1 million to Salva for immigration related services in Los Angeles County and San Bernadino County; $1 million to Bet Tzedek Legal Services for legal services for children and families related to immigration, gender affirming documents, and accessing public benefits and resources; and $1 million for Public Counsel for civil rights impact litigation and other legal services to undeserved communities.

Immigration Services Bureau Workload. The budget includes an increase of $582,000 General Fund ongoing and three positions for CDSS state operations to maintain ongoing immigration services.

Refugee Cash Assistance Eligibility Change. The budget includes an increase of $30,000 General Fund and $266,000 federal funds one-time for automation changes to effectuate the federal changes to the Refugee Cash Assistance program.

Ongoing Temporary Protected Status Deadline Extension. The budget extends the availability of ongoing funding for the Temporary Protected Status (TPS) Program to three years for encumbrance and five years for liquidation to offer flexibility to capacity-building projects.

Rapid Response Program. The budget reappropriates all remaining Rapid Response funds from the Budget Acts of 2021, 2022, and 2023 through June 30, 2028.

OTHER CDSS ITEMS

Diaper Banks. The budget appropriates $7.4 million General Fund one-time for diaper and wipe distribution to low-income families with infants and toddlers.

Holocaust Survivors Assistance Program. The budget appropriates $14.5 million General Fund to support the Holocaust Survivors Assistance Program to continue providing services to survivors.

Facility Management System. The budget includes one-time funding of $14.8 million General Fund to support the development, implementation, and maintenance of the Facility Management System (FMS). This includes resources equivalent to 16 positions to facilitate the completion and maintenance of the FMS project, with the first iteration to be deployed in 2025-26. Provisional budget bill language makes expenditure of these funds contingent upon project approval by the Department of Technology.

Permanent Existing State Operations. The budget includes $385,000 General Fund and $149,000 federal funds in 2025-26 and ongoing for three permanent authorized positions to continue operating the department's equity and related population specific programs.

Office of Equity Staffing. The budget includes $188,000 General Fund and $219,000 federal funds in 2025-26 and $184,000 General Fund and $213,000 federal funds ongoing for two permanent authorized positions to ensure continuous oversight and implementation of emerging and expanded programs and workloads in the Office of Equity.

Information Systems Division Growth. The budget includes an increase in General Fund expenditure authority of $2.3 million General Fund for seven permanent positions and contract funding over two years to ensure the Information Systems Division (ISD) has adequate capacity to support the department's growing IT needs.

May Revision Caseload Adjustments. The budget approved caseload estimates and workload adjustments for all CDSS programs as updated at the Governor's May Revision.

Various Re-appropriations through June 30, 2026. The budget includes the following reappropriations through June 30, 2026: up to $80 million from the State Supplemental Grant Program, up to $25 million for the CWS-CARES SAWS interface, up to $1.8 million for Tiered Rate Structure automation in SAWS, up to $2.5 million for Tiered Rate Structure automation in CARES, up to $40 million for flexible family supports, up to $301,000 for county welfare department offices physical accessibility review, up to $1.1 million for child care direct deposit, and $1.9 million for zero trust assessment.

Various Reappropriations through June 30, 2027. The budget includes the following re-appropriations through June 30, 2027: $4 million for complex care services, $521,000 for the California Fruit and Vegetable EBT Pilot Project, and up to $10.4 million for administration of CDSS housing programs.

CDSS Chaptered Legislation. The budget includes funding for CDSS to implement chaptered legislation as follows:

- ***AB 2866 (Pellerin), Chapter 745, Statutes of 2024.*** Two permanent positions and one limited term position to implement this legislation, which requires child care centers and family child care homes in single-family dwellings with in-ground pools to add specified safety features.
- ***AB 2317 (Stephanie Nguyen), Chapter 563, Statutes of 2024.*** Five positions for CDSS to provide guidance and training on anaphylactic prevention and emergency responses in child care facilities.
- ***AB 262 (Holden), Chapter 341, Statutes of 2024.*** $1.8 million General Fund for a contractor and four positions to conduct the work outlined in this legislation, which requires CDSS to prepare a report with recommendations for a definition of a children's camp, minimum health and safety requirements, and responsibilities and requirements for camp oversight to the Legislature.
- ***AB 799 (Luz Rivas), Chapter 263, Statutes of 2024.*** Two positions to oversee data sharing, coordination, and analysis associated with this legislation to support the quarterly sharing of funding opportunities and assist in the annual publication of a statewide report on homelessness in collaboration with the California Interagency Council on Homelessness.
- ***SB 1406 (Allen, Chapter 340, Statutes of 2024).*** $743,000 General Fund in 2025-26, $725,000 General Fund in 2026-27, and $549,000 General Fund in 2027-28 and ongoing for three permanent positions and two-year limited-term funding equivalent to one position, to implement this legislation, which increases the number of days, from 60 to 90, for which a licensee of a residential care facility for the elderly (RCFE) must provide written notice to residents or their representatives prior to any increases in the rate structures for fees and services.
- ***SB 242 (Skinner, Chapter 1010, Statutes of 2024).*** $374,000 General Fund in 2025-26 and $364,000 General Fund ongoing and two positions to implement legislation related to the HOPE program for foster youth.
- ***SB 1415 (Glazer, Chapter 798, Statutes of 2024).*** One limited-term position and $180,000 General Fund in 2025-26 and $176,000 in 2026-27 to implement this legislation, including development of guidance, regulations, automation, and technical assistance and oversight to counties for the Homeless Assistance Program.
- ***SB 1043 (Grove), Chapter 628, Statutes of 2024.*** Increase of $1.2 million and six positions ongoing beginning in 2026-27 to implement this legislation which requires additional oversight of manual restraints and seclusions in residential facilities.

Human Services Budget Bills and Trailer Bills

1. *Budget Act of 2024 – Senate Bill 2 X1 (Wiener), Chapter 4, Statutes of 2025, First Extraordinary Session.*
2. *Early Action Budget Acts of 2023 and 2024 – AB 100 (Gabriel), Chapter 2, Statutes of 2025.*
3. *Budget Act of 2025 – SB 101 (Wiener) Chapter 4, Statutes of 2025.*
4. *Budget Act of 2025 – AB 102 (Gabriel) Chapter 5, Statutes of 2025.*

5. *Budget Acts of 2022, 2023, and 2024 – SB 103 (Wiener) Chapter 6, Statutes of 2025.*

6. *Budget Act of 2025 – AB 104 (Gabriel) Chapter 77, Statutes of 2025.*

7. *Budget Acts of 2021, 2023, 2024, and 2025 – SB 105 (Wiener) Chapter 104, Statutes of 2025.*

8. *Human Services – AB 118 (Committee on Budget), Chapter 7, Statutes of 2025.*

9. *Human Services – SB 119 (Committee on Budget and Fiscal Review) Chapter 79, Statutes of 2025.*

10. *Human Services – SB 146 (Committee on Budget and Fiscal Review) Chapter 107, Statutes of 2025.*

11. *Early Learning and Childcare – SB 120 (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2025.*

12. *Early Learning and Childcare – SB 151 (Committee on Budget and Fiscal Review), Chapter 108, Statutes of 2025.*

13. *Developmental Services – AB 143 (Committee on Budget), Chapter 12, Statutes of 2025.*

SUBCOMMITTEE 4
ON
STATE ADMINISTRATION
AND
GENERAL GOVERNMENT

Senate Committee on Budget and Fiscal Review

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Lola Smallwood-Cuevas

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STATE ADMINISTRATION and GENERAL GOVERNMENT

State Administration

Financial Management

Economic Development

Housing and Homelessness

STATE ADMINISTRATION

O511 GOVERNMENT OPERATIONS AGENCY (GovOps)

California Education Interagency Council: California Career Technical Education Incentive Grant Program. The budget includes $1.5 million General Fund for a California Education Interagency Council (SB 638 (Padilla), Chapter 457, Statutes of 2025).

Cradle-to-Career Data System: Career Passport Resources. The budget includes $687,000 General Fund in fiscal year 2025-26, $187,000 General Fund in fiscal year 2026-27 and ongoing, and one position, to manage workload related to the Cradle-to-Career Data System.

0840 STATE CONTROLLER

Accounting Book of Record and Annual Comprehensive Financial Report (ACFR) FI$Cal Implementation. The budget includes $9.1 million ($5.6 million General Fund and $3.6 million Central Service Cost Recovery Fund) for consulting services to support the State Controller's Office Book of Record functionality migration to FI$Cal.

California State Payroll System Project. The budget includes $117 million ($71 million General Fund (GF) and $45.6 million Central Service Cost Recovery Fund (CSCRF)) for 2025-2026 and $3.8 million ($2.3 million GF and $1.5 million CSCRF) ongoing for 2026-2027.

Annual Comprehensive Financial Report Engagement Team. The budget includes $4 million ($2.4 million General Fund and $1.6 million CSCRF) to provide Generally Accepted Accounting Principles (GAAP) financial reporting assistance to various state departments and sustain publication of the Annual Comprehensive Financial Report.

Unclaimed Property Management System Replacement Project Funding Realignment. The budget includes $1 million in 2025-26, $729,000 in 2026-27, $785,000 in 2027-28, $842,000 in 2028-29, $900,000 in 2029-30 from the Unclaimed Property Fund for the Unclaimed Property Management System Replacement.

2024 State School Facilities Fund Technical Adjustment. The budget includes $300,000 General Fund and ongoing for program administrative costs related to the School Facilities Program.

0845 DEPARTMENT OF INSURANCE

Home Hardening. The budget includes $3 million General Fund to support community home hardening oversight, and wildfire risk mitigation efforts of SB 429 (Cortese), Chapter 541, Statutes of 2025.

0855 GAMBLING CONTROL COMMISSION

Indian Gaming Special Distribution Fund. The budget includes trailer bill language addressing structural solvencies in the Indian Gaming Special Distribution Fund with technical changes.

0890 SECRETARY OF STATE

Secretary of State Building Security. The budget includes $1.5 million ($545,000 General Fund and $955,000 Business Fees Fund) in 2025-26, and annually thereafter, for increased facilities operations costs for security services.

Vote Centers Position Funding. The budget includes $616,000 from the Voting Systems, Security Measures, and Elections Administration Special Deposit Fund in 2025-26 and 2026-27, for staff needed to continue to implement and administer the provisions set forth in SB 450 (Allen), Chapter 832, Statutes of 2016.

Notary Automation Program Replacement Project (NAP 2.0). The budget includes $13.5 million Business Fees Fund in 2025-26 for the continuation of the Notary Automation Program Replacement Project (NAP 2.0).

CAL-ACCESS Replacement System (CARS). The budget includes $15.1 million General Fund in 2025-26 to support the CARS Project and replace the CAL-ACCESS system for electronic reporting of campaign finance and lobbying activities mandated by the Political Reform Act (SB 84 (Committee on Budget and Fiscal Review), Chapter 30, Statutes of 2019 and SB 1349 (Hertzberg), Chapter 845, Statutes of 2016).

California Voter's Choice Act Taskforce (SB 1450). The budget includes $244,000 General Fund and $426,000 Business Fees Fund in 2025-26 and $238,000 General Fund and $417,000 Business Fees Fund in 2026-27 and annually thereafter to implement and administer the provisions of SB 1450 (Allen), Chapter 480, Statutes of 2024, which reestablishes the California Voter's Choice Act Taskforce.

Help America Vote Act Spending Plan. The budget includes $8.4 million in one-time Federal Trust Fund expenditure authority in 2025-2026 for continued implementation of the Help America Vote Act of 2002, $10.9 million Federal Trust Fund expenditure authority in 2025-26 to cover costs for the maintenance and operations for the VoteCal statewide voter registration system, $647,000 Federal Trust Fund expenditure authority in 2025-26 to accept and expend the Federal Election Security Grant Award, and $130,000 General Fund in 2026-27 to meet the 20 percent state match requirement for the Federal Election Security State match requirements.

Department of Justice Legal Services Augmentation. The budget includes $500,000 General Fund in 2025-26, and annually thereafter, for the payment of increased annual billings from the Department of Justice for legal services.

Voter Information Guide Resources. The budget includes $4.5 million in 2025-26, and annually thereafter, to fund increased costs associated with the publication and distribution of Voter Registration Cards, Voter Notification Cards, and the state Voter Information Guide for each statewide election.

Office of State Publishing Warehouse and Voter Registration Card Printing Costs. The budget includes $2.1 million General Fund in 2025-26, 2026-27, and 2027-28 for the associated Department of General Services, Office of State Publishing lease cost for the storage of paper used for the publication of the state Voter Information Guide and the costs for assuming the printing of the Voter Registration Cards.

Voter Information Guide Fund – Special Item of Expense. The budget includes a transfer of $15.1 million General Fund ($10.6 million of baseline funding and the $4.5 million included at Governor's January Budget) from the Elections program to the newly created Special Items of Expense program for election related activities.

Voting System Replacement for Counties. The budget includes a reappropriation of $10.2 million General Fund in 2025-2026 to continue the support of counties' efforts to upgrade or replace voting system equipment.

0950 STATE TREASURER

Jesse Unruh Building Relocation Costs. The budget includes $735,000 General Fund for relocation costs associated with its transition back to its permanent headquarters, the Jesse Unruh Building.

Operating Expenses and Equipment. The budget includes an ongoing appropriation and corresponding funding augmentation of $520,000 ($312,000 General Fund and $208,000 Central Services Cost Recovery Fund) to its operating expenses and equipment budget.

Personal Services Budget. The budget includes $536,000 ($322,000 General Fund and $214,000 Central Services Cost Recovery Fund) ongoing to fully fund personal services costs for all 42.5 authorized positions.

Support Application Development. The budget includes $869,000, with $444,000 in ongoing reimbursement authority, to support the growing application development, modernization, and hosting needs of the Boards, Commissions, and Authorities under the Treasurer.

California Hope, Opportunity, Perseverance and Empowerment (HOPE) for Children Trust Account Program Board. The budget includes a transfer of $40 million from the HOPE Trust Account to the General Fund and trailer bill language effectuating technical changes to eligibility requirements.

Jesse Unruh Building Rent Increase. The budget includes $512,000 in General Fund for 2025-26 and $1.6 million in General Fund for 2026-27 and ongoing, to address the annual rent increase resulting from the renovation of its state-owned headquarters, the Jesse Unruh Building.

0954 SCHOLARSHARE INVESTMENT BOARD

CalKIDS Program Administration and Implementation Funding. The budget includes $566,000 General Fund ongoing for three new full-time positions at Scholarshare Investment Board to help administer the CalKIDS program.

1111 DEPARTMENT OF CONSUMER AFFAIRS

Board of Accountancy – Licensing. The budget includes an increase in expenditure authority of $253,000 in 2025-26 and $237,000 in 2026-27 from the Accountancy Fund, Professions and Vocations

Fund to support two program technician positions at the Department of Consumer Affairs Consumer Information Center.

Board of Behavioral Sciences – Licensing. The budget includes $139,000 in fiscal year 2025-26 and $131,000 in 2026-27 from the Behavioral Science Examiners Fund and ongoing for a Staff Services Analyst to address the Board's licensing application workload.

Board of Pharmacy – Enforcement. The budget includes $293,000 in 2025-26 and $277,000 in 2026-27 and ongoing for an Associate Governmental Program Analyst and an office technician to conduct additional continuing education audits and address complaint intake.

Board of Pharmacy – Support Staff. The budget includes $167,000 in 2025-26 and $159,000 in 2026-27 and ongoing, from the Pharmacy Board Contingent Fund, for an associate governmental program analyst.

Contractors State Licensing Board – Enforcement. The budget includes four positions and an increase in expenditure authority of $708,000 in fiscal year 2025-26 and $676,000 in 2026-27 from the Contractor's License Fund and ongoing to address increased enforcement workload due to a sustained increase in residential solar consumer complaints.

Medical Board - Expert Reviewer Augmentation. The budget includes an increase in expenditure authority of $399,000 to its Contingent Fund of the Medical Board of California in 2025-26 and ongoing commensurate with the need to increase the hourly compensation rate for Neurosurgery, Orthopedic Surgery, and Pain Medicine expert reviewers.

Legislation Related Positions. The budget includes three positions and an increase in expenditure authority of $463,000 in 2025-26 and $439,000 in 2026-27 and ongoing to address audit and enforcement related workload associated with provisions passed during the 2023-24 legislative session.

Business Modernization Cohort Maintenance and Operations. The budget includes an increase in expenditure authority of $2.7 million in 2025-26 and ongoing to continue maintenance and operations for the Business Modernization Cohort 2.

Bureau of Private Postsecondary Education. The budget includes trailer bill language approving a funding shift of $2.8 million to address solvency issues at the Bureau of Private Postsecondary Education Administration Fund.

Pro Rata Adjustment for Technical Changes and Business, Consumer Services and Housing Agency (BCSH) Re-Org. The budget includes pro-rata adjustments for the Department of Consumer Affairs existing baseline pro-rate costs for various Bureau's and Boards and a $456,000 increase in reimbursement authority to provide ongoing support for the newly created Business and Consumer Services Agency.

1115 DEPARTMENT OF CANNABIS CONTROL

Cannabis Operator and Separate Premises License Types (SB 1064). The budget includes $154,000 Cannabis Control Fund and one position in 2025-26, and $146,000 in 2026-27 and ongoing to implement SB 1064 (Laird), Chapter 875, Statutes of 2024.

Enforcement Fund Shift. The budget includes an increase in expenditure authority of $2.3 million from the Cannabis Control Fund and 3.5 positions in 2025-26: $2.92 million and 13 positions in 2026-27, $4 million and 20 positions in 2027-28, and $4 million in 2028-29 and ongoing. The budget includes statutory changes to transfer existing expenditure authority associated with its illicit enforcement activities of $56.6 million and 171 positions in 2025-26 and $71 million in 2026-27 and ongoing from the Cannabis Control Fund to the Cannabis Tax Fund and an increase in expenditure authority of $4.8 million Cannabis Tax Fund and 5.5 positions in 2025-26, $2.1 million and seven positions in 2026-27, and $2.1 million and seven positions in 2027-28 and ongoing for increased enforcement support. The budget includes minor changes to grant-making authority of the Board of State and Community Corrections.

1701 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

Rent Increases. The budget includes an increase in expenditure authority of $1.1 million in 2025-26, $1.4 million in 2026-27, and incremental increases ongoing to address annual rent increases.

Information Technology Security Unit Workload. The budget includes an increase in expenditure authority of $223,000 in 2025-26 and $212,000 in 2026-27 and ongoing for the Information Technology Security Unit to strengthen cybersecurity measures and one position.

Programmatic Fee and Assessment Adjustments. The budget includes trailer bill language for the Department of Financial Protection and Innovation, increasing certain programmatic fees and assessments, and providing certain other technical authorities.

1703 PRIVACY PROTECTIN AGENCY

Data Broker Deletion Request Opt-Out Platform. The budget includes an increase in expenditure authority of $2.5 million Data Broker's Registry Fund in 2025-26, $2.3 million in 2026-27 and two positions phased-in over two years to meet responsibilities under the California Delete Act.

Relocation & Rent Increase – Sacramento Office. The budget includes $490,000 General Fund in 2025-26 and $421,000 in 2026-27 and ongoing for one-time moving expenses and ongoing rent increases.

Enforcement Division Technical Infrastructure and Associated Trailer Bill Language. The budget includes an increase in expenditure authority of $400,000 Consumer Privacy Fund in 2025-26 and $300,000 in 2026-27 to build the technological components of its enforcement infrastructure.

1750 CALIFORNIA HORSE RACING BOARD

Golden Gate Fields Closure. The budget includes a decrease of $308,000 and three positions in fiscal year 2025-26 and $369,000 in 2026-27 and ongoing to align operational expenditures with a loss of regulatory activities associated with the permanent closure of the Golden Gate Fields racing and training facility.

2320 DEPARTMENT OF REAL ESTATE

May Lee State Office Complex. The budget includes $2.6 million Real Estate Fund for 2025-26 for the Department of Real Estate's rent obligations at the newly built May Lee Office Complex.

Chaptered Legislation Resources. The budget includes three positions and an increase in expenditure authority of $997,000 Real Estate Fund in 2025-26, $873,000 in 2026-27, and $578,000 in 2027-28 and on-going to implement the provisions of various recently chaptered legislation.

3100 EXPOSITION PARK

California Science Center. $664,000 General Fund and five permanent positions in 2025-26, increasing to $915,000 in 2029-30 for core operating resources at the Science Center.

Southeast Underground Parking Structure. The budget includes budget bill language allowing for reappropriation of certain bonds and allowing the use of eminent domain to acquire certain real property rights.

7502 DEPARTMENT OF TECHNOLOGY

Digital ID Statewide Service Offering. The budget includes $972,000 in General Fund for 2025-26 and 2026-27, and $472,000 General Fund for 2027-28 and ongoing, to support existing positions and maintain and scale product offerings to additional state agencies/departments.

Collaborative Tools. The budget includes $327,000 General Fund in 2025-26 and $202,000 on-going to support increased demands on essential cloud-based collaboration and design tools.

California Compliance and Security Incident Reporting System Replacement. The budget includes $2 million in General Fund in 2025-26 and $316,000 in 2026-27 ongoing for the Office of Information Security to replace the end-of-life and end-of-support California Compliance and Security Incident Reporting System.

7504 OFFICE OF DATA AND INNOVATION

Data and Innovation Services Revolving Fund. The budget includes $7.3 million Data and Innovation Services Revolving Fund (DIF) to continue support for new and ongoing projects.

7760 DEPARTMENT OF GENERAL SERVICES (DGS)

Call Center Workload Adjustment Related to AB 2068. The budget includes $196,000 Service Revolving Fund and 1 position in 2025-26 and ongoing expenditure authority to implement AB 2068 (Ortega) Chapter 697, Statutes of 2024.

Fuel Expenditure – Fleet Operations. The budget includes $1.9 million Service Revolving Fund in 2025-26 and ongoing expenditure authority to cover increased fuel expenses.

Office of Administrative Hearings Case Management System Replacement. The budget includes $4.9 million Service Revolving Fund one-time in 2025-26 with a three-year encumbrance period, provisionally available upon California Department of Technology approval, to implement the replacement of its aging Case Management System, and $628,000 Service Revolving Fund ongoing for anticipated annual maintenance costs beginning in 2028-29.

California Building Standards Commission Workload Adjustment. The budget includes $582,000 Building Standards Administration Special Revolving Fund and two permanent positions in 2025-26 and ongoing to continue meeting the legislative requirements.

Chattel Slavery: Formal Apology Memorialization (AB 3089 (Jones-Sawyer), Chapter 624, Statutes of 2024). The budget includes $500,000 General Fund one-time in Fiscal Year 2025-26 for the purposes of memorializing an apology plaque in the State Capitol Building.

Facilities Management Division Building Operations and Support. The budget includes $5 million Service Revolving Fund and 45 positions in 2025-26, and ongoing, to manage, operate, and maintain the reopening of Building 018 in Sacramento.

Office of Human Resources Workload Adjustment. The budget includes $1.4 million Service Revolving Fund for six existing positions and three new positions in 2025-26 and ongoing to support human resources administrative services and to bring staffing in line with the department's growth.

Permanent eMarketplace Staffing. The budget includes $340,000 Service Revolving Fund and two positions in 2025-26 and ongoing to continue implementation and maintain support activities of the statewide eMarketplace solution.

Sustainable Schools Program. The budget includes $2 million from the Public School Planning, Design, and Construction Review Revolving Fund (Fund 0328) and seven positions in 2025-26 and ongoing to implement a sustainable schools' program.

Parking Facilities. The budget includes requests $1.5 million Motor Vehicle Parking Facilities Money Account in 2025-26 and $1 million in 2026-27 and ongoing to support the opening of two parking facilities in Sacramento.

Facility Inspection Tool. The budget includes $50,000 one-time General Fund in 2025-26 with a two-year encumbrance period to implement the California State Auditor recommendations to update the Facility Inspection Tool.

CDCR/DGS Surplus Property Disposal. The budget includes trailer bill language to streamline the disposal of CDCR property by DGS.

8260 CALIFORNIA ARTS COUNCIL

Black Cultural District. The budget includes $2.5 million for the Historic South Los Angeles Black Cultural District.

8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

Remaining Milk Producer/Processor Assessments. The budget includes budget bill language to fully expend the remaining milk handler assessments from the Dairy Marketing Branch.

Meadowview Biological Control Office Repairs and Laboratory Replacement. The budget includes $353,000 General Fund in 2025-26 for the preliminary plans phase for repair and replacement of the Meadowview Biological Control Program office and laboratory facilities.

Security and Infrastructure Remediation. The budget includes $2.5 million General Fund and five positions in 2025-26, $4.1 million General Fund and 5 positions in 2026-27, and $3.6 million General Fund and 5 positions in 2027-28 and ongoing to manage, implement, and maintain security and infrastructure remediation efforts.

Turlock North Valley Animal Health Laboratory Replacement Operational Support. The budget includes $1.6 million General Fund in 2025-26 and $3.1 million in 2026-27 and on-going, to fund increased operational costs associated with the new Turlock North Valley Animal Health Laboratory.

Advancing Farm to School. The budget includes one-time funding of $24.9 million General Fund for 2025-26 to advance the California Farm to School Network, the California Farm to School Incubator Grant Program, and Climate Smart Technical Assistance.

Animal and Human Health Emergency Infrastructure. The budget includes $6.1 million General Fund (GF) and $5 million Federal Trust Fund (FF) in 2025-26, $5.4 million GF and $5 million FF in 2026-27, $5.4 million GF and $5 million FF in 2027-28, and $5.3 million GF, $5 million FF, and $147,000 Department of Food and Agriculture Fund in 2028-29 and ongoing and 29 permanent positions to effectively respond Avian Influenza (Bird Flu) in California.

Office of Pesticide Consultation and Analysis - Consultative Workload and Grants. The budget includes $1.5 million Department of Food and Agriculture Fund authority in 2025-26 and 2026-27, and $900,000 in 2027-28 and ongoing to address increased research costs, to implement activities identified in the Sustainable Pest Management Roadmap.

Various Technical Adjustments. The budget includes reappropriations of various one-time funds and increased reimbursement authority of $132,000 in 2025-26 and ongoing, which includes a rescheduling of $226,000 Department of Food and Agriculture Fund (Ag Fund).

Needles Border Protection Station Reappropriation. The budget includes a reappropriation of $1.4 million for the Needles Border Protection Station relocation project.

Center for Analytical Chemistry Reversion. The budget includes a reversion of $2.9 million one-time General Fund that was originally appropriated in the 2022 Budget Act for capital outlay costs to repurpose the Center for Analytical Chemistry facilities.

8620 FAIR POLITICAL PRACTICES COMMISSION

Chaptered Legislation Resources. The budget includes $555,000 General Fund for 2025-26 and ongoing and three permanent positions to implement recently passed legislation.

8820 COMMISSION ON THE STATUS OF WOMEN AND GIRLS

Administrative Staff. The budget includes three positions in 2025-26 and ongoing and $570,000 General Fund in 2026-27 and ongoing to convert three limited-term positions to permanent to address increased workload requirements at the commission.

8940 MILITARY DEPARTMENT

State Active Duty Pay Adjustment. The budget includes $2.2 million General Fund ongoing to align the pay of its State Active Duty service members with their Federal equivalents.

Task Force Rattlesnake. The budget includes $3.6 million ongoing General Fund to address annual pay adjustments, cost-of-living based benefit stipends, and the increased costs of Industrial Disability Leave for Task Force Rattlesnake.

Office of the Staff Judge Advocate. The budget includes $697,000 General Fund and three permanent positions (two Attorney III and one Legal Secretary) in 2025-26 and $697,000 General Fund ongoing.

Deferred Maintenance. The budget includes an allowance for an augmentation of up to $4.8 million if the California Military Department receives requisite matching federal funds for certain deferred maintenance projects.

Consolidated Headquarters Staffing. The budget includes $351,000 General Fund in 2025-26, with $347,000 ongoing, for the Consolidated Headquarters complex.

Los Alamitos: Battalion Headquarters Readiness Center. The budget includes $750,000 from the Armory Fund to perform a planning study for a new Battalion Headquarters Readiness Center at the Joint Forces Training Base in Los Alamitos, California.

Cybersecurity Reimbursement Increase. The budget includes an increase of $8.8 million to the Military Department's reimbursement authority for expanded use of Interagency Agreements to support the California Office of Emergency Services and the California Department of Technology.

Moreno Valley Readiness Center Expansion – Acquisition. The budget includes $1 million Armory Fund for the acquisition of vacant property adjacent to the Moreno Valley Readiness Center.

8955 DEPARTMENT OF VETTERANS AFFAIRS

Northern California Veterans Cemetery. The budget includes Department of Veterans Affairs authority to receive a federal grant reimbursement for allowable costs for construction of the Northern California Veterans Cemetery, Igo: Columbaria Expansion project.

Veterans Home of California, Yountville. The budget includes the reappropriation of $38.8 million General Fund for the construction phase of the Steam Distribution System Renovation project at the Veterans Home of California-Yountville.

Veterans Homes Deferred Maintenance. The budget includes $819,000 General Fund in 2025-26 and ongoing for deferred maintenance for the Veterans Homes of California.

CalVet Electronic Health Record Project Phase 3. The budget includes $5.2 million General Fund in 2025-26 for implementation of a new long term care electronic health record system in the Veterans Homes of California and Headquarters.

VARIOUS DEPARTMENTS

Background Check Authority. The budget includes statutory changes to ensure specified state departments may continue to conduct background checks, and to update and make various technical, conforming, and clarifying changes related to background check authority.

State Administration and General Government Budget Bills

1. *Budget Act of 2025 — SB 101 (Wiener), Chapter 4, Statutes of 2025*

2. *Budget Act of 2025 — AB 102 (Gabriel), Chapter 5, Statutes of 2025*

3. *Budget Act of 2022, 2023, and 2024 — SB 103 (Wiener), Chapter 6, Statutes of 2025*

4. *Budget Act of 2025 — AB 104 (Gabriel), Chapter 77, Statutes of 2025*

5. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025*

6. *State Government – AB 137 (Committee on Budget), Chapter 20, Statutes of 2025.*

7. *California Cannabis Tax Fund – SB 141 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2025.*

8. *Background Checks – SB 160 (Committee on Budget and Fiscal Review), Chapter 113, Statutes of 2025.*

9. *Special Elections – SB 162 (Committee on Budget and Fiscal Review), Chapter 115, Statutes of 2025.*

FINANCIAL MANAGEMENT

0110/0120/0130 STATE LEGISLATURE

The Legislature's budget for 2025-26 was increased to reflect the growth in the state's appropriation limit (SAL), which was calculated to be 6.76 percent in the Governor's May Revision. Applying the May Revision SAL rate to the legislative budget resulted in increased funding of $28.9 million for the Senate and Assembly.

0870 OFFICE OF TAX APPEALS (OTA)

The budget for the Office of Tax Appeals for 2025-26 includes 119 positions and $27.6 million General Fund. This includes:

Office Rent. The budget includes an increase in reimbursement authority of $30,000 ongoing to the Office of Tax Appeals to share Fresno office space with the California Department of Human Resources.

0981 CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE ACT (CALABLE) BOARD

The CalABLE Board was established by SB 324 (Pavley), Chapter 796, Statutes of 2015, and AB 449 (Irwin), Chapter 774, Statutes of 2015 pursuant to the federal Achieving a Better Life Experience Act of 2014 (ABLE), which allowed individuals who become blind or disabled before reaching age 26 to create tax-free savings accounts. The ABLE Act, for taxable years beginning on or after January 1, 2015, encourages and assists individuals and families to save private funds for the purpose of supporting persons with disabilities to maintain their health, independence, and quality of life by excluding from gross income distributions used for qualified disability expenses by a beneficiary of a Qualified ABLE Program established and maintained by a state, as specified.

Workload Support. The budget provides $182,000 General Fund ongoing for one position at CalABLE to support the development and implementation of a marketing, outreach, and public education program for individuals who will be newly eligible for CalABLE accounts beginning January 1, 2026.

7600 DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)

CDTFA administers numerous tax and fee programs, including the Sales and Use Tax, the Cigarette and Tobacco Products Tax Program, and the excise and cultivation taxes for medicinal and recreational cannabis. CDTFA also administers the alcohol excise tax and the insurance tax pursuant to agreements with the State Board of Equalization. The budget for CDTFA for 2025-26 includes 4,559.7 positions and $743.9 million ($384.5 million General Fund). Changes to programs and workload in the budget package include:

Unflavored Tobacco Ban Implementation. The budget provides $3.5 million in 2025-26 from the Cigarette and Tobacco Products Compliance Fund (Compliance Fund) for the California Department of Tax and Fee Administration (CDTFA) to implement AB 3218 (Wood), Chapter 849, Statutes of 2024 and SB 1230 (Rubio), Chapter 462, Statutes of 2024.

Administration Funding. The budget provides $500,000 in reimbursement authority in 2025-26 and ongoing for CDTFA to maintain administrative services related to the Department of Toxic Substances Control's Generation and Handling Fee Structure.

Electronic Waste Recycling Fee Program Administration. The budget provides $1.1 million and 5.0 positions in 2025-26 for CDTFA for workload associated with the Electronic Waste Recycling Fee Program funded with a loan from the CalRecycle Electronic Waste Recovery and Recycling Acct, Integrated Waste Management Fund.

Plastic Pollution Prevention and Packaging Producer Responsibility Act Program. The budget provides $698,000 and 0.5 positions in 2025-26 for CDTFA for workload associated with the Plastic Pollution Prevention and Packaging Producer Responsibility Act funded with a loan from the CalRecycle Ca Beverage Container Recycling Fund.

Centralized Revenue Opportunity System. The budget provides $9.3 million in 2025-26 from a variety of fund sources ($4.9 million General Fund each year) for the Centralized Revenue Opportunity System (CROS) at CDTFA.

Technical Language Changes: The budget includes a variety of trailer bill language changes, including:

- **Electronic Waste Recycling Act Changes.** The budget includes language that applies the Marketplace Facilitator Act to include any fee imposed pursuant to the Electronic Waste Recycling Act of 2003, replacing a more specific reference to the covered electronic waste recycling fee, to clarify that any fees collected under the Electronic Waste Recycling Act are to be collected by the marketplace facilitator.

- **Used Car Sales and Use Tax Reporting**. The budget includes language that allows the California Department of Tax and Fee Administration (CDTFA), in consultation with the Department of Motor Vehicles, to exempt used car dealers from the requirement to file a separate return with CDTFA when used motor vehicles are sold at a retail establishment, in addition to paying applicable sales and use taxes to the Department of Motor Vehicles. This exemption may be provided to used car dealers whom have accounts in good standing with CDTFA and have sold more than 1,000 or more vehicles at retail in the current or preceding calendar year. The language allows exemptions to be made for reporting periods beginning on or after January 1, 2021.

- **California Firearm Excise Tax Law Clarifying Amendments**. The budget includes language that renames Part 16 of the Revenue and Taxation Code as the Firearm, Firearm Precursor Part, and Ammunition Excise Tax and provides that it may be known and cited as the California Firearm Excise Tax Law. In addition, the language clarifies, for purposes of the California Firearm Excise Tax Law, a licensed firearms dealer, firearms manufacturer, or ammunition vendor in this state who transfers physical possession of any firearm, firearm precursor part, or ammunition to a purchaser in this state on behalf of an out-of-state retailer engaged in business in this state is deemed the retailer, as specified.

7730 FRANCHISE TAX BOARD (FTB)

FTB is responsible for collecting personal income tax and corporation tax revenue and operating various collection and auditing programs. The enacted budget for FTB for 2025-26 includes 6,812.5 positions and $1.23 billion ($1.18 billion General Fund). Changes to programs and workload in the budget package include:

Single Sales Factor for Financial Institutions. The budget requires financial institutions to use a single sales factor apportionment formula for purposes of apportioning multi-state income for taxable years beginning January 1, 2025 or later.

Pass Through Entity Elective Tax. The budget extends the Pass-Through Entity Elective Tax (PTET) from 2026 to 2030, subject to a trigger if the federal cap on state and local tax (SALT) deductions is extended. It addition, the language allows business entities to make a late prepayment, subject to a 12.5 percent reduction in the credit generated from the late payment, beginning in the 2026 tax year.

Historic Rehabilitation Tax Credit. The budget directs any historic rehabilitation tax credits from the 2025 calendar year that are unallocated as of July 1, 2025, plus any amount of unallocated tax credits from the prior year, to be made available within 90 days to applicants with qualified rehabilitation expenditures of $1 million or more for affordable housing projects that were eligible for, but did not receive, a previous tax credit award due to oversubscription.

California Film and Tax Credit Program. The budget increases the amount of tax credits available annually for allocation in in the California Film and Tax Credit Program 4.0 from $330 million to $750 million for each of the fiscal years 2025-26 through 2029-30.

Military Retirement Pay. The budget makes the following changes to military retirement pay and survivor benefits:

a) Excludes from gross income retirement pay up to $20,000 from the federal government for services performed in the uniformed services.

b) Excludes from gross income annuity payments up to $20,000 received pursuant to a United States Department of Defense Survivor Benefit Plan.

These exclusions apply to individuals whose adjusted gross income does not exceed $125,000 and for a surviving spouse, or spouses filing a joint return whose adjusted gross income does not exceed $250,000 for the same taxable year. These changes apply for taxable years beginning after January 1, 2025 and before January 1, 2030.

Wildfire Settlement Exclusion. The budget provides an exclusion from gross income for any qualified taxpayer, for settlement amounts received, on or after January 1, 2021 and before January 1, 2030, in connection with a wildfire in the state.

Chiquita Canyon Exclusion. The budget provides an exclusion from gross income for amounts received, on or after March 1, 2024, as compensation for specified costs and losses related to the Chiquita Canyon elevated temperature landfill event in Los Angeles (LA) County.

Court-Ordered Financial Payments. The budget includes Legislative intent language that costs for the Franchise Tax Board to administer the collection of court-ordered financial payments, as specified in statute, not exceed 20 percent of the amount collected for the 2025-26 fiscal year and each fiscal year thereafter. This replaces a prior administrative cap of 15 percent.

FTB Administrative Costs. The budget includes funding and positions that reflect FTB's increased administration responsibilities, and that support FTB's efforts to update their data center and tax systems.

- **Enterprise Data to Revenue (EDR2).** The budget provides $107.1 million General Fund and 42.0 permanent positions and four limited-term positions for FTB for the fifth-year implementation of the EDR2 project, which is the second phase of the Tax System Modernization (TSM) plan at FTB. In addition, the budget authorizes FTB to utilize the EDR2 Project appropriated funds reserved for unplanned work as described in Provision 11 of the Budget Act of 2024; no additional funding is requested. The estimated cost for the unplanned work in 2024-25 is $8,400,000.

- **FTB Criminal Investigation Bureau Activities Support.** The budget increases spending authority for the Asset Forfeiture Account for in 2025-26 from $740,000 to $2.5 million to purchase permissible resources for FTB's Criminal Investigation Bureau (CIB) activities that support their strategic goals

- **Data Sharing Support.** The budget includes $161,000 General Fund and one permanent position in 2025-26 and $154,000 General Fund in 2026-27, and ongoing to implement Assembly Bill 518 (Wicks), Chapter 910, Statutes of 2024 by facilitating the distribution of data to California Department of Social Services (CDSS) in accordance with federal and state laws and FTB's policies and procedures.

- **Encumbrance Extensions.** The budget reappropriates funding and extends encumbrances to June 30, 2026 for 2024 EDR2 project funding and for 2024 funding to replace FTB's high-speed printer systems and software.

8860 DEPARTMENT OF FINANCE (DOF)

The Director of Finance serves as the Governor's chief fiscal policy advisor and promotes long-term economic sustainability and responsible resource allocation. The enacted budget for DOF for 2025-26 includes 515.1 positions and $129.7 million ($79.3 million General Fund), including:

Efficiency Workload. The budget provides $20 million in one-time General Fund for the DOF to contract with consultants to assist and advise the director and DOF on analyzing and creating process improvements within state government. Contracts and contract amendments entered into as a result of this authority are subject to 30- day review by the Joint Legislative Budget Committee, biannual reporting to the Legislature is required and funds must be expended by December 31, 2026.

9210 LOCAL GOVERNMENT FINANCING

Backfill for Vehicle License Fee Shortfall. The budget provides $79 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono.

Property Tax Backfill. The budget provides $17,000 to reimburse Orange County for property tax losses in the 2024- 25 fiscal year due to the 2024 Orange County Airport Fire.

Emergency Loan Authority. The budget provides the Director of Finance with authority to explore General Fund loans or other financing options that might be used to provide sufficient short-term state financial assistance to local entities. Any proposals shall be developed for inclusion in the 2026-27 Governor's Budget and are available for 1) local government entities, including, but not limited to, the county government, cities, special districts, public school and community college districts and offices of education, that are located in Los Angeles County and which have significant responsibilities for recovery from the January 2025 wildfires in that county, and 2) the San Francisco Bay Area Rapid Transit District, the San Francisco Municipal Transportation Agency, the Peninsula Corridor Joint Powers Board, and the Alameda Contra Costa Transit District for operating expenditures to maintain transit services. Any loan or other financing options developed shall, at a minimum, require full repayment of the loan principal with an agreed-upon interest rate, pursuant to a clearly defined repayment schedule, and a guaranteed repayment mechanism to ensure that any funding provided under this section is repaid from a reliable and predictable revenue source.

Local Sales and Use Tax – Sonoma County. The budget includes language that recasts and restates that the authority for the County of Sonoma, or any city within that county, and the Sonoma County Transportation Authority are determined separately to allow each to increase a transactions and use tax at a rate of no more than one percent that, in combination with other transactions and use taxes, would exceed the cap of two percent, specified in current law for the combined rate of all taxes imposed in the county. The language requires that any ordinance exercising this authority be approved by voters before January 1, 2026.

Financial Management Budget and Trailer Bills

1. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*

2. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*

3. *Budget Act of 2025 – Assembly Bill 104 (Gabriel), Chapter 77, Statutes of 2025.*

4. *Budget Acts of 2021, 2023, 2024 and 2025 - Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025*

5. *Taxation –Senate Bill 132 (Committee on Budget and Fiscal Review), Chapter 17, Statutes of 2025.*

6. *Taxation –Senate Bill 159 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2025.*

ECONOMIC DEVELOPMENT

0509 GOVERNOR'S OFFICE OF BUSINESS AND DEVELOPMENT (GO-BIZ)

GO-Biz provides a single point of contact for the state's economic development, business assistance, and job creation efforts. GO-Biz includes the Office of the Small Business Advocate (CalOSBA), the Infrastructure and Economic Development Bank (IBank), the California Film Commission (CFC), and the California Office of Tourism, among other sub-entities.

The budget includes the following actions in relation to GO-Biz:

Climate Catalyst Revolving Fund Extension and Related Modifications. The budget includes trailer bill language extending the authority of the California Infrastructure and Economic Development Bank (IBank) to provide financial assistance to climate catalyst projects through December 31, 2031. In addition, the budget:

- Extends the California Public Records Act exemption for specified documents related to applications for funding from IBank, including the Climate Catalyst Revolving Fund and the Venture Capital Program, through December 31, 2031.

- Increases reporting requirements and makes other technical and clarifying amendments to the statutes governing the Climate Catalyst Revolving Fund, including mandating notice to the Joint Legislative Budget Committee when adopting, revising, or repealing a financing plan or when federal funds transition to state funds.

California Civil Media Program Establishment and Resources. The budget includes trailer bill language establishing the California Civil Media Program to be administered by GO-Biz as directed for specified purposes, including enhancing the public good through supporting a robust and dynamic California press corps. The budget also creates a dedicated fund for the program and makes an ongoing annual General Fund contribution of $10 million to that fund beginning in 2025-26.

Capital Expenses for the National Semiconductor Technology Center Design and Collaboration Facility. The budget includes $25 million in one-time 2025-26 General Fund to pay for capital expenditures associated with the development of the National Semiconductor Technology Center's Design and Collaboration Facility in Sunnyvale, California.

California Regional Initiatives for Social Enterprises (CA RISE) Program Extension. CA RISE provides financial and technical assistance to Employment Social Enterprises (ESEs), which are entities that earn revenue through the sale of a good or service produced by employees overcoming barriers to work. The budget includes an appropriation of $17 million in one-time 2025-26 General Fund to fund additional CA RISE grants and extend operation of the program for two more years.

Acceleration of Downtown Fresno Infrastructure Plan Funding. The budget moves up $100 million in funding for the Downtown Fresno Infrastructure Plan from 2026-27 to 2025-26.

Social Entrepreneurs for Economic Development (SEED) Initiative Funding. The budget provides $7.5 million in one-time 2025-26 General Fund to the SEED Initiative.

Change in Our Communities Funding. The budget provides $2 million in one-time 2025-26 General Fund to Initiating Change in Our Community.

Outsmart Disaster Program Reimbursement Authority. The budget grants GO-Biz $230,000 in additional reimbursement authority to receive federal reimbursements for the Outsmart Disaster Program.

Containerized Ports Interoperability Program Administrative Expense Extension. The budget reappropriates $700,000 in administrative costs associated with the Containerized Ports Interoperability Program through June 30, 2026, providing an additional year for these funds to be utilized.

Women's Business Center Enhancement Program Administrative Expense Extension. The budget reappropriates $240,000 in administrative costs associated with operation of the Women's Business Center Enhancement Program in the Office of the Small Business Advocate (CalOSBA), providing an additional year for these funds to be utilized.

Zero Emissions Vehicle (ZEV) Program Encumbrance Date Correction. The budget reappropriates $2 million in funding for the ZEV Program, thereby restoring the original encumbrance deadline of June 30, 2026. The deadline had been was inadvertently moved up to June 30, 2025 during transfer of the program to GO-Biz last year.

State Trade Expansion Program (STEP) Matching Funds Authorization. The budget includes provisional budget language authorizing the Department of Finance to increase the 2025-26 General Fund appropriation to GO-Biz by up to $650,000 in order to meet the federal matching requirement for State Trade Expansion Program awards.

Small Business Technical Assistance Program (TAP) Federal Match Requirement Adjustments. The budget includes trailer bill language modifying the federal match requirements for TAP grant applicants so that, if an applicant's federal contract was canceled, frozen, or rescinded in the 2024–25 fiscal year, then for grants made in fiscal years 2025–26 to 2027–28, inclusive, the applicant may rely on federal contracts from prior years, as specified, to qualify.

0650 GOVERNOR'S OFFICE OF LAND USE AND CLIMATE INNOVATION (GO-LCI);

The portfolio of the Governor's Office of Land Use and Climate Innovation (GO-LCI) includes a wide variety of sub-entities and policy initiatives with an overall focus on land use and community development, climate risk and resilience, and high road economic development.

The budget includes the all of the following actions in relation to GO-LCI:

General Modifications to the California Environmental Quality Act (CEQA). The budget includes trailer bill language that modifies when and how CEQA applies to specified development projects. Many of these changes relate to housing development projects specifically. Those changes are covered in the next paragraph. The other changes that the budget makes to CEQA include:

- Exempting all of the following types of projects from CEQA, with specified exceptions:

    - Specified wildfire risk reduction projects, including, among other things, projects for prescribed fire, defensible space clearance, and fuel breaks, provided that the project complies with specified requirements.

    - Updates to the state's climate adaptation strategy planning document.

    - Any activity or approval necessary for or incidental to planning, design, site acquisition, construction, operation, or maintenance of public park or nonmotorized recreational trail facilities funded by Proposition 4 of 2024, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

    - Day care centers, as defined.

    - A project that consists exclusively of a federally qualified health center or a rural health clinic, as defined.

    - A project that consists exclusively of a nonprofit food bank or food pantry, as defined.

    - A project that consists exclusively of a facility for advanced manufacturing, as defined.

    - A project that consists of the development, construction, or operation of a heavy maintenance facility or other maintenance facility for electrically powered high-speed rail, as defined, if specified conditions are met.

    - Projects that consist of the development, construction, or modification of a proposed passenger rail station, or design changes to a passenger rail station, for the purpose of serving electrically powered high-speed rail, if specified conditions are met.

- Postponing, from January 1, 2028 to January 1, 2032, the expiration of an existing CEQA exemption for specified projects undertaken by a public agency or private entity that primarily benefit a small disadvantaged community water system or a state small water system, as provided, and expands the exemption to include projects that provide sewer service to disadvantaged communities served by one or more inadequate sewage treatment systems, as defined.

- Exempting from CEQA, through January 1, 2030, specified community water system projects if the project receives funding from specified sources and does not otherwise include any construction activities if the project results in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery and includes procedures and ongoing management for the protection of the environment.

- Expanding an existing CEQA exemption for linear broadband deployment in a right-of-way if the project meets specified conditions to also include a right-of-way of a local street or road.

- Excludes staff notes and internal agency communications from the administrative record that a lead agency must compile under CEQA when requested by a CEQA plaintiff or petitioner in an action or proceeding to attack, review, set aside, void, or annul certain acts or decisions of a public agency, with specified exceptions.

Housing-Related Modifications to the California Environmental Quality Act (CEQA). The budget contains multiple provisions modifying CEQA in order to facilitate greater housing production. These modifications include:

- Creating a CEQA exemption for urban infill housing developments, subject to specified exceptions as well as specified requirements for labor standards, tribal consultation, and remediation. The budget also obligates the lead agency using this exemption to file notice with GO-LCI and the county clerk of the county in which the project will occur.

- Directing GO-LCI to develop a definition of and metrics for identifying an eligible urban infill site, as specified, and to do both of the following, for which the budget also provides an appropriation of $2 million from the General Fund:

    - Map, on or before July 1, 2027, the eligible urban infill sites within every urbanized area or urban cluster in the state, subject to a specified process for submission of comments, by a city, county, or city and county, consideration of those comments, map revisions as appropriate, public posting, at least one public meeting, and a public comment period.

    - Amend the map from time to time based on a land use designation change or other change in circumstances, after transmitting a draft copy of the map amendment to the board of supervisors and to the city council of each affected jurisdiction 45 days in advance and considering comments from them.

- Directing GO-LCI, on or before January 1, 2027, and at least once every two years thereafter, to update CEQA guidelines pertaining to the approval of an infill project, as defined, to address any rigid requirements, lack of clarity in vague terminology, and the potential for excessive exposure to frivolous litigation over lead agency determinations, as specified.

- Establishing a Vehicle Miles Traveled (VMT) Mitigation Bank program, including:

    - Enabling cities, counties, cities and counties, transit agencies, eligible tribal applicants as specified, and project developers the option to meet VMT mitigation obligations under CEQA by paying into HCD's Transit-Oriented Development (TOD) program fund to support VMT-efficient affordable housing and related infrastructure projects, as specified. See the HCD section of this document for corresponding modifications to HCD's TOD program.

    - Directing the GO-LCI by July 1, 2026 and every three years thereafter, to create guidelines for the program, as specified, including methodologies to ensure nexus and proportionality between the development project seeking to mitigate its VMT impact and the TOD project that will provide the VMT mitigation.

  - Directing GO-LCI to evaluate the program after the program's first year in operation and, upon appropriation and with the agreement of the University of California, to contract with the University of California to evaluate other specified aspects of the VMT mitigation program.

- Subjecting the California Coastal Commission's review of housing project permit applications to the shorter (CEQA) timelines that apply to other lead agencies under the Permit Streamlining Act.

- Allowing housing developments involving more than $100 million in investment the option of utilizing the same streamlined CEQA process already open to smaller housing projects.

- Providing housing development projects with the option of meeting the air quality requirements to qualify for CEQA streamlining by showing consistency with the California Air Resources Board's Scoping Plan instead of using a quantitative net-zero greenhouse gas emissions analysis.

- Exempting from CEQA any rezoning that implements an approved housing element, with specified exceptions.

- Establishing a process to review housing development projects that meet all but one eligibility criteria for specified CEQA exemptions ("near-miss"), with specified exclusions. The budget provides that this review process will:

  - Require the initial study or EIR to examine only those effects that the lead agency determines, based upon substantial evidence in the record, are caused solely by the single condition that makes the proposed project ineligible for the exemption, as provided.

  - Limit this alternative environmental review process to remove the alternatives analyses, and consideration of cumulative or growth inducing impacts of the project which would normally be considered in an EIR.

- Exempting from CEQA new agricultural employee housing projects and projects consisting exclusively of the repair or maintenance of an existing farmworker housing project, as specified.

Authority to Require Submission of General Plan Progress Reports in Standardized Formats. Under California planning laws, local jurisdictions must submit Annual Progress Reports to GO-LCI with updates on the implementation of their General Plans. The budget includes trailer bill language empowering GO-LCI to require local governments to submit Annual Progress Reports on their General Plan implementation using standards, forms, and definitions set by GO-LCI.

Other Minor or Technical Adjustments Budget Adjustments Related to GO-LCI. The budget also makes the following adjustments to GO-LCI programs and funding:

- Adopts trailer bill language tying the definition of "vulnerable communities" for purposes of the Integrated Climate Adaptation and Resilience Program (ICARP) to the most recent program resource guide published by GO-LCI.

- Provides $3.35 million in ongoing reimbursement authority to provide administrative support to the recently established Governor's Office of Service and Community Engagement (GO Serve).

- Provides $2.9 million in Federal Trust Fund authority to support federal grant work of the Military Affairs team.

- Extends the encumbrance period for existing CEQAnet project funding through June 30, 2027.

- Corrects 2024 Budget Act solutions scoring.

0680 GOVERNOR'S OFFICE OF SERVICE AND COMMUNITY ENGAGEMENT (GO-SERVE)

The Governor's Office of Service and Community Engagement (GO-Serve) encompasses a variety of volunteer and stipend-based community service programs, including College Corps, Youth Job Corps, Climate Action Corps, and the state's chapter of the Americorps program.

The budget includes the following actions in relation to GO-Serve:

Expansion and Indefinite Continuation of College Corps. College Corps is a program providing students at 45 California colleges and universities with $10,000 per year in combined scholarships and living allowances in exchange for carrying out 450 hours of service at placements in community organizations. Additional College Corps elements include cohort gatherings, mentoring, professional development, access to an alumni network, and, in some cases, academic credit. The budget makes a $5 million one-time General Fund augmentation for the College Corps program in 2025-26 (for a total 2025-26 General Fund appropriation of $68 million); followed by annual appropriations totaling $84 million in General Fund to the program after that.

Creation of Belonging Campaign. The budget includes $5 million in one-time General Fund for GO-Serve to operate a new Belonging Campaign to "identify pathways to social connectedness and engagement."

Climate Action Corps Funding Source Shift. The budget shifts the source of the annual $9.3 million appropriation for Climate Action Corps from the Greenhouse Gas Reduction Fund (GGRF) to the General Fund.

<u>Economic Development Budget Trailer Bills</u>

1. *Budget Acts of 2023 and 2024 – AB 100 (Gabriel), Chapter 2, Statutes of 2025*

2. *Budget Act of 2025 — SB 101 (Wiener), Chapter 4, Statutes of 2025*

3. *Budget Act of 2025 — AB 102 (Gabriel), Chapter 5, Statutes of 2025*

4. *Budget Act of 2022, 2023, and 2024 — SB 103 (Wiener), Chapter 6, Statutes of 2025*

5. *Budget Act of 2025 — AB 104 (Gabriel), Chapter 77, Statutes of 2025*

6. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025*

7. *AB 130 (Committee on Budget) Housing, Chapter 22, Statutes of 2025.*

8. *SB 131 (Committee on Budget and Fiscal Review) Public Resources, Chapter 24, Statutes of 2025.*

9. *AB 137 (Committee on Budget) State Government, Chapter 20, Statutes of 2025.*

10. *SB 155 (Committee on Budget and Fiscal Review), Chapter 649, Statutes of 2025.*

11. *SB 158 (Committee on Budget and Fiscal Review) Chapter 650, Statutes of 2025.*

HOUSING & HOMELESSNESS

0515 BUSINESS, CONSUMER SERVICES, AND HOUSING (BCSH)

The Business, Consumer Services, and Housing Agency currently oversees a number of housing-related departments, including the Civil Rights Department (CRD), the Housing and Community Development Department (HCD), and the California Housing Finance Agency (CalHFA). BCSH also shares oversight responsibility for California's Interagency Council on Homelessness (Cal-ICH). As detailed below, the budget includes Government Reorganization Plan 1 (GRP-1) which provides for the division of BCSH into two distinct agencies – the California Housing and Homelessness Agency (CHHA) and the Business and Consumer Services Agency (BCSA). The separation becomes fully effective on July 1, 2026.

The budget includes the following in relation to BCSH:

Agency Reorganization and Associated Resources. The budget includes the Governor's Reorganization Plan 1 (GRP-1). GRP-1 provides the statutory framework for the eliminating of BCSH and its replacement with two new agencies: the California Housing and Homelessness Agency (CHHA) and the Business and Consumer Services Agency (BCSA). Separately, the budget provides the necessary new General Fund resources for the reorganization: $4 million in 2025-26; $6.2 million in 2026-27; and $6.1 million annually from 2027-28 on. Although the formal dissolution of BCSH does not take effect until July 1, 2026, the GRP-1 authorizes the state to begin taking the necessary steps to prepare for the transition during fiscal year 2025-26.

The new CHHA will encompass all of the following existing entities:

- *Department of Housing and Community Development (HCD)*
- *California Housing Finance Agency (CalHFA)*
- *California Interagency Council on Homelessness (Cal-ICH)*
- *Civil Rights Department (CRD)*

In addition, CHHA will house a newly established Housing Development and Finance Executive Committee. The role of this new Committee will be to integrate and coordinate affordable housing finance policymaking across state government. The GRP-1 directs the Committee to begin coordinating a cohesive and integrated housing finance system, including creating a consolidated application and review process for multifamily affordable housing developers, allocating awards, and streamlining compliance monitoring, among other things.

The budget also expresses the intent of the Legislature for the Housing Development and Finance Executive Committee created by the Governor's Reorganization Plan No. 1 of 2025, to make recommendations to the Legislature regarding improvements HCD may make to optimize loan administration to expedite the processing of awards and loan closing.

Staff and Budgetary Augmentations to Implement Recently Enacted Legislation. The budget includes the following staffing and budgetary increases in order for BCSH to implement AB 799 (L. Rivas), Chapter 263, Statutes of 2024. AB 799 directs Cal-ICH to undertake initiatives that increase awareness of, and access to, homelessness-related funding opportunities and improve how the state gathers, tracks and presents data about programs addressing homelessness. AB 799 also adds the Governor's Tribal Advisor to the membership of Cal-ICH. The budget provides $665,000 General Fund in 2025-26 and $349,000 annually after that to BCSH to pay for two staff positions and contract-based services for these implementation activities.

0968 TAX CREDIT ALLOCATION COMMITTEE (TCAC)

The Tax Credit Allocation Committee (TCAC) is responsible for award of the state's Low Income Housing Tax Credits each year, among other activities.

The budget includes the following in relation to TCAC:

Additional Year of State Supplemental Low-Income Housing Tax Credits. The Low Income Housing Tax Credit (LIHTC) program functions as a mechanism to encourage private investment in affordable housing projects. The credits can support new construction or the rehabilitation of existing properties. In either event, the developer agrees to maintain the properties at affordable rental levels in exchange for the tax credit award. By statute, California allocates a threshold amount to TCAC each year for award. (Revenue & Tax Code Section 23610.5.) The amount of the allocation is adjusted annually for inflation. In 2024, it was around $125 million. For the past several years, California has also elected to supplement this baseline statutory LIHTC allocation with an additional $500 million. In keeping with this pattern, the budget includes another year of supplemental state LIHTC in the amount of $500 million.

Staffing Augmentation to Address Additional Development and Compliance Workload. Recent federal and state investments in the LIHTC program have increased TCAC's development financing and compliance monitoring workload. In addition, CTCAC states that the enactment of AB 2006 (Berman, Ch. 646, Stats. 2022) has created the need to hire an additional supervisorial position. The budget provides an ongoing budget augmentation of $619,000 annually for TCAC to pay for hiring the necessary new staff. The requested augmentation would not come out of state General Fund. Rather, the additional expense will be paid for out of fees that TCAC charges.

1700 CIVIL RIGHTS DEPARTMENT (CRD)

The Civil Rights Department (CRD) is responsible for promotion and enforcement of the state's primary anti-discrimination laws including, among others, the Fair Employment and Housing Act (FEHA) and the Unruh Civil Rights Act. To carry out its mission, CRD conducts public outreach, reporting, investigation of complaints, and civil litigation, among other activities.

The budget includes the following in relation to CRD:

California v. Hate Reporting and Resource Hotline Extension. 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. The budget appropriates $2.4 million in 2025-26 General Fund for CRD to operate the program for an additional year. In order to avoid any disruption in services, the budget also includes an exemption from state contracting processes to enable CRD to renew its contract with 211 LA for operation of the CA v. Hate hotline for that additional year.

Community Conflict Resolution and Conciliation Program Extension. Since its establishment in 2022, the CRD's Community Conflict Resolution Unit (CCRU) has carried out customized conflict resolution processes, facilitating community engagement processes, mediating community disputes, and providing civil rights-related conflict resolution education, consultation, and training. The budget includes $883,000 in 2025-26 General Fund to extend the program for an additional year.

Enforcement, Investigation and Conciliation Enhancement Extension. Since 2022, CRD has received funding to help increase its enforcement, investigation, and conciliation capacity with the aim of speeding up civil rights complaint processing and reducing wait times. The budget includes $1.4 million to extend these enhancements for an additional year.

Staff and Budgetary Augmentations to Implement Recently Enacted Legislation. The budget includes the following staffing and budgetary increases in order for CRD to implement statutes enacted into law in 2024:

- *SB 1340 (Smallwood-Cuevas), Chapter 626, Statutes of 2024* – Lifts state preemption of local enforcement of FEHA's employment discrimination provisions, subject to a series of specified conditions intended to ensure robust and consistent civil rights enforcement across the state. Directs CRD to promulgate regulations that any local workplace civil rights law and enforcement mechanism will have to follow.
    - $1.2 million in General Fund for 2025-26; and $1.2 million in General Fund annually after that. This funding also supports implementation of AB 2499, detailed below.
    - Hiring authority for 5 additional positions starting in 2025-26. These positions would also be responsible for implementing AB 2499, detailed below.

- *AB 2499 (Schiavo), Chapter 967, Statutes of 2024* – Transfers responsibility for receiving, investigating, and enforcing a series of workplace protections from the Labor Commission to CRD, including workers' rights 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, among other things.
    - $1.2 million in General Fund for 2025-26; and $1.2 million in General Fund annually after that. This funding also supports implementation of SB 1340, detailed above.
    - Hiring authority for 5 additional positions starting in 2025-26. These positions would also be responsible for implementing SB 1340, detailed above.

Reinstatement of Previous Approved Funding and Position Authority. The 2021 Budget Act approved an appropriation of $1.7 million in ongoing General Fund and hiring authority for eight position at the Civil Rights Department (CRD). Due to an error, however, these resources were coded as limited term and would have expired as of June 30, 2025. The budget correctly appropriates these resources to CRD on an ongoing basis.

Headquarters Office Space Rental Expenses. In accordance with long-established state plans, CRD recently moved its headquarters into the newly constructed, Department of General Services building, the May Lee Office Complex, in North Sacramento. The new space costs more to rent. The budget provides $2.3 million in 2025-26 General Fund and incremental increases annually after that to cover the increased rent.

2240 HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCD)

HCD is responsible for oversight over the state's housing development planning process, regulation of the state's mobilehome and manufactured home communities, and the promotion of affordable housing production through the administration of grant programs, among other things.

The budget includes the following in relation to HCD:

Homeless Housing Assistance and Prevention (HHAP) Round 7 Funding and Related Statutory Framework. HHAP provides large cities, counties, continuums of care, and tribal entities with formula-based funding through which they can address homelessness using a broad variety of strategies and services. HHAP first emerged in 2019 as a new incarnation of the Homeless Emergency Aid Program (HEAP) program. Since that time, there have been six rounds of HHAP and a cumulative total of $4.97 billion in funding. The budget includes resources for a seventh round of HHAP, subject to the following timeline and prerequisites:

- $500 million is appropriated for Round 7 of HHAP effective July 1, 2026.
- HCD is required to prepare to administer Round 7 of HHAP with the goal that the initial Round 7 disbursements will be available to grantees meeting the statutory provisions beginning September 1, 2026. For this purpose, the Department of Finance (DOF) is authorized to use up to $8 million of the $500 million appropriated for Round 7 of HHAP to augment HCD's 2025-26 state operations budget.
- No Round 7 HHAP funds shall be allocated until after enactment of legislation specifying the parameters for Round 7 of HHAP that incorporates the following conditions and priorities and specifies the extent which each shall apply:
    - Having a compliant housing element.
    - Having a local encampment policy consistent with administration guidance.
    - Having a pro-housing designation.
    - Leveraging local resources to scale state investments.
    - Demonstrating progress on key housing performance metrics.
    - Demonstrating urgency and measurable results in housing and homelessness prevention.

- No Round 7 HHAP awards shall be disbursed to a city, county, tribe, or continuum of care until HCD's director declares, as provided, that HCD has substantially completed its initial disbursement of Round 6 HHAP funds to the city, county, tribe, or continuum of care and that the city, county, tribe, or continuum of care has obligated at least 50 percent of its total Round 6 HHAP award.

- Administrative costs for Round 7 of HHAP shall not exceed five percent of the total allocation

Homeless Housing, Assistance, and Prevention (HHAP) Program Reporting Timing Adjustment for Rounds 1 and 2. The budget includes trailer bill language requiring HHAP program recipients to report fiscal and system performance data on Rounds 1 & 2 at the same frequency as they must do for subsequent rounds.

Multifamily Housing Program (MHP) Funding. MHP provides loan-based funding to support a broad variety of deeply affordable development and rehabilitation projects. The budget includes $120 million in one-time 2025-26 General Fund for MHP.

Statewide Homelessness Accountability and Compliance Staffing and Resources. The budget provides HCD with $560,000 General Fund for two positions and position authority for one position in 2025-26 and ongoing, and $342,000 for a consulting contract in 2025-26 and 2026-27 to support increased oversight of state homelessness investments and to ensure accountability of local jurisdictions and enforcement when cities and counties fail to adequately address homelessness.

Staffing Augmentation for Federal Disaster Funds Administration. Following a series of winter storms that resulted in flooding, landslides, and mudslides in the winter of 2022-23, the federal government approved $115 million in Community Development Block Grant – Disaster Recovery (CDBG-DR) funding to California to support long-term recovery efforts. The primary impacted counties were Merced, Santa Cruz, San Luis Obispo, San Joaquin, and Ventura. HCD is tasked with administering this funding. Pursuant to its 2023 CDBG-DR Action Plan, HCD intends to direct the funding to three projects: the Manufactured Home Preplacement and Elevation Program, the Disaster Recovery Multifamily Housing Accelerator Program, and the Migrant Resiliency Center Program. The budget provides HCD with hiring authority for six positions to help administer these funds.

Headquarters Office Space Rental Expenses. In accordance with long-established state plans, HCD recently moved its headquarters into the newly constructed, Department of General Services building, the May Lee Office Complex, in North Sacramento. The new space is larger and costs more to rent. The budget provides $5.7 million in 2025-26 General Fund and incremental increases annually after that to cover the increased rent.

Acceptance of Increased Federal Community Development Block Grant – Disaster Recovery Funds. The budget authorizes HCD to receive $417 million in additional CDG-DR funds from the federal government for long-term recovery efforts related to the 2023 and 2024 winter storms, flooding, and mudslides.

Exemption of Proposition 1-Funded Projects from Article 34 Vote. The budget includes trailer bill language adding affordable housing projects funded by Proposition 1 of 2024, which includes Homekey+, to the list of affordable housing that is not subject to Article 34 of the California

Constitution's requirement that approval of specified affordable housing projects be put up for public vote.

Savings from Reversion of Unspent Balances in Affordable Housing Funding Programs. The budget achieves total savings of $31.7 million by reverting the following unspent balances back to the General Fund: $14.5 million previously appropriated to the Infill Infrastructure Grant Catalytic Program; $10 million from the Commercial Property Pilot Program, and $7.2 million from the 2021 Infill Infrastructure Grant program.

Accessing Equity for Affordable Housing Projects. Successful affordable housing development projects sometimes develop equity as the value of the property appreciates and/or the developer is able to pay down debt. The budget includes trailer bill language that would permit affordable housing developers, with HCD approval, to take out loans against the equity on HCD-funded projects to pay for preservation, rehabilitation, and/or development of other affordable housing initiatives. The language includes safeguards intended to ensure that the borrowing furthers affordable housing goals and does not create unacceptable financial risk.

Consolidated Default Reserve Fund Creation. When HCD provides loan funding to help finance an affordable housing project, it generally does so in exchange for a covenant from the developer to keep rents low for a specified period, frequently 55 years. Should the developer subsequently default on payment of these loans, ownership of the property and the associated affordability covenants are put at risk. To mitigate against that risk and protect affordability, HCD maintains default reserve funds for most of its housing finance programs. These funds serve as a backstop to prevent default. The budget includes trailer bill language that consolidates several of the default reserve funds into a single, continuously appropriated backstop against the loss of affordable housing due to loan payment defaults. The language requires notice to the Joint Legislative Budget Committee whenever more than 25 percent of the fund is spent in a single fiscal year.

Encampment Resolution Fund (ERF) Funding and Program Expenditure Deadline Adjustment. ERF provides grant funding to counties, continuums of care, and cities of any size on a competitive basis for the purpose of assisting them to address specific homeless encampments within their jurisdictions. The budget includes $100 million for the ERF program. The budget also includes trailer bill language that extends how long ERF grantees must obligate and expend their ERF funds by having the respective timelines start from the date of award, rather than the date of appropriation.

Modification of the Transit Oriented Development (TOD) Program to Integrate with Vehicle Miles Traveled (VMT) Mitigation Banking. The budget includes trailer bill language modifying the TOD program so that it operates in conjunction with a newly established option for project developers to mitigate vehicle miles traveled, when required to do so under the California Environmental Quality Act (CEQA), by making contributions to the TOD fund. The VMT-related modifications include requiring at least 20 percent affordability, requiring 55-year affordability covenants on TOD-funded housing projects, and establishing funding priority for greater affordability, filling funding gaps, and project readiness.

Accessory Dwelling Unit (ADU) Local Ordinance Streamlining. The budget includes trailer bill language that eliminates a provision in state accessory dwelling unit law that any local agency that has adopted an ordinance by July 1, 2018, providing for the approval of accessory dwelling units in multifamily dwelling structures, must ministerially consider a permit application to construct an accessory dwelling unit meeting specified requirements, but may impose objective standards including design, development, and historic standards on said accessory dwelling units, but not minimum lot size requirements.

Starter Home Subdivision Modifications. The budget contains trailer bill language modifying the law relating to the creation of subdivisions for starter homes by:

- Prohibiting the separate sale, lease, or financing of any individual parcel following ministerial approval of a starter housing subdivision project meeting specified eligibility requirements unless that parcel has a completed residential dwelling on it, with specified exceptions, though local jurisdictions may opt out of this prohibition.

- Clarifying that any remainder parcel should not be considered when calculating project density for purposes of state law requiring ministerial approval of starter housing subdivision projects meeting specified eligibility requirements.

Regional Housing Needs Assessment (RHNA) Process Modifications. The budget includes trailer bill language making the following changes to the RHNA process:

- Requires the relevant Council of Governments (COG) to provide data assumptions from their projections for overcrowding and percentage of cost-burdened households based on the difference between the region's rates and those comparable regions in the United States.

- Requires COGs to submit a draft allocation methodology and develop a revised methodology in consultation with HCD within 45 days, if HCD finds the draft allocation methodology does not further the objectives.

Removal of Sunset Dates for Housing Accountability Act (HAA) Provisions. The budget makes the following provisions of the HAA permanent:

- Definition of when a project application is "deemed complete" to mean when the project applicant has submitted a specified preliminary application or, if the applicant has not submitted a preliminary application, then when the applicant submitted a complete application, as specified.

- Definition of "objective" as meaning involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.

- Requirement that a court issue an order to correct an action in the case of a local agency requiring a housing development project to comply with an ordinance or standard not in effect when the preliminary application was submitted.

- Application of the HAA to a housing development project that submits a specified preliminary application before January 1, 2030.

Removal of Sunset Dates for Housing Crisis Act (HCA) Provisions. The budget makes the following provisions of the HCA permanent:

- Prohibition on local agencies from requiring more than five hearings on a housing development project that complies with the applicable, objective general plan and zoning standards in effect at the time the application is deemed complete.

- Requirement for a local government to determine whether a site for a proposed housing development project is a historic site at the time the application is deemed complete.

- Requirement for a local government to compile a list or lists that specify in detail the information required from any applicant for a development project, as specified.

- Authorization for a housing development proponent to submit a preliminary application and require a local government to determine the completeness of that preliminary application, as specified.

Restrictions on Specified Homeowner Association Fees and Fines. The budget contains trailer bill language making the following changes to the Davis-Sterling Act governing common-interest developments (CIDs):

- Specifies that reasonable restrictions on Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) in a CID shall not include any fees or other financial requirements.

- Limits fines that may be imposed on an association member in a CID, as specified. Additionally, the bill provides that an association member shall have the opportunity to cure a violation associated with damage to the common area or facilities by themselves or a guest, prior to a board meeting to discuss the violation, as specified.

Surplus Lands Act (SLA) Adjustment. The budget includes a provision removing specified school district real property from the definition of "exempt surplus land," requiring this land to be disposed of in accordance with the SLA

Permit Streamlining Act (PSA) Modifications. The budget includes trailer bill language that:

- Applies the PSA to an entitlement for a housing development project regardless of whether the permit is discretionary or ministerial. This change would not apply to a post-entitlement permit.

- Requires a local agency to approve or disapprove a ministerial permit within 60 days from the date of receipt of a complete application.

Housing -Related California Coastal Act (CCA) Modifications. The budget modifies the CCA' relationship to housing projects by:

- Prohibiting appeals for residential projects (projects that are exclusively residential and made up of four or more units) that are located in a sensitive coastal resource area or are not the principal permitted use in the Local Coastal Plan (LCP).

- Requiring an annual report by the California Coastal Commission (CCC) for residential projects that are appealed to evaluate how many residential projects were appealed; how many residential projects waived the timelines for acting on an appeal; and how many residential projects were approved, approved with conditions, denied, or withdrawn on appeal to the CCC. The CCC must include, for each project: a description of the project, including, but not limited to the number of units in the project, and the percentage of units affordable to low- and moderate-income households; time from the appeal to final decision on each project; and any conditions requested or imposed on a project, and the reason for approval, approval with conditions, or denial.

Seismic Retrofits for Affordable Multifamily Housing. The budget requires the California Residential Mitigation Program (CRMP), upon appropriation by the Legislature, to fund the seismic retrofitting of affordable multifamily housing serving low- and moderate-income households, as specified.

Protections From Zombie Mortgages. The budget includes trailer bill language that prohibits specified conduct by a mortgage servicer in connection with subordinate mortgages, as defined, including, among other things, failure to communicate with the borrower in writing for over three years; failure to provide notice of a transfer of loan ownership as required; conducting or threatening to conduct a foreclosure sale after the relevant statute of limitations has run or after providing a form indicating the debt had been written off or discharged; and failure to provide required periodic account statements; among other things. The budget also provides specified legal protections in foreclosure proceedings for borrowers subject to subordinate mortgages.

Regional Early Action Planning (REAP) 2.0 Deadline Extensions. The budget extends the REAP 2.0 expenditure deadline by six months, and the reimbursement submission deadline by six additional months after that.

Temporary Residential Building Standards Freeze. The budget prohibits cities, counties, the California Building Standards Commission (CBSC) and any other adopting agency, from October 1, 2025, until June 1, 2031, from considering, approving, or adopting any proposed building standards affecting residential units, with specified exceptions including changes necessary as emergency standards to protect health and safety.

Homeless Shelter Conditions Inspections, Occupants' Rights, and Reporting. The budget includes trailer bill language that:

- Requires a city or county to perform annual inspections on every homeless shelter in its jurisdiction to ensure that the shelter is compliant with existing law requirements relating to substandard housing. Provides that these inspections may be unannounced.

- Specifies that a city shall conduct an inspection for the shelters within the city's jurisdiction; a county shall conduct an inspection for the shelters in the county's jurisdiction; and a city with a population under 100,000 may partner with its county to conduct an inspection.

- Requires a homeless shelter to prominently display information about an occupant's rights and the process to report a complaint about a substandard shelter, including contact information for the owner or operator of the shelter, the city or county, and HCD. The shelter must also provide this information to any new occupant during intake.

- Provides that a plaintiff who prevails in an action pursuant to this statute shall be entitled to recover reasonable attorney's fees and costs and authorizes HCD to bring a civil action pursuant to this statute.

- Amends the annual report that each city and county is required to submit to HCD and BCSH as follows:

    - Adds the number of complaints received by the city or county of substandard shelters, including if the city or county did not receive any complaints.

    - Requires a city or county to submit a report even if there are no outstanding violations, or any violations corrected, during the applicable period.

- Requires HCD to withhold state funding from any city or county that fails to comply with reporting requirements or fails to take action to correct a substandard shelter violation.

Affordable Housing on Faith and Higher Education Lands Act Modifications and Data Reporting. The budget Act makes the following changes to the Affordable Housing on Faith and Higher Education Lands Act:

- Requires local jurisdictions, as part of their General Plan Annual Progress Reports, to provide data about the number of applications submitted, the location and number of developments approved, and the total number of building permits issued pursuant to the Affordable Housing on Faith and Higher Education Lands Act.

- Clarifies that childcare centers may be incorporated into an eligible project pursuant to Affordable Housing on Faith and Higher Education Lands Act without limitation on the number of children.

- Modifies specified height and parking restrictions applicable to Affordable Housing on Faith and Higher Education Lands Act projects.

Multifamily Housing Balcony Inspection Deadline Extension. The budget extends by up to one year the amount of time that the owner of a multifamily building has to complete required balcony inspections when the discovery of asbestos prevents timely inspection completion.

Staff and Budgetary Augmentations to Implement Recently Enacted Legislation. The budget includes the following staffing and budgetary increases in order to implement housing-related statutes enacted into law in 2024:

- *SB 450 (Atkins), Chapter 286, Statutes of 2024* – Prohibits local governments from imposing restrictive zoning, subdivision, or design standards to lot-splitting and higher-density housing project if they do not also apply to underlying single-family zoning but allows local agencies to be more permissive for such projects.

- Hiring authority for 1 additional position starting in 2025-26.

- *SB 597 (Glazer), Chapter 861, Statutes of 2024* – Requires HCD to conduct research, develop recommendations, and submit a report to the Legislature regarding installation of rainwater catchment systems for non-potable uses in newly constructed housing.
  - Authority to hire one consultant starting in 2025-26.

- *SB 1123 (Caballero), Chapter 294, Statutes of 2024* – Expands the applicability of laws mandating ministerial approval of housing development proposals in specified urban infill contexts, to include vacant parcels zoned for single-family use.
  - $205,000 General Fund annually beginning in 2025-26.
  - Hiring authority for one additional position starting in 2025-26.

- *AB 653 (Reyes), Chapter 672, Statutes of 2024* – Establishes a series of new requirements related to utilization of federal rental housing subsidy vouchers.
  - Hiring authority for four additional positions starting in 2025-26. These new positions will also carry out the work required by AB 2776, detailed below.

- *AB 1878 (Garcia), Chapter 266, Statutes of 2024* – Requires HCD to consult with additional types of tribal housing entities or departments who are interested in planning and developing housing within a tribe's designated service area, rather than just within reservation or rancheria lands. The bill also requires HCD to provide outreach, education, and comprehensive technical assistance to tribes and various tribal housing entities during the development of tribal housing grant programs including assistance with program waivers and modification requests.
  - $378,000 General Fund annually beginning in 2025-26.
  - Hiring authority for 2 additional positions starting in 2025-26.

- *AB 2240 (Arambula), Chapter 523, Statutes of 2024* – Requires HCD to undertake a series of actions in relation to farmworker housing, including submitting a report on permanent housing opportunities for farmworkers to the Legislature and conducting annual health, safety, and conditions annual inspections of the 24 Office of Migrant Services farmworker housing centers, among other things.
  - $5.4 million General Fund in 2025-26 as well as 443,000 General Fund in both 2026-27 and 2027-28.

- *AB 2387 (Pellerin), Chapter 396, Statutes of 2024* – Allows mobilehome park owners to increase the number of lots in existing parks by ten percent through a streamlined process and without having to pay new business tax, local registration fees, use permit fees, or other fees that are not applicable to existing lots.
  - Hiring authority for one additional position starting in 2025-26.
  - Technology enhancements.

- *AB 2667 (Santiago), Chapter 277, Statutes of 2024* – Adds new data components to the Housing Element Annual Progress Report (APR) that local jurisdictions must submit to HCD.
  - Hiring authority for four additional positions starting in 2025-26. These new positions will also carry out the work required by AB 653, detailed above.

Miscellaneous technical adjustments. The budget also includes the follow technical adjustments to HCD's budget:

- Directs $24 million in remaining Transit-Oriented Development (TOD) Proposition 1 (2017) and Proposition 1C (2006) bond funds to multifamily housing grants in 2025-26.

- Utilizes $20.5 million in Infill Infrastructure Grant (IIG) Proposition 1C (2006) bond funds for tribal multifamily housing grants in 2025-26.

- Gives specified Infill Infrastructure Grant (IIG) awardees an additional three years to fully liquidate the funds they received.

- Extends specified expenditure deadlines associated with the CDBG-DR program and the Project Homekey program to ensure alignment with federal deadlines and deadlines expressed in corresponding Notices of Funding Available.

2260 CALIFORNIA HOUSING FINANCE AGENCY (CALHFA)

The California Housing Finance Agency (CalHFA) provides housing development and ownership financing to support the needs of low- and moderate-income renters and homebuyers.

The budget includes all of the following in relation to CalHFA:

Additional Funding for the California Dream for All Program. The California Dream for All is a shared appreciation downpayment assistance program designed to help first generation homebuyers with low- and moderate-incomes achieve homeownership for the first time, opening up a key path to building intergenerational wealth. The 2025 Budget Act includes a one-time $300 million General Fund appropriation to fund further rounds of the program.

National Mortgage Settlement Fund Eligible Use Clarification. The 2025 Budget includes trailer bill language specifying that that provision of legal services for homeownership preservation, including foreclosure prevention, is an eligible use of National Mortgage Settlement funds.

Housing and Homelessness Budget Bills

1. *Budget Acts of 2023 and 2024 – AB 100 (Gabriel), Chapter 2, Statutes of 2025*

2. *Budget Act of 2025 — SB 101 (Wiener), Chapter 4, Statutes of 2025*

3. *Budget Act of 2025 — AB 102 (Gabriel), Chapter 5, Statutes of 2025*

4. *Budget Act of 2022, 2023, and 2024 — SB 103 (Wiener), Chapter 6, Statutes of 2025*

5. *Budget Act of 2025 — AB 104 (Gabriel), Chapter 77, Statutes of 2025*

6. *Budget Act of 2021, 2023, 2024, and 2025 — SB 105 (Wiener), Chapter 104, Statutes of 2025*
7. *AB 130 (Committee on Budget) Housing, Chapter 22, Statutes of 2025.*
8. *SB 131 (Committee on Budget and Fiscal Review) Public Resources, Chapter 24, Statutes of 2025.*
9. *AB 137 (Committee on Budget) State Government, Chapter 20, Statutes of 2025.*
10. *SB 155 (Committee on Budget and Fiscal Review), Chapter 649, Statutes of 2025.*
11. *SB 158 (Committee on Budget and Fiscal Review) Chapter 650, Statutes of 2025.*

SUBCOMMITTEE 5

ON

CORRECTIONS,

PUBLIC SAFETY,

JUDICIARY, LABOR AND TRANSPORTATION

Senate Committee on Budget and Fiscal Review

Members
Laura Richardson, Chair
Maria Elena Durazo
Kelly Seyarto
Aisha Wahab

Consultants
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Diego Emilio J. Lopez
Eunice Roh

SUBCOMMITTEE NO. 5

CORRECTIONS, PUBLIC SAFETY, JUDICIARY, LABOR, AND TRANSPORTATION

Judiciary

Corrections and Rehabilitation

Public Safety and Criminal Justice

Labor, Public Employment and Retirement

Transportation

THE JUDICIARY

0250 JUDICIAL BRANCH

The budget includes $5.3 billion in 2025-26 for the Judicial Branch, of which $3.0 billion is provided to support trial court operations. The budget includes the following adjustments to the Judicial Branch's budget.

Infrastructure, Facilities, and Maintenance. The budget includes the following resources and changes related to courthouse facilities and maintenance.

- *Courthouse Surplus Property Disposition*. The budget includes statutory changes to allow for the sale of four Judicial Branch properties in three cities, with proceeds deposited in the General Fund.

- *Lactation Rooms*. The budget includes $5.4 million one-time General Fund and a reappropriation of $7.2 million General Fund from the 2022 Budget Act to provide public access to lactation rooms in courthouses, pursuant to AB 1576 (Committee on Judiciary), Chapter 200, Statutes of 2022, as amended by SB 133 (Committee on Budget and Fiscal Review), Chapter 34, Statutes of 2023.

- *Butte County: Juvenile Hall Addition and Renovation*. The budget includes $5.2 million General Fund to continue a project to increase court space in the existing Butte County Juvenile Hall in the City of Oroville.

- *Fresno County: New Fresno Courthouse*. The budget includes $18.1 million General Fund for the performance criteria phase of the New Fresno Courthouse in Fresno County, and a reappropriation of $11.2 million from the acquisition phase.

- *Los Angeles County: New Santa Clarita Courthouse*. The budget includes a reappropriation of $34.2 million General Fund for the acquisition phase of a new courthouse in the City of Santa Clarita.

- *Plumas County: New Quincy Courthouse*. The budget includes a reappropriation of $1.5 million General Fund for the acquisition phase of the new Quincy Courthouse project in Plumas County.

- *San Diego Hall of Justice*. The budget includes $9.5 million one-time General Fund to address cost increases for an in-progress facility modification at the San Diego Hall of Justice.

- *San Luis Obispo County: New San Luis Obispo Courthouse*. The budget includes $7.9 million General Fund for the performance criteria phase and a reappropriation of $22.9 million for the acquisition phase of the New San Luis Obispo Courthouse in San Luis Obispo County.

- *Solano County: New Solano Hall of Justice (Fairfield)*. The budget includes $5.2 million General Fund for the performance criteria phase and a reappropriation of $12.1 million for the acquisition phase of the New Solano Hall of Justice (Fairfield) in Solano County.

- *Extended Liquidation for Fire and Life Safety System Upgrades*. The budget extends the liquidation periods for $10 million General Fund from the 2021 Budget Act and $40 million General Fund from the 2022 Budget Act for two critical fire and life safety system projects at the Central Justice Center in Orange County and the San Diego East County Regional Center.

- *Extended Liquidation for Remote Access to Courtroom Proceedings (AB 716).* The budget extends the liquidation period for $6.6 million General Fund from the 2022 Budget Act, to support the implementation of AB 716 (Bennett), Chapter 526, Statutes of 2021, which requires courts to provide minimum remote access to all courtroom proceedings.

- *State Court Facilities Construction Fund (SCFCF)*. The budget includes the following changes related to the SCFCF, which collectively result in backfill of $4.7 million General Fund in 2025-26 and $79 million in 2026-27 and ongoing:

    - Reduction of $20 million General Fund for backfill in 2025-26.

    - Transfer of accumulated savings and interest revenue totaling $34.3 million from the Court Facilities Architectural Revolving Fund to the SCFCF, resulting in a one-time reduction of the General Fund backfill to the SCFCF by the same amount in 2025-26.

    - Increase in SCFCF reimbursement authority by $10.7 million ongoing to collect counties' share of costs for increased utilities and maintenance expenditures.

Proposition 36 Workload and Implementation. The budget includes $20 million one-time General Fund for the courts to support workload and expand or establish collaborative courts to implement Proposition 36 (2024). The budget also includes provisional language requiring reporting on implementation and caseloads.

Trial Court Operations. The budget includes the restoration of $42 million ongoing General Fund starting in 2024-25, and an additional $40 million General Fund in 2025-26 and ongoing to account for increased expenses for the trial courts.

Legal Aid. The Judicial Branch budget includes $15 million General Fund in 2024-25 for legal services to vulnerable persons at risk due to federal actions, approved during the First Extraordinary Session. This includes $10 million distributed through the State Bar using the existing mechanism for the Equal Access Fund, and $5 million distributed through the California Access to Justice Commission. Additional legal aid resources focused on immigration services were provided through the Department of Social Services (see the Human Services chapter for more information).

Equal Access Fund Provisional Language. The budget includes provisional language specifying that the Equal Access Fund is prohibited from being used for removal defense for persons with prior serious and violent felony convictions, consistent with the restrictions set forth in paragraph 3 of subdivision (b) of Section 13303 of the Welfare and Institutions Code, related to services for undocumented persons under Chapter 5.6 of the Welfare and Institutions Code.

Supreme Court and Courts of Appeal Court-Appointed Counsel Programs. The budget includes $6.3 million ongoing General Fund in 2025-26 to support the Supreme Court Capital Court-Appointed Counsel and the Courts of Appeal Court-Appointed Counsel Programs. This includes $4.4 million for an hourly rate increase for appointed counsel, and $1.9 million for a seven percent increase in the annual contracts for the project offices.

Jury Duty Pilot Program. The budget includes statutory changes and a reversion of $27.5 million unspent General Fund from 2023-24 and 2024-25 originally for a pilot program for juror compensation pursuant to AB 1981 (Lee), Chapter 326, Statutes of 2022.

Pretrial Release Program. The budget reverts $20 million General Fund in 2024-25 related to pretrial services, and adjusts the funding to $65 million for 2025-26, and to $50 million for 2026-27 and ongoing.

Trial Court Trust Fund Unrestricted Fund Balance. The budget includes the transfer of $38 million in 2025-26 from the unrestricted fund balance of the Trial Court Trust Fund to the General Fund with provisional reporting language.

Trial Court Employee Benefits. The budget includes an increase of $19.8 million ongoing General Fund for trial court employee health benefits and retirement costs.

Court Interpreter Program Provisional Language. The budget includes provisional language to allow trial courts to utilize court interpreter program funding for the total number of coordinators required by each court and remove the requirement that coordinators must be certified or registered court interpreters.

Streamlining Reporting. The budget includes statutory changes to streamline various Judicial Council reporting requirements, including:

- Codifies existing annual reporting on trial court operations and metrics, first required in the Budget Act of 2022.

- Eliminates the following three annual reports:
  - *Standards of Timely Disposition*
  - *Standards and Measures That Promote the Fair and Efficient Administration of Justice*
  - *State Trial Court Improvement and Modernization Fund Expenditures*

- Changes the due date of the report on *Allocations and Reimbursements to the Trial Courts* from September 30 to February 1.

- Clarifies that the Judicial Council only must submit *Cash-Flow Loans Made to Trial Courts* report if a loan is actually made during the covered time frame.

Implementation of Legislation. The budget includes the following changes to implement recently enacted legislation:

- *Community Assistance, Recovery, and Empowerment (CARE) Act Process and Proceedings (SB 42).* The budget includes $1 million ongoing General Fund for new trial court operations costs to implement SB 42 (Umberg), Chapter 640, Statutes of 2024, which requires changes to the CARE Act.

- *Treatment Court Program Standards (SB 910).* The budget includes three positions and $1.7 million General Fund in 2025–26 and $1.6 million General Fund in 2026-27 and ongoing to administer treatment court programs and provide support to trial courts to implement SB 910 (Umberg), Chapter 641, Statutes of 2024.

- *Implementation of Tribal Nations Access to Justice Act (SB 549).* The budget includes $2.7 million in 2025-26, $1.5 million in 2026-27, and $784,000 in 2027-28, all General Fund, for courts to handle workload resulting from lawsuits filed by California Indian tribes against California gambling establishments and third-party providers pursuant to SB 549 (Newman), Chapter 860, Statutes of 2024.

- *Reappropriation: Community Mental Health Services (SB 929).* The budget includes a reappropriation of $1.4 million from the 2023 Budget Act, to complete the development of a Community Mental Health dataset pursuant to SB 929 (Eggman), Chapter 539, Statutes of 2022.

Various Other Changes. The budget includes the following other changes for the Judicial Branch:

- Reversion of $9.1 million General Fund in 2023-24 and 2024-25 associated with unspent funds provided to the Judicial Branch for improvements to Incompetent to Stand Trial evaluations, and reappropriation of $3.4 million from 2022-23 to continue trainings.

- Reduction of $5.8 million General Fund in 2025-26 and ongoing to align backfill related to Ability to Pay.

- Reduction of $1.9 million ongoing General Fund in CARE Court funding to align expenditures with revised caseload estimates.

- Net-zero transfer of funding between Judicial Branch budget items.

- Reduction of $5.4 million General Fund in 2025-26 and ongoing in state contributions to the Judges' Retirement System II due to a projected larger employer contribution.

8140 STATE PUBLIC DEFENDER

The budget includes $36.3 million General Fund and 98 positions to support the Office of the State Public Defender (OSPD) in 2025-26.

Indigent Defense Funding. The budget includes $15 million one-time General Fund for grants to public defenders to expand holistic defense efforts.

Contracting. The budget contains statutory changes to exempt OSPD from certain state contracting requirements that were introduced in 2023, in order to prevent conflicts between those requirements and the best interests of OSPD's clients, particularly for case-related contracts.

Courts Budget and Trailer Bills

1. *Budget Act of 2024 – Senate Bill 2 X1 (Wiener), Chapter 4, Statutes of 2025, First Extraordinary Session.*
2. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*
3. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*
4. *Budget Acts of 2022, 2023, and 2024 – Senate Bill 103 (Wiener), Chapter 6, Statutes of 2025.*
5. *Budget Acts of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025*
6. *Courts – Assembly Bill 136 (Committee on Budget), Chapter 11, Statutes of 2025.*
7. *Public Safety – Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 111, Statutes of 2025.*

CORRECTIONS AND REHABILITATION

0552 OFFICE OF THE INSPECTOR GENERAL (OIG)

The budget includes total funding of $48.1 million General Fund and 250.8 positions for the OIG in 2025-26.

Complaints of Staff Sexual Misconduct (SB 1069). The budget includes $3.6 million General Fund and 22 positions in 2025-26, and $5.7 million General Fund and 29 positions in 2026-27 and ongoing, for the OIG to expand monitoring and investigation of complaints of staff sexual misconduct filed by incarcerated persons, pursuant to SB 1069 (Menjivar), Chapter 1012, Statutes of 2024.

Elimination of Blueprint Monitoring and the California Rehabilitation Oversight Board (C-ROB). The budget includes statutory changes to eliminate C-ROB and to eliminate the requirement for OIG to monitor implementation of the Blueprint by the California Department of Corrections and Rehabilitation. The Blueprint was released in 2012 in response to federal court oversight and updated in 2016.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The budget includes total funding of $13.6 billion ($13.2 billion General Fund and $400 million other funds) and 59,979 positions for CDCR in 2025-26.

Population Projections. The budget reflects a projected average daily adult incarcerated population of 91,471 in 2024-25 and 91,205 in 2025-26. The population is expected to decrease in the long-term, to 89,692 in June 2029. The parolee average daily population is projected to be 34,723 in 2024-25, declining slightly to 34,197 in 2025-26. The parole population is anticipated to remain relatively stable over the next few years, reaching 34,213 in June 2029.

Operational Improvements. The budget reflects assumed General Fund savings of $125 million in 2025-26, $480 million in 2026-27, $554 million in 2027-28, and $635 million in 2028-29 and ongoing, through operational improvements related to headquarters, contract management, overtime management, and modifying various aspects of health care programs. The budget includes provisional intent language protecting funding for rehabilitative and reentry programming, and programs related to family connection. This is in addition to savings identified pursuant to Control Sections 4.05 and 4.12 of the Budget Act of 2024, which resulted in reductions of $178.2 million in 2025-26 and $186.0 million in 2026-27 and ongoing, and the elimination of nearly 1,200 vacant positions, effective January 1, 2026.

Facilities and Infrastructure. The budget includes the following adjustments related to facilities and infrastructure.

- *Prison Closure*. The budget reflects the closure of one additional prison by October 2026, resulting in savings of roughly $150 million annually.

- *Surplus Property Disposal*. The budget includes statutory changes to streamline the process of disposing of surplus CDCR property, including allowing for redevelopment under specified circumstances and prohibiting the use of the property for detention or carceral purposes.

- *Air Cooling Pilot Program*. The budget includes $17.6 million General Fund in 2025-26 and $20 million General Fund in 2026-27 for a pilot program to install and evaluate air cooling options at the Central California Women's Facility, Kern Valley State Prison, and California State Prison, Los Angeles.

- *California Health Care Facility, Stockton: Potable Water Treatment System*. The budget includes $982,000 General Fund for a potable water treatment system project at the California Health Care Facility in Stockton.

- *Ironwood State Prison, Blyth: New Potable Water Wells*. The budget includes $11.5 million General Fund to construct new groundwater wells to supply Ironwood State Prison in Blythe.

- *Valley State Prison, Chowchilla: New Potable Water Wells*. The budget includes $1.2 million General Fund for the preliminary plans phase of a project to construct new ground water wells to supply Central California Women's Facility and Valley State Prison in Chowchilla.

- *Reappropriation and Repurposing of Statewide Roofs Replacement Funding*. The budget includes a reappropriation of $112.8 million General Fund in roof replacement funding, including $50.8 million from the 2023 Budget Act and $62 million from the 2024 Budget Act. This funding will be repurposed for use on various statewide roof replacement projects and for kitchen repairs at two prisons that were damaged by roof leaks.

- *Statewide Fire Alarm Replacements and Fire Watch*. The budget includes $37.3 million General Fund in 2025-26 and $44.2 million in 2026-27 and 2027-28 to replace fire alarm control panels and systems at two institutions that currently require staff to patrol for fires, as mandated by the Office of the State Fire Marshal.

- *Utilities Costs Adjustments*. The budget includes an increase of $357,000 General Fund in 2025-26 and ongoing related to utilities costs.

Rehabilitative Programming and Reentry Programs. The budget includes the following resources related to rehabilitation and reentry programs.

- *Rehabilitative Investment Grants for Healing and Transformation (RIGHT 3.0).* The budget includes $20 million one-time General Fund for the RIGHT 3.0 Program, which supports in-prison trauma-informed, rehabilitative, and restorative justice programming by community-based nonprofit organizations.

- *Community Reentry Programs for Supervised Persons*. The budget includes $44.9 million General Fund in 2025-26, $47.5 million in 2026-27, $37.3 million in 2027-28, $40.1 million in 2028-29 and $42.9 million in 2029-30 and ongoing to increase funding for community reentry programs, and provisional language requiring an update on efforts to maximize Medi-Cal reimbursements for Specialized Treatment for Optimized Programming (STOP).

- *Community Participant Mother Program.* The budget includes statutory changes to streamline contracting requirements for the Community Participant Mother Program, to align with changes made for other community reentry programs in SB 135 (Committee on Budget and Fiscal Review), Chapter 190, Statutes of 2023, including:
  - Permitting CDCR to enter into long-term contracts of up to ten years for the program.
  - Allowing CDCR to use a request-for-information contracting process, as specified.
  - Directing CDCR to prioritize proposals for programs with approved land use, that can provide a rehabilitative setting and programming, that are operated by experienced nonprofit organizations, and that have demonstrated expertise in supporting and strengthening family connection and parent-child relationships.

- *San Quentin Rehabilitation Center: Rehabilitation Program Enhancements*. The budget includes $7.8 million General Fund in 2025-26 and $13 million General Fund in 2026-27 and ongoing to increase staffing, add and expand rehabilitative programs, and provide staff training for the San Quentin Rehabilitation Center and the new Educational and Vocational Center, which is scheduled to open in the fiscal year.

- *Work Privileges for Incarcerated College Students*. The budget includes statutory changes to allow incarcerated individuals who are full-time students to also hold a job or participate in programming, aligning their privileges with full-time workers.

- *Reappropriations.* The budget reappropriates the following resources:
  - $5 million General Fund and $5 million Inmate Welfare Fund from the Budget Act of 2024 for the California Reentry and Enrichment (CARE), Victim Impact, and Innovative Programming Grants at the California Department of Corrections and Rehabilitation, which had delayed disbursements in 2024-25.
  - $200,000 from the Budget Act of 2022 for a creative workforce job training and employment program for formerly incarcerated individuals.

Health Care. The budget includes $4.1 billion General Fund for health care programs at CDCR. The budget includes the following adjustments.

- *California Institution for Men 50-Bed Mental Health Crisis Facility Staffing*. The budget includes 13.4 positions and $3.0 million General Fund in 2025-26, increasing to 20.4 positions and $4.4 million General Fund in 2026-27 and ongoing to staff a licensed 50-bed Mental Health Crisis Facility at the California Institution for Men.

- *Suicide Watch*. The budget includes $13.6 million General Fund in 2025-26 and ongoing to fund costs associated with suicide watch workload.

- *Workers' Compensation Adjustment for Health Care Programs*. The budget includes $8.5 million General Fund in 2025-26 and ongoing to address a shortfall in workers’ compensation authority.

- *California Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative*. The budget includes 65 positions and reimbursement authority of $21.5 million in 2025-26 and $11 million ongoing to support implementation of the CalAIM Justice-Involved Initiative and to account for federal reimbursements. The budget adjusts the corresponding General Fund allocations with a reduction of $6.2 million in 2025-26, an increase of $3.8 million in 2026-27, and a reduction of $11 million ongoing.

- *Licensure of Mental Health Professionals*. The budget updates statutory requirements related to pre-licensure activities for specified mental health classifications, and adds the licensed clinical counselor and marriage and family therapist classifications.

- *Tuberculosis Testing Change*. The budget includes statutory changes to revise the tuberculosis testing requirements for employees, including limiting tuberculosis testing requirements to employees working in institutional settings, and allowing employees to complete this testing during their first week of employment.

Food. The budget includes the following resources related to food:

- $5 million General Fund one-time in 2025-26 to purchase California-grown agricultural products as required by AB 778 (Eduardo Garcia), Chapter 576, Statutes of 2022.

- $31.4 million General Fund in 2025-26 and ongoing to accommodate rising food costs.

Reception Center Streamlining. The budget includes $2 million one-time General Fund to streamline reception center processing.

Sister Warriors Sexual Assault Prevention and Response Program. The budget includes $3 million one-time General Fund ($2.75 million for the Sister Warriors Freedom Coalition and $250,000 for CDCR) to continue to support the Sexual Assault Response and Prevention Working Group and Ambassador Program.

Los Angeles Fire County Fire Camp. The budget includes $4.8 million General Fund in 2025-26 and 2026-27 to continue the conservation camps and the fire suppression services contract in Los Angeles County.

Continuation of Employment Leave Expansion. The budget includes 15 positions and $2.2 million General Fund in 2025-26 and ongoing for workload associated with the employment leave criteria expansion that authorizes an employee to take leave to care for a "designated person," as established and defined by AB 1041 (Wicks), Chapter 748, Statutes of 2022.

Elimination of the Council on Criminal Justice and Behavioral Health. The budget reflects savings of $1.8 million ongoing ($662,000 General Fund and $1.1 million Behavioral Health Service Fund) and includes statutory changes to eliminate the Council on Criminal Justice and Behavioral Health.

Extension of COVID-19 Workers' Compensation Benefits. The budget includes $33 million one-time General Fund in 2025-26 and $35 million in 2026-27, and 16 two-year limited-term positions for workers' compensation workload and costs related to COVID-19.

Standardization of Postconviction Proceedings (AB 2483). The budget includes $2.9 million General Fund in 2025-26 and 2026-27 and 23 two-year, limited-term positions for workload related to requests for institutional records in resentencing hearings and new requirements authorized in AB 2483 (Ting), Chapter 964, Statutes of 2024.

Increased Departmental Legal Costs. The budget includes $4.3 million General Fund in 2025-26 and ongoing for increased legal costs related to *Coleman* class action monitoring, and to pay Department of Justice legal fees.

Emergency Response Provisional Language. The budget includes provisional language requiring CDCR to provide updates to the Legislature on its natural disaster emergency preparedness and mitigation efforts in response to the *Audit of the Department of Corrections and Rehabilitation's Natural Disaster and Emergency Preparedness and Mitigation Efforts (Audit Report № 24–01, May 2025)* published by the Office of the Inspector General.

Various Adjustments. The budget includes technical adjustments proposed at Governor's budget and at May Revision, including a net-zero realignment of budget authority within CDCR programs, $7,000 General Fund to correct miscoding related to the Department of Juvenile Justice closure, a reduction of $192,000 General Fund to correct a miscoding from the 2019 Budget Act, and a net-zero shift of $8.83 million related to county projects.

Community Corrections Performance Incentive Program. The budget includes $128 million General Fund and an updated methodology for the Community Corrections Performance Incentive Program, established by SB 678 (Leno), Chapter 608, Statutes of 2009. The program was created to incentivize county probation departments to reduce the number of individuals under their supervision who are sent to state prison. The budget includes statutory changes to implement the new formula, update various definitions and calculations, and update reporting requirements. The new formula includes the following three components:

1. Provides $103.7 million General Fund for a performance maintenance payment, as follows:

    a. Counties that maintain or improve their return to prison rates are eligible for the full payment.

    b. Counties whose return to prison rates increase by more than 0.5 percentage points are eligible for a partial payment, reduced from the full amount by a factor of 10 percent per percentage point increase in the return to prison rate.

2. Provides for an additional performance incentive payment, where counties receive a portion of state savings from reduced return to prison rates. The language specifies that state savings are calculated based on the per capita cost of incarceration in state prison and parole supervision, rather than based on the cost of a contract placement, as contract prison facilities are no longer used by the state.

3. Provides a minimum of $200,000 to each county.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

The budget includes total funding of $352.6 million ($117.9 million General Fund) and 184 positions for BSCC in 2025-26. In addition, the budget includes $230.6 million Public Buildings Construction Fund for financing various local correctional facility projects.

Proposition 47 (2014) Savings. Proposition 47 requires misdemeanor rather than felony sentencing for certain property and drug crimes, and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing. Proposition 47 established a fund to invest savings from reduced prison utilization in prevention and support community programs. The Department of Finance estimates net General Fund savings of $91.5 million in 2025-26. This amount is projected to decrease significantly in future years due to Proposition 36 (2024). These funds are allocated according to a specified formula: 65 percent to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent to support truancy and dropout prevention programs, and 10 percent for victims' services.

BSCC administers the portion of Proposition 47 savings that go to recidivism reduction and treatment programs. Proposition 36 allows this portion of funding to be used for its implementation. Using this funding, BSCC is providing $127 million for drug and mental health treatment programs eligible under both Proposition 47 and Proposition 36, for a grant period running from October 2025 to June 2029.

Impact Justice. The budget includes $8.4 million for Impact Justice to support the Homecoming Project, California Justice Leaders, and the Menopause Project.

Suitability of Facilities for the Confinement of Juveniles. The budget includes statutory changes related to the suitability of facilities for the confinement of juveniles. These changes clarify the delegation of certain responsibilities related to determining the suitability of facilities for the confinement of juveniles, and provides BSCC with the authority to file civil suits to enforce compliance.

In-Custody Death Review Division. The budget includes statutory changes to allow specified BSCC employees access to local detention facility records in order to review in-custody deaths, as required by SB 519 (Atkins), Chapter 306, Statutes of 2023, and make various other clarifying changes.

Various Reappropriations. The budget includes the following reappropriations and adjustments:

- Reappropriates up to $57 million from the 2021 Budget Act and $2.9 million from the 2024 Budget Act for the Adult Reentry Grant and administration.
- Reappropriates $5 million from the 2023 Budget Act for the City of Oakland to purchase a site to co-locate the Mobile Assistance Community Responders of Oakland and a fire station.
- Reappropriates $12.8 million from the 2022 Budget Act for Mobile Probation Service Center grants.
- Extends the encumbrance period and the final report due date for $16 million from the 2023 Budget Act and $17.3 million from the 2024 Budget Act for the Missing and Murdered Indigenous People Grant, to align timelines across multiple allocations and cohorts.

Statutory Adjustments. The budget includes the following statutory changes related to solutions approved in the 2025 Budget Act:

- Eliminates the now unused Recidivism Reduction Fund, as the remaining funds were transferred to the General Fund in the 2025 Budget Act.

- Removes the requirement for BSCC to report on Community Corrections Partnership Plans, as the 2025 Budget Act removed the funding and requirement for counties to submit those plans to BSCC.

Corrections and Rehabilitation Budget and Trailer Bills

1. *Budget Acts of 2023 and 2024 – Assembly Bill 100 (Gabriel), Chapter 2, Statutes of 2025.*
2. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*
3. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*
4. *Budget Acts of 2022, 2023, and 2024 – Senate Bill 103 (Wiener), Chapter 6, Statutes of 2025.*
5. *Budget Acts of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*
6. *Public Safety – Assembly Bill 134 (Committee on Budget), Chapter 10, Statutes of 2025.*
7. *State Government – Assembly Bill 137 (Committee on Budget), Chapter 20, Statutes of 2025.*
8. *Public Safety – Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 111, Statutes of 2025.*

PUBLIC SAFETY

0690 CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

The 2025 Budget Act includes $4.5 billion ($740 million General Fund) and 1,907 positions for Cal OES. The budget includes the following adjustments to Cal OES's budget.

California Internet Crimes Against Children Task Force. The budget includes $7 million General Fund ongoing to continue the Internet Crimes Against Children Program.

Federal Victims of Crime Act (VOCA) Augmentation. The budget includes $100 million one-time General Fund to augment federal funding for victim services provided through VOCA.

Family Justice Centers. The budget includes $10 million one-time General Fund for grants to family justice centers throughout the state to support and provide legal services to victims of domestic violence, intimate partner violence, sexual assault, child abuse, elder abuse, transnational abandonment, and human trafficking, and to help victims file petitions for protective orders, including domestic violence restraining orders and gun violence restraining orders.

World Cup Security. The budget includes $10 million one-time General Fund for World Cup security in the Bay Area and Los Angeles region.

Reappropriation of Law Enforcement Mutual Aid (LEMA). The budget includes a reappropriation of $10 million General Fund to support and assist local law enforcement agencies that are deployed through the LEMA system. In 2022-23, Cal OES received $25 million General Fund and five positions for three years to provide LEMA reimbursements on a pilot basis.

Los Angeles Fire Recovery. The budget includes provisional language in Control Sections 90.00 and 90.01 authorizing up to $2.5 billion in augmentations to any state department or agency, including community colleges in Los Angeles County, to support response and recovery efforts related to the Eaton and Palisades Fires. This funding was authorized for 2024-25 in the First Extraordinary Session, and extended and adjusted in the 2025 Budget Act.

Elimination of Flexible Cash Assistance for Survivors of Crime Program. The budget includes a reversion of $49.7 million General Fund provided in the 2022 Budget Act for assistance to survivors of violent crimes.

State and Local Cybersecurity Grant Program Funding Authority. The budget includes $12.1 million one-time Federal Trust Fund authority ($605,000 in state operations and $11.5 million in local assistance) and provisional language for the State and Local Cybersecurity Grant Program.

Federal Authority Adjustment for Receipt of Federal Disaster Cost Reimbursements. The budget includes $1.2 billion Federal Trust Fund authority ($654.9 million in state operations and $573.1 million in local assistance) based on projected federal reimbursements related to disaster costs from the Federal Emergency Management Agency.

State Emergency Telephone Number Account Augmentation Authority. The budget includes provisional budget bill language allowing the Department of Finance to augment the amount available for expenditure from the State Emergency Telephone Number Account to support 9-1-1 Emergency Communications.

Capital Outlay and Facilities. The budget includes the following resources and adjustments related to capital outlay and facilities:

- Reversion of $17.0 million General Fund, and new authority of $40.1 million General Fund for the construction phase of the Relocation of Red Mountain Communications Site project, a net increase of $23.2 million.

- Reversion of $1.8 million General Fund, and new authority of $3.2 million General Fund for the construction phase of the Mather: Headquarters Checkpoint Security Enhancements project, a net increase of $1.4 million.

- Reappropriation of $7.2 million General Fund for the construction phase of the Mather: State Operations Center Modification project.

- Liquidation period extension from June 30, 2025 to June 30, 2027 for $794,000 General Fund from the 2021 Budget Act for deferred maintenance at the California Specialized Training Institute.

Various Adjustments. The budget includes the following other allocations and adjustments:

- Net-zero shift of $25 million to separate ongoing baseline funding for the Fire and Rescue preposition program into its own budget bill item for tracking purposes.

- $7.7 million in reimbursement authority and provisional language requiring reporting to support an operational observer from February 1, 2025 to June 30, 2026 to monitor the wildfire mitigation efforts of covered utilities.

- $20 million General Fund in 2024-25 for the California Nonprofit Security Grant Program, to account for funds that were not encumbered in the 2023-24 fiscal year.

- Liquidation period extension from June 30, 2025 to June 30, 2027 for $3 million General Fund from the 2022 Budget Act and $2 million Disaster Resistant Communities Account from the 2021 Budget Act to complete the acceptance and deployment of purchased fire fleet vehicles.

- $5 million to the Fresno County Fire Protection District for Mid Valley Regional Fire Training Center upgrades and expansion.

- $150,000 to Mendocino County for the Covelo fire hydrant system.

- $585,000 to the South Lake County Fire Protection District for a water tender.

- $560,000 to the Lake County Fire Protection District for a water tender.

- $850,000 to the Lakeport Fire Protection District for ladder truck refurbishment.
- $1.5 million to the City of Rio Dell to purchase land to support the Department of Forestry and Fire Protection (CAL FIRE) Regional Headquarters.
- $1 million to the County of Del Norte for harbor-related maintenance, including, but not limited to, repairing docks that were damaged during the July 29, 2025, tsunami.
- $1.5 million to the City of Santa Rosa for neighborhood and school-based safety programs.
- $180,000 to the County of Trinity for allocation to the Weaverville Fire Department for energy communications equipment.
- $250,000 to Oscar's Place Adoption Center and Sanctuary to support a farmland water management program and infrastructure on farm animal rescue locations in Hopland and Potter Valley.
- $1.5 million to the City of Montebello for Wildland Fire Station improvements.
- $1.5 million to the City of Whittier for fire station improvements.
- $500,000 to the City of Reedley for police department infrastructure rehabilitation.
- $2 million to Kern County for fire department sheep and goat grazer operations for wildfire prevention.
- $8.5 million to the City of Los Angeles for fire engines and firefighting resources.
- $4 million to the City of Azusa for a fire recovery project to clean up hazardous waste and develop land for public space.
- $360,000 to the Chino Valley Fire District for communications infrastructure.
- $2.6 million to the Milken Community School, East Campus for security and other infrastructure.
- $1.2 million for Cal OES to administer various local assistance items.

0820 DEPARTMENT OF JUSTICE (DOJ)

The 2025 Budget Act includes total funding of $1.3 billion ($500.3 million General Fund) and 6,212.4 positions to support the DOJ. The budget includes the following adjustments.

Unfair Competition Law Fund Loan. The budget includes a loan of $150 million from the Unfair Competition Law Fund to the General Fund in 2025-26.

Federal Response. The budget includes the following resources for legal responses to defend California against adverse federal actions:

- Up to $25 million for the DOJ and other state agencies, approved in the First Extraordinary Session.

- $14.2 million ($12.3 million General Fund) in 2025-26 and $13.9 million ($12 million General Fund) ongoing and 44 positions for the DOJ.

- $6 million for civil prosecutor offices, including $2 million each to the San Francisco City Attorney, the Santa Clara County Counsel, and the Los Angeles County Counsel.

Tribal Police Pilot. The budget includes $5 million and statutory changes to establish a three-year tribal police pilot under the Department of Justice and the Commission on Peace Officer Standards and Training.

Background Checks and Fingerprinting. The California DOJ is the criminal record repository for the state, and coordinates with the federal government to process background checks and ensure background check information is limited to appropriate entities with sufficient statutory authority. Background check fees are deposited and expended from the Fingerprint Fees Account. The budget includes the following fiscal and statutory changes related to background checks.

- *Statutory Authority.* The budget includes statutory changes to ensure specified state departments may continue to conduct background checks, and to update and make various technical, conforming, and clarifying changes related to background check authority.

- *Bureau of Criminal Information and Analysis Unit Workload*. The budget includes $4 million Fingerprint Fees Account in 2025-26 and $3.7 million and 32 positions in 2026-27 and ongoing to address Bureau of Criminal Information and Analysis workload.

- *Fingerprint Fees Account Authority Increase*. The budget includes ongoing authority of $5.2 million Fingerprint Fees Account to process federal level fingerprint background checks.

- *Reappropriation of Girl Scout Volunteer Background Check Resources*. The budget includes a reappropriation of up to $5.5 million for Girl Scout volunteer background checks until June 30, 2026.

Firearms Workload. The budget includes the following resources for DOJ's firearms-related workload.

- *Firearms Clearance Section Workload*. The budget includes 14 positions and $2.2 million General Fund in 2025-26 and $1.9 million in 2026-27 and ongoing for firearm and ammunition eligibility check workload.

- *Firearms Information Technology System Modernization (FITSM) Project*. The budget includes 17 positions and $11.4 million General Fund in 2025-26 to continue development of FITSM, a project which consolidates and replaces 17 existing firearm and ammunition databases and systems.

- *Law Enforcement Notification Section-Carry Concealed Weapon Program*. The budget includes 26 positions and $3.2 million ($2.7 million General Fund and $519,000 Fingerprint Fees Account) ongoing to address increased carry concealed weapon license workload due to a federal court decision that eliminated the requirement to show good cause for such a license.

Background Investigations Unit Workload. The budget includes $1 million ($213,000 General Fund and $790,000 Special Fund) in 2025-26 and $931,000 ($197,000 General Fund and $734,000 Special Fund) in 2026-27 and ongoing and six positions to maintain the workload for the Division of Law Enforcement, Background Investigations Unit.

California Consumer Privacy Act Enforcement Workload. The budget includes $350,000 Consumer Privacy Fund in 2025-26 and 2026-27 and statutory changes to support consumer privacy enforcement workload.

License 2000 System Replacement Project. The budget includes $1.9 million and three positions ongoing from the Gambling Control Fund and the Indian Gaming Special Distribution Fund to complete the License 2000 System Replacement Project.

Office of General Counsel (OGC) – Information Security Workload and Legal and Executive Workload. The budget includes net-zero shifts in funding for OGC information security workload and legal and executive workload to move from a direct funding to an indirect funding structure.

California Law Enforcement Telecommunication System (CLETS): Department of Motor Vehicles (DMV) Enhancements. The budget includes $3.1 million General Fund in 2025-26 and $1.1 million in 2026-27 to connect CLETS and the DMV, and provisional reporting language.

Department of Justice FI$Cal Resources. The budget includes $2.7 million ($1.1 million General Fund and $1.6 million Special Fund) in 2025-26 and $3.2 million ($1.2 million General Fund and $2 million Special Fund) in 2026-27 for DOJ to transition to FI$Cal, which is estimated to be completed by 2026-27.

State Agency Legal Services. The budget includes statutory changes clarifying the authority of the Attorney General to access other state agencies' records, and the legal separation of state agencies from other state agencies, including legal control over state documents.

Technical Adjustments. The budget includes technical corrections to various Governor's budget proposals to reflect updated cost estimates and net-zero changes related to administrative costs.

Implementation of Legislation. The budget includes the following resources to implement recently enacted legislation.

- *Unflavored Tobacco List (AB 3218)*. The budget includes four positions and $872,000 California Unflavored Tobacco List Fund in 2025-26 and $786,000 and four positions in 2026-27 and ongoing to support the implementation and enforcement of AB 3218 (Wood), Chapter 849, Statutes of 2024, and a one-year loan of $872,000 from the Public Rights Law Enforcement Special Fund, which will be repaid as fees are collected.

- *Juveniles: Sealing Records (AB 1877).* The budget includes $2.4 million General Fund and four positions in 2025-26 and $812,000 in 2026-27 and ongoing to implement AB 1877 (Jackson), Chapter 811, Statutes of 2024.

- *Implementation of Various Firearm-Related Legislation.* The budget includes $2.4 million ($2.3 million General Fund, $91,000 Firearms Safety Account, $16,000 Gambling Control Fund, $15,000 Indian Gaming Special Distribution Fund) and seven positions in 2025-26; $1.5 million ($1.4 million General Fund, $78,000 Firearms Safety Account, $7,000 Gambling Control Fund, $6,000 Indian Gaming Special Distribution Fund) in 2026-27; and $1.2 million General Fund in 2027-28 ongoing to address increased workload associated with the implementation of SB 53 (Portantino), Chapter 542, Statutes of 2024; SB 899 (Skinner), Chapter 544, Statutes of 2024; SB 965 (Min), Chapter 546, Statutes of 2024; AB 1252 (Wicks), Chapter 529, Statutes of 2024; AB 2629 (Haney), Chapter 527, Statutes of 2024; AB 2907 (Zbur), Chapter 538, Statutes of 2024; AB 2917 (Zbur), Chapter 539, Statutes of 2024; and AB 3064 (Maienschein), Chapter 540, Statutes of 2024.

- *Implementation of Various Public Rights-Related Legislation.* The budget includes nine positions and $2.2 million ongoing to address increased workload associated with the implementation of SB 976 (Skinner), Chapter 321, Statutes of 2024; SB 942 (Becker), Chapter 291, Statutes of 2024; AB 1780 (Ting), Chapter 1006, Statutes of 2024; AB 2013 (Irwin), Chapter 817, Statutes of 2024; AB 2426 (Irwin), Chapter 513, Statutes of 2024; AB 2655 (Berman), Chapter 261, Statutes of 2024; and AB 2780 (McKinnor), Chapter 742, Statutes of 2024.

7870 VICTIM COMPENSATION BOARD (VCB)

VCB provides financial compensation to victims of crime through the Restitution Fund. The budget includes a total of $168.6 million in 2025-26 for VCB, including $38.8 million General Fund, $83.7 million Restitution Fund, $36.0 million Federal Trust Fund, and $9.1 million Safe Neighborhoods and Schools Fund. The budget includes the following adjustments for VCB.

Appeals Workload. The budget includes $4.4 million Restitution Fund in 2025-26 and $4.3 million in 2026-27 and ongoing and 17 positions for the Appeals Unit within the Legal Division to provide in-person appeals hearings and increase the timeliness of responding to appeals.

Reappropriation: Trauma Recovery Center Grants. The budget extends the encumbrance date for funding for Trauma Recovery Centers from July 1, 2025, to June 30, 2026, to allow for a final round of grants.

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING (POST)

The Commission on Peace Officer Standards and Training (POST) is responsible for establishing selection and training standards, improving management practices, and providing financial assistance to local agencies relating to the training of law enforcement officers. The 2024 Budget Act includes $104.9 million and 263 positions for POST.

Reappropriation: Local Law Enforcement Tolerance Training. The budget reappropriates up to $12.6 million from the 2024 Budget Act until June 30, 2026 for the Commission on Peace Officer Standards and Training to support local law enforcement trainings, including the "Tools of Tolerance" training operated by the Simon Wiesenthal Center-Museum of Tolerance.

8830 CALIFORNIA LAW REVISION COMMISSION

The 2025 Budget Act includes $3.4 million and 11.5 positions for the California Law Revision Commission, and includes the following adjustments.

Data and Research Funding. The budget includes $900,000 in reimbursements in 2025-26 from the Office of the Legislative Counsel, with an offsetting one-time General Fund augmentation to that office's budget, to fund one year of contract research activities, including secure data hosting, with the California Policy Lab.

Public Safety Budget Trailer Bills

1. *Budget Act of 2024 – Assembly Bill 4 X1 (Gabriel), Chapter 1, Statutes of 2025, First Extraordinary Session.*

2. *Budget Act of 2024 – Senate Bill 3 X1 (Wiener), Chapter 2, Statutes of 2025, First Extraordinary Session.*

3. *Budget Act of 2024 – Senate Bill 1 X1 (Wiener), Chapter 3, Statutes of 2025, First Extraordinary Session.*

4. *Budget Acts of 2023 and 2024 – Assembly Bill 100 (Gabriel), Chapter 2, Statutes of 2025.*

5. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*

6. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*

7. *Budget Acts of 2022, 2023, and 2024 – Senate Bill 103 (Wiener), Chapter 6, Statutes of 2025.*

8. *Public Safety – Assembly Bill 134 (Committee on Budget), Chapter 10, Statutes of 2025.*

9. *State Government – Assembly Bill 137 (Committee on Budget), Chapter 20, Statutes of 2025.*

10. *Budget Acts of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*

11. *Public Safety – Senate Bill 157 (Committee on Budget and Fiscal Review), Chapter 111, Statutes of 2025.*

12. *Background Checks – Senate Bill 160 (Committee on Budget and Fiscal Review), Chapter 113, Statutes of 2025.*

LABOR, PUBLIC EMPLOYMENT AND RETIREMENT

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY (LWDA)

Labor and Workforce Development Fund Loan. The budget includes a loan of $400 million from the Labor and Workforce Development Fund to the General Fund from resources not currently projected to be used for operational or programmatic purposes.

Regional Coordination for Career Education and Training. The budget includes $1 million one-time General Fund for the Labor and Workforce Development Agency to evaluate how regional coordination models can be expanded.

New Labor Agency Building Relocation. The budget includes $10.4 million and $194,000 (reimbursements) in 2025-2026, $15.1 million and $93,000 (reimbursements) in 2026-2027, $16.2 million and $93,000 (reimbursements) in 2027-2028, $17.5 million and $93,000 (reimbursements) in 2028-2029, and $18.5 million and $93,000 (reimbursements) in 2029-30 and ongoing to support the Workforce Management System, relocation and decommissioning activities, and increased lease costs associated with the move to the New Labor Agency Building (NLAB).

7100 EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD)

Unemployment Insurance Trust Fund Loan Interest. The budget includes $642.8 million General Fund for the annual interest payment on the state's Unemployment Insurance loan balance.

EDDNext. The budget includes $124.2 million one-time ($62.1 million General Fund) to continue the planning and development of EDDNext, for the fourth year of a multi-year plan to modernize benefit systems and enhance customer service at the Employment Development Department. Additionally includes the reappropriation of $163.4 million from the Budget Act of 2024 for EDDNext modernization projects for the same purpose.

Continuation of Cybersecurity Staffing, Security Audit Logging and Data Security. The budget includes $13.8 million ongoing and 29 positions funded equally between the General Fund and the Unemployment Disability Compensation Fund to continue support for its Cybersecurity Program.

Continuation of Operating System License Agreement. The budget includes $6 million in 2025-26 and $5.9 million in 2026-27 and ongoing, split between the EDD Contingent Fund and the Unemployment Compensation Disability Fund, for annual licensing costs associated with the Microsoft 365 Enterprise License Agreement.

Workforce Innovation and Opportunity Act. The budget includes an increase of $22.8 million one-time and $96.7 million one-time to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.

7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD (CWDB)

Helping Justice-Involved Reenter Employment (HIRE) Program. The budget includes $10 million one-time General Fund for the California Workforce Development Board to support the HIRE Program.

Supporting Los Angeles Area Fire Recovery. The budget includes $5 million one-time General Fund to the California Workforce Development Board to support workforce development in Los Angeles and Ventura Counties.

Continuing Grant Workload. The budget includes $1.5 million one-time to support the continuation of the CWDB grant administration and evaluation activities and reverts $1.5 million included in the 2021 Budget Act.

7300 AGRICULTURAL LABOR RELATIONS BOARD (ALRB)

AB 113 (Committee on Budget), Chapter 7, Statutes of 2023. The budget includes $1.9 million ongoing and authority for seven positions to address the increased workload and unanticipated demands associated with AB 113.

7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

Administrative Support. The budget includes $2.4 million from various special funds and 17 positions in 2025-26 and ongoing to address the growing administrative need within DIR's divisions.

Audit and Enforcement Unit. The budget includes $3.2 million Workers' Compensation Administration Revolving Fund (WCARF) and 16.5 permanent positions in 2025-26, and $2.9 million WCARF in 2026-27 and ongoing for increased workload for the Audit and Enforcement Unit within the Division of Workers' Compensation.

CA Department of Technology Rate Increases. The budget includes $1 million in 2025-26 and ongoing from various special funds to address fee increases issued by the California Department of Technology.

Domestic Worker Definitions (SB 1350). The budget includes $1.2 million Occupational Safety and Health Fund (OSHF) and 4.5 positions in 2025-26 and $1.1 million OSHF and 4.5 positions in 2026-27 and ongoing to provide resources for the Division of Occupational Safety and Health to implement the new requirements of SB 1350 (Durazo), Chapter 895, Statutes of 2024.

Occupational Safety and Health Standards Board Rulemaking Support. The budget includes $301,000 OSHF and one position in 2025-26, $588,000 OSHF and two positions in 2026-27, $874,000 OSHF and 3 positions in 2027-28, and $857,000 OSHF and three positions ongoing for the Occupational Safety and Health Standards Board to support rulemaking workload.

Property Service Worker Protection (AB 2364). The budget includes $900,000 one-time various special funds to commission a study on improving worker safety and safeguarding employment rights in the janitorial industry, and to convene an advisory committee to make recommendations regarding the scope of the study consistent with AB 2364 (Luz Rivas), Chapter 394, Statutes of 2024.

Schools' Occupational Injury and Illness Prevention Programs. The budget includes $170,000 Workers' Compensation Administration Revolving Fund (WCARF) annually from 2025-26 through 2027-28 to allow the Commission on Health and Safety and Workers' Compensation to assist schools in establishing effective occupational Injury and Illness Prevention Programs.

Workplace Violence Prevention Plans in Hospitals (AB 2975). The budget includes 0.5 permanent positions and $125,000 in 2029-30 and ongoing from the OSHF to implement AB 2975 (Gipson), Chapter 749, Statutes of 2024.

Department of Industrial Relations (DIR) Electronic Adjudication Management System. The budget includes $25.8 million one-time Labor and Workforce Development Fund for DIR to continue the replacement of the Electronic Adjudication Management System.

Public Works Information Technology System Enhancements. The budget includes $19.1 million one-time Labor and Workforce Development Fund to continue modernization of DIR's Public Works information technology system.

DIR Apprenticeship Training Grant Expansion. The budget includes $18.2 million one-time from the Apprenticeship Training Contribution Fund to support apprenticeship training in construction and related trades.

Cal/OSHA Data Modernization. The budget includes $18.2 million one-time Labor and Workforce Development Fund to continue the Cal/OSHA data modernization information technology project to upgrade outdated systems and processes at DIR.

California Workplace Outreach Project. The budget includes $13 million one-time Labor and Workforce Development Fund to DIR for the California Workplace Outreach Project, which promotes awareness and education for labor protections for California workers.

Garment Worker Wage Claim Pilot Program. The budget includes $8.5 million one-time Labor and Workforce Development Fund to DIR for the Garment Worker Wage Claim Pilot Program, which provides grants to eligible organizations to support labor protection education and facilitate the filing and processing of wage claims for impacted workers.

Subsequent Injuries Benefits Trust Fund. The budget includes $2.7 million Special Fund and 15 positions for the DIR Division of Workers' Compensation to support the rising workload in the Subsequent Injuries Benefits Trust Fund program, which has seen claims payments expand dramatically in recent years. DIR projects an increasing workload and a need for future resources to address the growing caseloads.

Fraud Assessment Commission. The budget includes trailer bill language that makes technical and conforming changes to provisions related to the Fraud Assessment Commission.

Golden Gate Bridge – Suspension Bridge Seismic Retrofit Project. The budget includes trailer bill language that exempts the Suspension Bridge Seismic Retrofit Project on the Golden Gate Bridge from Cal/OSHA lead exposure rules.

7501 DEPARTMENT OF HUMAN RESOURCES (CalHR)

CalHR Internal Content Management System/Intranet. The budget includes $1.5 million General Fund in 2025-26 and $500,000 General Fund in 2026-27 to replace CalHR's Internal Content Management System/Intranet.

Recruitment System Enhancements. The budget includes $300,000 General Fund in 2025-26, $450,000 General Fund in 2026-27, and $400,000 General Fund in 2027-28 and ongoing to invest in the State Recruitment platform and Examination and Certification Online System (ECOS) to continue to support Anonymous Hiring.

Savings Plus' Education & Outreach Travel Reimbursement. The budget includes $79,000 to Savings Plus' Deferred Compensation (DC) fund for 2025-26 and ongoing to fund travel costs that are currently prefunded by Savings Plus' Third-Party Administrator (TPA) Nationwide Retirement Solutions (Nationwide) and reimbursed by the Program's contracted Investment Managers.

Health and Dental Benefits for Annuitants Reversion. The budget includes budget bill language that reverts the unencumbered balances of the appropriations for Health and Dental Benefits for Annuitants, Budget Act of 2022 to the General Fund.

Health and Dental Premiums. The budget includes increases for Employee Compensation of $17.1 million ongoing, $52.8 million ongoing, and $26.4 million ongoing, to reflect updated expenditures for collectively bargained pay increases and health and dental premiums, respectively.

Non-Industrial Disability Insurance (NDI) Technical Fix. The budget includes trailer bill language that clarifies the definition of "employee" covered under Non-Industrial Disability Insurance by adding Career Executive Assignment individuals, who were unintentionally omitted from the coverage.

In-Home Supportive Services (IHSS) Statewide Collective Bargaining. The budget includes $3.3 million and trailer bill language to streamline the process towards reaching statewide IHSS collective bargaining agreements. See Human Services section for additional reference.

7900 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

CalPERS Contributions. The Budget includes $9.0 billion ($4.9 billion General Fund) for the state's contributions to CalPERS. Included in these contributions are $731.1 million one-time General Fund for California State University retirement costs.

Proposition 2 Debt Repayment. The budget includes $584 million in one-time Proposition 2 debt repayment funding for 2025-26 to further reduce the unfunded liabilities of the CalPERS state plans.

7920 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS)

CalSTRS Contributions. The budget includes $4.6 billion General Fund for state contributions to CalSTRS.

Enterprisewide Operational Support. The budget includes $6.3 million ongoing for enterprise wide operational support at CalSTRS.

9800 EMPLOYEE COMPENSATION

State Employee Bargaining Agreements. Item 9800 of the 2025 Budget Act assumed savings from reduced state employee compensation pursuant to Control Section 3.90 (described below). The budget assumed $752.1 million in savings through the deferral of scheduled salary increases for multiple bargaining units (BUs). In addition, $692.5 million ($352.1 million General Fund) in savings, associated with four trailer bills that ratified bargaining agreements and side letters, was assumed in the 2025 Budget Act.

AB 138 (Committee on Budget), Chapter 78, Statutes of 2025, codified and ratified new MOUs, addenda to MOUs, and side letters agreements between the state and multiple BUs. The bill achieved savings of $528 million ($227.5 million General Fund). Specifically, the measure codified four new MOUs between the state and BU 2, represented by California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE), BU 13, represented by the International Union of Operating Engineers (IUOE), BU 16, represented by Union of American Physicians and Dentists (UAPD) and BU 19, represented by the American Federation of State, County and Municipal Employees (AFSCME).

AB 138 also codified three addenda to MOUs between the state and BUs 1, 3, 4, 11, 14, 15, 17, 20, and 21, represented by the Service Employees International Union, Local 1000 (SEIU 1000), BU 5, represented by the California Association of Highway Patrolmen (CAHP) and BU 7, represented by the California Statewide Law Enforcement Association (CSLEA). AB 138 also included three side letter agreements with BU 8, represented by CAL FIRE Local 2881, BU 10, represented by the California Association of Professional Scientists (CAPS), and BU 18, represented by the California Association of Psychiatric Technicians (CAPT).

SB 139 (Committee on Budget and Fiscal Review), Chapter 25, Statutes of 2025, ratified and approved a new memorandum of understanding (MOU) between the state and BU 9, represented by the Professional Engineers in California Government (PECG), and an addendum to an MOU with BU 12, represented by the International Union of Operating Engineers (IUOE). It also included uncodified language that deemed approved any MOU, addendum to an MOU, or side letter entered into by the state and a BU between June 21 and June 30. The bill resulted in savings of $68.9 million ($13.7 million General Fund).

SB 140 (Committee on Budget and Fiscal Review), Chapter 26, Statutes of 2025, ratified and approved a new MOU reached between the state and BU 6, represented by the California Correction Peace Officer Association (CCPOA). The bill achieved savings of $88.4 million General Fund.

SB 161 (Committee on Budget and Fiscal Review), Chapter 114, Statutes of 2025 ratified and approved an MOU, addenda to existing MOUs, and side letter and closure letter agreements between the state and

17 state BUs that included cost savings measures that contributed to meeting the budgeted reductions. Specifically, the measure approved a new MOU with BU 18 (CAPT) and two addenda to MOUs between the state and BU 8 (CAL FIRE Local 2881) and BU 10 (CAPS).

In addition, SB 161 ratified three side letters and two closure letters related to recruitment and retention compensation adjustments for employees that work at California's State Special Schools, located in Fremont, Riverside and the Diagnostic Center North. The agreements included employees represented by SEIU 1000 (BUs 1, 3, 4, 11, 14, 15, 17, 20 and 21), International Union of Operating Engineers – IUOE (BUs 12 and 13), Union of American Physicians and Dentists – UAPD (BU 16) and the American Federation of State, County and Municipal Employees – AFSCME (BU 19). The agreements contain various compensation increases including special salary adjustments for specified employee classifications and recruitment and retention pay differentials for various job classifications. In addition, the side letters and closure letters included workforce stability incentive stipends for staff employed at the California School for the Deaf in Fremont, the California School for the Blind in Fremont and the Diagnostic Center North.

SB 161 ratified side letter agreements between the state and BUs 1, 3, 4, 11, 14, 15, 17, 20, and 21, (SEIU 1000), BU 5 (CAHP), BU 11 (SEIU) for various employee benefits. The trailer bill appropriated $14.6 million ($1.6 million General Fund) after accounting for savings associated with the MOU, the addenda to MOUs and side letters. The appropriation in this measure included $11.4 million in Proposition 98 General Fund for the State Special Schools Recruitment and Retention side and closure letters, as described above.

- *Common Provisions of the Agreements.* In general, the new MOUs and addenda described above contain the following provisions: (1) Personal Leave Program (PLP) 2025 – a reduction in pay in exchange for time off. All of the agreements include the PLP 2025, but vary in the pay cut, the personal leave employees will receive, and the number of months the policy is in effect. (2) Suspension of the employer and employee contributions to prefund Other Post-Employment Benefits (OPEB). The differences are outlined in the chart below.

<u>Summary of PLP 2025 and OPEB Suspension Established Under Labor Agreements</u>

Bargaining Unit	Pay Offset in 2025 (%)	Monthly Leave Accrual (Hours)	Months in Effect		Suspension of OPEB Contributions for 2025-26		
			2025-26	2026-27	Percent of Pay	Employee	Employer
Local 1000[(a)]	3.0	5	12	12	3.0	X	X
2	4.6	8	12	4	1.7	X	X
5	4.6	8	12	12	3.7	X	X
6	3.0	5	12	12	4.0		X
7	2.0	3.5	12	12	4.0	X	X
8	2.5	6	12	12	4.3	X	X
9	3.0	5	12	12	2.0	X	X
10	3.5	6	12	12	2.1	X	X
12	3.0	5	12	12	4.1	X	X

13	3.0	5	12	12	3.8	X	X
16	4.6	8	12	4	1.4	X	X
18	3.0	5	12	12	4.5	X	X
19	3.0	5	12	12	3.0	X	X
[a] Local 1000: Service Employees International Union, Local 1000 represents nine bargaining units.							

CONTROL SECTION 3.61

Other Post-Employment Benefits. Control Section 3.61 was amended to suspend the state employer's and employees' contributions for the prefunding of other post-employment benefits in fiscal year 2025–26.

CONTROL SECTION 3.90

Meet and Confer. The budget adds Control Section 3.90, which declares the Legislature's expectation that all state employee bargaining units will meet and confer in good faith with the Governor or the Governor's representative on or before July 1, 2025, to achieve savings through (a) the collective bargaining process for represented employees and (b) existing authority for the Administration to adjust compensation for nonrepresented employees. It also declares that the savings will likely be needed to maintain the sound fiscal condition of the state.

CONTROL SECTION 4.12

Elimination of Vacant Positions. Control Sections 4.12 was amended to delay the elimination of specified vacant positions until January 1, 2026. The Budget Act of 2024 included a reduction to departmental budgets of $502 million ($195 million General Fund) for savings associated with vacant positions. It also required any permanent elimination of vacant positions to be proposed as part of the Governor's 2025-26 January Budget. It required DOF to provide the Joint Legislative Budget Committee (JLBC) and the exclusive bargaining representatives with a report of all vacant positions proposed for permanent elimination in fiscal year 2025-26. However, DOF did not provide the required report until the May Revision. Control Section 4.12 was amended to delay the elimination and required the Administration to provide the JLBC with a list of positions proposed for elimination that were authorized to implement legislation pursuant to Budget Change Proposals included in the Budget Acts of 2023 and 2024. It grants the JLBC with the ability to nonconcur with proposed eliminations if the eliminations of those positions will have an impact on a department's ability to implement the statute.

Control Section 4.12 was also amended to require nine specified departments to maintain the vacant position proposed for elimination until January 1, 2026 and provides the JLBC with the ability to nonconcur with eliminations if the impact of the eliminations will have long-term impacts on regulatory activities, public health and safety and the protection of natural and environmental resources. The nine departments are as follows:

- Office of Inspector General
- Department of Fish and Wildlife
- Department of Parks and Recreation
- Department of Pesticide Regulation

- State Water Resources Control Board
- Department of Toxic Substance Control
- Department of Industrial Relations
- Department of Food and Agriculture
- Department of Veteran Affairs.

<u>Labor, Public Employment and Retirement Budget Trailer Bills</u>

1. *Budget Act of 2025 – Senate Bill 101 (Wiener), Chapter 4, Statutes of 2025.*

2. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*

3. *Budget Act of 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*

4. *Labor Trailer Bill – Senate Bill 129 (Committee on Budget and Fiscal Review), Chapter 23, Statutes of 2025.*

5. *State employment: state bargaining units – AB 138 (Committee on Budget), Chapter 78, Statutes of 2025.*

6. *State Bargaining Unit 9 and State Bargaining Unit 12 – SB 139 (Committee on Budget and Fiscal Review), Chapter 25, Statutes of 2025.*

7. *State Bargaining Unit 6 – SB 140 (Committee on Budget and Fiscal Review), Chapter 26, Statutes of 2025.*

8. *Labor Trailer Bill – Senate Bill 156 (Committee on Budget and Fiscal Review), Chapter 110, Statutes of 2025.*

9. *State employment: state bargaining units – SB 161 (Committee on Budget and Fiscal Review), Chapter 114, Statutes of 2025.*

TRANSPORTATION

0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)

California Office of Traffic Safety Federal Fund Authority. The budget includes an increase of federal authority of $40 million for the Office of Traffic Safety (OTS) to align with expected available federal funding. In addition, the OTS requests provisional budget bill language to allow traffic safety grant funding to be transferred between items.

California State Transportation Agency Freight Policy Team. The budget includes $603,000 ongoing from the State Highway Account, Motor Vehicle Account, and Public Transportation Account to convert three limited-term positions to permanent for the Freight Policy Team, to manage oversight and coordination of freight policy across the state.

California Office of Traffic Safety Federal Grants Workload. The budget includes $871,000 ($801,000 in Federal Fund and $70,000 in various State Funds), three 3-year limited-term positions (without position authority), and three permanent positions for 2025-26 and ongoing for the Office of Traffic Safety at CalSTA. These resources will support the increase in workload related to additional federal grants issued to OTS by the National Highway Traffic Safety Administration.

Transit Agencies Loan. The budget includes Control Section 91.00, which directs the Department of Finance to examine loan and financing options to provide short-term financial options to specified local transit agencies. Any proposals developed as a result may be included as part of the 2026-27 Governor's Budget, and may be acted upon by the Legislature early in 2026.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

Enterprise Data Governance Technology Solution. The budget includes $9.7 million in 2025-26 from the State Highway Account (SHA) for consulting services, equipment, and software to implement the enterprise data governance technology solution.

FI$Cal Onboarding Planning. The budget includes $13.5 million one-time in 2025-26 to support the transition and onboarding to the Financial Information System for California (FI$Cal) System.

Implementation of Recently Enacted Legislation. The budget includes $5.3 million ongoing from the State Highway Account (SHA) for 20 positions to implement AB 2086, AB 2525, SB 960, and SB 1488. Specifically, it includes the following:

- AB 2086 (Schiavo), Chapter 629, Statutes of 2024: $1 million ongoing for three positions and website maintenance to integrate a financial element into the California Transportation Plan, add additional project-specific performance data on projects to the Rebuilding California Website.

- AB 2525 (Zbur), Chapter 721, Statutes of 2024: $190,000 ongoing for one position in Caltrans District 7 to expand the existing airspace lease program to include an emergency shelter or feeding program, a secure vehicle lot program, or any combination of those purposes with the City of Los Angeles.

- SB 960 (Wiener), Chapter 630, Statutes of 2024: $4 million ongoing for 15 positions to establish a new transit priority policy, design and operational guidance, and a framework for the development of performance targets and measures for transit priority facilities on the state highway system; establish an inventory program for the development of appropriate performance targets and measures for bike and pedestrian facilities that contributes to complete streets; developing guidance for conducting and documenting equitable engagement on projects with bike and pedestrian facilities; and establish a project intake, evaluation, and review process for bike, pedestrian, and transit priority facilities, sponsored by a local jurisdiction or transit agency.

- SB 1488 (Durazo), Chapter 897, Statutes of 2024: $150,000 ongoing for one position to support the increased frequency of sponsorship marketing plan submissions, address potential need for increased field enforcement and resolution of compliance challenges, as well as advocating for these displays with the Federal Highway Administration.

Stormwater Asset Management. The budget includes $35.2 million in 2025-26 and $34.9 million in 2026-27 from the State Highway Account to perform inspections, maintenance, and repairs to its Stormwater Treatment Best Management Practices (TBMPs) as well as track their conditions and effectiveness in removing pollutants from highway runoff.

Transportation System Network Replacement. The budget includes $2.2 million in 2025-26 and $2.5 million in 2026-27 and ongoing to maintain and operate the Transportation System Network Replacement (TSNR). The Transportation System Network (TSN) is a safety data system that collects collision data, highway inventory, traffic volumes, and other roadway data. Currently, the Caltrans TSN only includes data from the State Highway System (SHS). However, the federal government requires states to collect roadway inventory information for all public roads, and not just on the SHS. As a result, Caltrans has begun developing and planning a replacement for the TSN, beginning in 2021-22. This request includes five positions as well as ongoing maintenance and operations costs.

Clean California Community Cleanup and Employment Pathways Grant Program. The budget includes $25 million from the General Fund on a one-time basis in 2025-26 to establish a new Clean California Community Cleanup and Employment Pathways Grant Program. The program would offer competitive grants to local governments and federally recognized tribal governments for litter abatement efforts. As opposed to the previous Clean California Local Grant Program, this new program would focus exclusively on local litter abatement and would not support infrastructure related beautification projects. The program would prioritize funding for (1) projects that create employment pathways, such as those involving partnerships with workforce development organizations, and (2) communities that are designated as Clean California Communities or are actively working toward this designation.

Capital Outlay Support Transfer Authority Trailer Bill Language. SB 128 (Committee on Budget and Fiscal Review), Chapter 16, 2025 authorizes the Department of Finance (DOF) to "increase or decrease funding appropriated to [Caltrans'] capital outlay support program using items from both the annual Budget Act and any other appropriation provided the combined adjustments total $0." SB 128 maintains the requirement to notify Joint Legislative Budget Committee of any adjustments DOF authorizes.

Intercity Passenger Rail Program Equipment Maintenance and Overhaul. The budget includes $27.7 million from the Public Transportation Account in 2025-26 for the maintenance and overhaul of passenger rail equipment. This funds projects to address normal wear-and-tear, ensure passenger safety, meet federal safety standards, and maintain equipment in good repair to extend its useful life.

Technical Adjustments. The budget includes the following technical adjustments:

- Decrease Item 2660-001-0042 by $100.7 million ongoing. This reduction is necessary to achieve a net-zero fund shift of expenditures from the State Highway Account (with a corresponding increase to a non-budget act item from the Road Maintenance and Rehabilitation Account) to help maintain a minimum fund balance reserve in the State Highway Account.

- Increase reimbursements to Item 2660-001-0042 by $867,000 in 2025-26 and 2026-27 to accommodate the Motor Carrier Safety Assistance Program federal grant, which promotes safe commercial motor vehicle enforcement. The grant was awarded to the California Highway Patrol, which is coordinating with Caltrans, which will perform the workload associated with this grant.

- Increase Item 2660-001-0890 by $42.96 million in 2025-26, $30.6 million in 2026-27, $12.8 million in 2027-28, $9.04 million in 2028-29, and $9 million in 2029-30 and ongoing to accommodate various federal grants awarded to Caltrans.

- Add Item 2660-490 to reappropriate up to $6 million from Item 2660-001-0042, Budget Act of 2024, for FI$Cal Onboarding costs.

Los Angeles Olympics Transportation Network. The budget includes $17.6 million from the State Highway Account in 2025-26 to plan and design a transportation network that supports the Los Angeles 2028 Olympics and Paralympics Games. During the Games, athletes, coaches, officials, and other key Games stakeholders will be moved to venues through a dedicated transport system. These stakeholders will use the Games Route Network (GRN), which is a network of dedicated lanes on relevant freeways and surface streets that connect sports competition venues to the Olympic and Paralympic Village, International Broadcast Center, and training facilities. This includes 92 positions and $7.2 million in operational expenses to plan, design, implement, operate and maintain this type of transportation network in preparation for the Olympic Games.

LA 2028 Olympics Streamlining Trailer Bill Language. SB 128 authorizes the Department of Transportation and local authorities to temporarily permit exclusive or preferential use of high occupancy vehicle (HOV), toll, or other lanes for vehicles displaying an identifier issued by the Olympic and Paralympic Games organizers, for the purposes of operating a Games Route Network during the Olympic and Paralympic Games period. This authority shall remain in effect until January 1, 2029.

Sonoma-Marin Area Rail Transit (SMART). The budget includes $4 million General Fund for freight rail operations and capital, and deferred maintenance as well as $3 million for the North County Rail and Great Redwood Trail planning and development for the SMART District.

Various ADA Projects. The budget includes $1 million for the Geyserville ADA Sidewalk and Street project as well as $1.5 million for the Hopland ADA Street Project.

SR 185. SB 153 authorizes Caltrans to issue permits to operate vehicles or mobile equipment on the 1.7 mile portion of State Route 185 in the City of Oakland if it meets specified criteria until December 31, 2031, or until an alternate truck route becomes available. It also requires the City of Oakland to report certain data to the Legislature and the Department of Transportation by January 1, 2031.

2665 HIGH-SPEED RAIL AUTHORITY

California High-Speed Rail Authority Office of Inspector General Reimbursement Authority. The budget includes $113,000 from the High-Speed Passenger Train Bond Fund reimbursement authority in 2025-26 and ongoing for High-Speed Rail Authority's costs associated with administrative services on behalf of the independent Office of Inspector General, California High-Speed Rail (HSR-OIG). Given the size of HSR-OIG, certain administrative services are more cost-effective to be handled by the Authority. These types of services include business services and mail services; human resources technical support; budgeting technical support; accounting services; and information technology services. This reimbursement authority will allow the Authority to provide ongoing support for the HSR-OIG administrative functions. These services will be reimbursed at an hourly rate when services are rendered, which will be significantly more cost-effective than if the HSR-OIG were to obtain the staffing required for all the administrative services required for the operations of the HSR-OIG.

National Environmental Policy Act (NEPA) Assignment Support. The budget includes $2.5 million ongoing from the High-Speed Passenger Train Bond Funds (Proposition 1A) and associated reimbursement authority for 13 positions and costs associated with the renewed National Environmental Policy Act (NEPA) Assignment Memorandum of Understanding (MOU) executed with the Federal Railroad Administration (FRA) on July 22, 2024.

Operational Technology and Data Integration. The budget includes $1.2 million in 2025-26 and $1.8 million in 2026-27 and ongoing from the High-Speed Passenger Train Bond Funds for eight positions to design the frameworks and identify the standards essential for the implementation, integration, and security of the technology required to establish train operations in the Central Valley between 2030 and 2033.

2667 HIGH-SPEED RAIL AUTHORITY OFFICE OF THE INSPECTOR GENERAL

Continuing Establishment of the Office of Inspector General, High-Speed Rail. The budget includes $1.3 million in 2025-26 and $338,000 in 2026-27 and ongoing from the Public Transportation Account to continue the establishment of the Office of Inspector General, High-Speed Rail (OIG-HSR).

2670 BOARD OF PILOT COMMISSIONERS (BPC)

Board of Pilot Commissioners' Business Modernization. The budget includes $2.1 million in 2025-26, $229,448 in 2026-27, and $117,000 in 2027-28 and ongoing from the Board of Pilot Commissioners Special Fund. Of this amount, $201,000 will be available to the BPC to continue the planning phase of a project that will automate many of the Board's manual processes to enhance operational efficiency, streamline business processes, and improve data accessibility and security. It is also requested that provisional language be added to make $1.9 million of amount will be contingent upon all four stages of the California Department of Technology (CDT)'s Project Approval Lifecycle (PAL) process being completed.

2720 CALIFORNIA HIGHWAY PATROL (CHP)

Cannabis Tax Fund Program Staffing. The budget includes position authority for one Associate Government Program Analyst (AGPA) position to provide administrative support to the Cannabis Tax Fund Program at the CHP.

Security at State Capitol Swing Space, Annex, and Visitor Center. The budget includes $8 million from the Motor Vehicle Account for overtime work in the Capitol Protection Section to provide protection and security at the State Capitol Swing Space and the new State Capitol Annex and Visitor Center. The CHP is required to provide 24-hour safety and security for the State Capitol, New Capitol Annex, the State Capitol Swing Space, the Legislature, Executive Branch, staff, and visitors of the State Capitol. Due to the expansion of the State Capitol Complex, it has become necessary to use overtime for staffing mandatory security posts. The CHP has incurred $7.2 million in overtime costs in 2023-24.

Reappropriate Acquisition for Five California Highway Patrol Area Office Replacement Projects. The budget reappropriates $9.1 million General Fund for the acquisition phase of five area office replacement projects in the following locations: Redding, Los Banos, Porterville, Antelope Valley, and Barstow.

Child Sexual Abuse Investigations. The budget includes $5 million ongoing from the General Fund for twelve positions in the Computer Crimes Investigation Unit to assist in combatting child sexual abuse material and human trafficking in the state. Specifically, CHP requests twelve positions: one sergeant, nine officers, one Information Technology Specialist I, and one Information Technology Specialist II.

California Crash Data System Modernization Program. The budget includes $3.5 million from the Federal Trust Fund in 2025-26, one-time, to begin the planning phase of the CalCrash IT project that will automatically capture statewide crash data and send it to the National Highway Traffic Safety Administration and replace the manual data entry process currently conducted by CHP. It is also requested that provisional language be added to allow the Department of Finance to augment the item up to $9.9 million, contingent upon all four stages of the CDT's PAL process being completed in 2025-26.

Increase in Federal Spending Authority. The budget includes $13.4 million from the Federal Trust Fund in 2025-26 and 2026-27 for Motor Carrier Safety Administration Grants to provide additional federal resources for commercial vehicle traffic enforcement, including inspections and hazardous materials oversight.

Highway Violence Task Force. The budget includes $4.9 million from the Motor Vehicle Account in 2025-26, one-time, for a one-year extension of the Highway Violence Task Force. Funding is used for investigative and enforcement equipment, training, investigative technology needs, and operational expenses that focus on violent crimes occurring on freeways.

Capital Outlay Projects. The budget includes the following proposals regarding various CHP projects:

- **Lease Revenue Debt Service Adjustments.** The budget shifts $7 million in lease revenue debt service payments on the Hayward Area Office Replacement and the El Centro Area Office Replacement projects from the Motor Vehicle Account to the General Fund.

- **Revert and Fund New, Performance Criteria.** The budget reverts $11 million in prior appropriations from the Public Building Construction Fund and proposes new funding of $13.3 million from the Public Building Construction Fund, for a net increase of $2.3 million to fund the performance criteria phase of the Area Office Replacement projects in Redding, Los Banos, Antelope Valley, Barstow, and Porterville.

- **Supplemental Appropriation, Acquisition.** The budget includes $4.4 million from the General Fund for the acquisition phase of the Humboldt Area Office Replacement ($3.1 million) and Los Banos Area Office Replacement ($1.3 million) projects.

- **Enhanced Radio System: Replace Towers and Vaults (Leviathan Peak).** The budget $9.3 million one-time General Fund, reversion of $5.8 million General Fund of existing authority, resulting in a net increase of $3.4 million General Fund for the construction phase of this project.

2740 DEPARTMENT OF MOTOR VEHICLES (DMV)

Delay of Implementation of AB 3 (Fong), Chapter 611, Statutes of 2021 Trailer Bill Language. SB 128 delays the commencement of the court's additional authority to restrict or suspend a driver's license for specified violations related to sideshows from July 1, 2025 to January 1, 2029.

SB 210 (Leyva), Chapter 298, Statutes of 2019 – Heavy-Duty Vehicle Inspection & Maintenance Program. The budget includes $4.9 million and 19.4 positions in fiscal year 2025-26 and $3.5 million and 19.4 positions in 2026-27 and ongoing from the Truck Emission Check Fund to continue an existing IT project that will allow DMV to withhold registration from heavy-duty vehicles that fail to establish emission compliance.

AB 796 (Berman and Lorena Gonzalez), Chapter 314, Statutes of 2021 – Voter Registration: California New Motor Voter Program. The budget includes $2 million ongoing from the General Fund to continue the maintenance and operation of an Information Technology (IT) project that will capture voter registration information from incomplete DMV transactions and transmit it to the Secretary of State as required by AB 796.

Digital eXperience Platform (DXP) Project. The budget includes $53.1 million one-time from the Motor Vehicle Account in 2025-26 to complete the vehicle registration phase of the DXP project, an IT effort that will replace DMV's software and hardware for vehicle registration functions. It is also requested that provisional language be added to make the $53.1 million available to complete the vehicle registration phase of the project, but contingent upon approval of the appropriate project documents by the California Department of Technology.

State-to-State Verification System (S2S) Project. The budget includes $10 million one-time from the Motor Vehicle Account in 2025-26 to begin the planning phase of the S2S project, which allows DMV to upload its driver license and identification card data to the American Association of Motor Vehicle Administrators electronic verification and history exchange. The system shall not be activated for the purpose of transmitting or sharing data unless specifically authorized by statute prior to July 1, 2026.

El Centro: Field Office Replacement – Reappropriation. The budget reappropriates $2.7 million General Fund for the acquisition phase and $2.5 million from the Public Buildings Construction Fund for the performance criteria phase of this project. While one site for the new office was selected in 2024, there is now an alternate site under consideration. The reappropriation is necessary to provide additional time to determine which of the two potential sites will better meet the needs of the department.

SB 287 (Grove), Chapter 610, Statutes of 2021 Trailer Bill Language. SB 128 delays provisions that allow a driver to tow a 10,000 to 15,000-pound gooseneck trailer with a noncommercial Class C license for recreational purposes, provided they had successfully completed a knowledge exam from January 1, 2027 to January 1, 2029.

AB 1800 (Low), Chapter 952, Statutes of 2022 Trailer Bill Language. SB 128 eliminates the existing January 1, 2027 deadline to include a solicitation for the applicant to enroll in the National Marrow Donor Program's registry as a bone marrow or blood stem cell donor in driver's license and identification card applications, and instead authorizes DMV and the National Marrow Donor Registry to establish an implementation timeline as part of the required memorandum of understanding.'

Digital Experience Platform Project Trailer Bill Language. SB 128 reestablishes the $1 Business Partner Automation (BPA) system improvement fee which ended on December 31, 2023, to January 1, 2029, when the DMV director determines that sufficient funds have been received.

Mobile Driver License. SB 153 increases the percentage of licensed drivers who can participate in a pilot mobile driver license program from five to 15 percent.

VARIOUS

Charter Bus Services. SB 153 authorizes specified entities to provide charter bus services during the 2026 FIFA World Cup in the County of Los Angeles and greater San Francisco Bay Area.

Low Carbon Transit Operations Program (LCTOP). SB 153 clarifies the allocation formula for the LCTOP is paused from 2019-20 to 2025-26, inclusive.

Transportation Budget and Trailer Bills

1. *Budget Act of 2025 – Assembly Bill 102 (Gabriel), Chapter 5, Statutes of 2025.*

2. *Budget Act of 2022, 2023, and 2024 – Senate Bill 103 (Wiener), Chapter 6, Statutes of 2025.*

3. *Budget Acts of 2021, 2023, 2024, and 2025 – Senate Bill 105 (Wiener), Chapter 104, Statutes of 2025.*

4. *Transportation – Senate Bill 128 (Committee on Budget and Fiscal Review), Chapter 16, Statutes of 2025.*

5. *Transportation Trailer Bill – Senate Bill 153 (Committee on Budget and Fiscal Review), Chapter 109, Statutes of 2025.*

APPENDIX

BUDGET and TRAILER BILLS

Bill Number	Chapter Number	Topic	Date Chaptered
AB 102	**5**	**Budget Act of 2025 (Gabriel)**	**6/27/25**
SB 101	**4**	**Budget Acts of 2025 (Wiener)**	**6/27/25**
AB 104	**77**	**Budget Act of 2025 (Gabriel)**	**7/29/25**
SB 105	104	Budget Acts of 2021, 2023, 2024, and 2025	9/17/25
AB 100	2	Budget Acts of 2023 and 2024 (Gabriel)	4/14/25
SB 103	6	Budget Acts of 2022, 2023 and 2024 (Wiener)	6/27/25
SB 1 X1	3	Budget Acts of 2024 (Wiener)	2/7/25
SB 2 X1	4	Budget Acts of 2024 (Wiener)	2/7/25
SB 3 X1	2	Budget Acts of 2024 (Wiener)	1/23/25
AB 4 X1	1	Budget Act of 2024 (Gabriel)	1/24/25
AB 116	21	Health	6/30/25
AB 118	7	Human Services	6/27/25
AB 121	8	Education	6/27/25
AB 123	9	Higher Education	6/27/25
AB 130	22	Housing	6/30/25
AB 134	10	Public Safety	6/27/25
AB 136	11	Courts	6/27/25
AB 137	20	State Government	6/30/25
AB 138	78	State Employment: State Bargaining Units	7/29/25
AB 143	12	Developmental Services	6/27/25
AB 144	105	Health	9/17/25
AB 149	106	Resources	9/17/25
AB 154	609	California Environmental Quality Act	10/11/25
SB 119	79	Public Social Services	7/29/25
SB 120	13	Education and Childcare	6/27/25
SB 124	14	Resources	6/27/25
SB 127	15	Climate Change	6/27/25
SB 128	16	Transportation	6/27/25
SB 129	23	Labor	6/30/25
SB 131	24	Resources	6/30/25
SB 132	17	Taxation	6/27/25
SB 139	25	State Bargaining Unit 9 and State Bargaining Unit 12	6/30/25
SB 140	26	State Bargaining Unit 6	6/30/25

SB 141	18	California Cannabis Tax Fund: Department of Cannabis Control Board of State and Community Corrections Grants	6/27/25
SB 142	19	Deaf and Disabled Telecommunications Program	6/27/25
SB 146	102	Human Services	9/17/25
SB 147	744	K-12 Education	10/13/25
SB 148	745	Higher Education	10/13/25
SB 151	108	Early Childhood Education and Childcare	9/17/25
SB 153	109	Transportation	9/17/25
AB 155	649	Governor's Office of Business and Economic Development: California Civic Media Program	10/11/25
SB 156	110	Labor	9/17/25
SB 157	111	Public Safety	9/17/25
SB 158	650	California Environmental Quality Act	10/11/25
SB 159	112	Taxation	9/17/25
SB 160	113	Background Checks	9/17/25
SB 161	114	State Employment: State Bargaining Units	9/17/25
SB 162	115	Special Elections	9/17/25

General Fund Multiyear Forecast
2025 Budget Act
(Dollars in Millions)

	2024-25	2025-26	2026-27	2027-28	2028-29
RESOURCES:					
Prior Year Balance	$41,978	$35,146	$22,513	$5,353	-$18,835
Revenues/Transfers	$221,842	$208,633	$212,964	$222,511	$234,873
Transfer to Budget Stabilization Account	-$23	$0	$0	$0	$0
Withdrawal from the Budget Stabilization Account	$4,926	$7,100	$0	$0	$0
Total Resources	**$268,723**	**$250,879**	**$235,477**	**$227,864**	**$216,038**
EXPENDITURES:					
Proposition 98	$85,711	$80,738	$82,536	$87,307	$92,560
Proposition 28 Arts and Music Education	$0	$0	$0	$0	$0
Non-Proposition 98	$147,866	$147,628	$147,588	$159,391	$159,712
Prop 2 Infrastructure/Deferred Maintenance	$0	$0	$0	$0	$0
Total Expenditures	**$233,577**	**$228,366**	**$230,124**	**$246,699**	**$252,273**
FUND BALANCES:	$35,146	$22,513	$5,353	-$18,835	-$36,235
Reserve for Encumbrances	$18,001	$18,001	$18,001	$18,001	$18,001
SFEU	$17,145	$4,513	-$12,648	-$36,835	-$54,235
Safety Net Reserve	$0	$0	$0	$0	$0
Budget Stabilization Account (Mandatory Deposits)	$16,492	$9,392	$9,392	$9,392	$9,392
Budget Stabilization Account (Total Deposits)	$18,291	$11,191	$11,191	$11,191	$11,191
Public School System Stabilization Account	$455	$0	$0	$0	$0
Total Reserves	$35,891	$15,704	-$1,457	-$25,644	-$43,044
BSA mandatory balance as a percentage of General Fund Tax Proceeds	6.8%	4.6%	4.5%	4.3%	4.0%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	13.4%	6.3%	-0.6%	-11.3%	-19.9%
Operating Surplus/Deficit with BSA Transfer	**-$6,832**	**-$12,632**	**-$17,161**	**-$24,187**	**-$17,400**

Note: Totals may not add due to rounding

General Fund Revenues
2025 Budget Act
(Dollars in Millions)

		2024-25	2025-26	2026-27	2027-28	2028-29
1	**Major Revenues**					
2	Alcoholic Beverage Taxes and Fees	417	421	426	431	436
3	Cigarette Tax	36	35	34	33	32
4	Corporation Tax	41,696	35,613	24,672	22,044	21,336
5	Insurance Gross Premiums Tax	4,177	4,359	4,544	4,734	4,918
6	Mobilehome In-Lieu Tax	1	1	1	1	1
7	Personal Income Tax	126,277	125,962	141,535	155,500	168,235
8	Retail Sales and Use Tax	33,706	34,862	35,590	36,267	37,255
9	**Total Major Revenues**	**$206,310**	**$201,252**	**$206,801**	**$219,008**	**$232,213**
10	**Minor Revenues**	**6,728**	**5,170**	**6,742**	**3,317**	**3,485**
11	Local Agencies - Miscellaneous Revenue	(107)	(107)	(107)	(107)	(107)
12	Royalties - State Lands	(76)	(39)	(27)	(24)	(14)
13	Investment Income - Pooled Money Investments	(3,066)	(2,380)	(1,646)	(1,504)	(1,580)
14	Abandoned Property Revenue	(998)	(1,076)	(1,164)	(1,259)	(1,361)
15	Cost Recoveries - Other (mainly FEMA Reimbursements)	(1,905)	(805)	(3,433)	(58)	(59)
16	Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	(221)	(528)	(128)	(128)	(128)
17	Other Miscellaneous Minor Revenues	(356)	(235)	(237)	(238)	(237)
18	**Revenue Transfers**	**13,194**	**7,504**	**382**	**385**	**393**
19	Transfer to Safety Net Reserve	(900)	(0)	(0)	(0)	(0)
20	Transfers to BSA	(4,903)	(7,100)	(0)	(0)	(0)
21	All Other Transfers	(7,391)	(404)	(382)	(385)	(393)
22	**Loans**	**513**	**1,808**	**-961**	**-200**	**-1,218**
23	Loan Repayments from Loan Repayment Drill	(-483)	(-267)	(-1,001)	(-1,299)	(-1,113)
24	All Other Loans	(996)	(2,076)	(40)	(1,099)	(-106)
25	**Total Minor Revenues/Transfers/Loans**	**$20,435**	**$14,482**	**$6,163**	**$3,503**	**$2,660**
26	**Total Revenues/Transfers/Loans**	**$226,745**	**$215,733**	**$212,964**	**$222,511**	**$234,873**

*Dollars may not add due to rounding

Proposition 98 Multiyear
2025 Budget Act
(Dollars in Millions)

	2023-24 PY	2024-25 CY	2025-26 BY	2026-27 BY1	2027-28 BY2	2028-29 BY3
General Fund	$59,131	$72,835	$68,879	$70,467	$74,392	$78,776
Education Protection Account GF (Less health care share)	7,883	14,793	11,858	12,069	12,915	13,784
Total Prop 98 General Fund Minimum Guarantee	**$67,014**	**$87,628**	**$80,738**	**$82,536**	**$87,307**	**$92,560**
Arts and Music Education (Proposition 28)	938	0	0	0	0	0
Total Prop 98 General Fund w/ Arts and Music Education	67,952	87,628	80,738	82,536	87,307	92,560
Local Property Tax	31,470	32,317	33,821	35,556	37,450	38,948
Total Prop 98 (including supplemental arts payment)	**$99,422**	**$119,946**	**$114,558**	**$118,092**	**$124,757**	**$131,508**
Settle-Up		-1,917				
Total Prop 98 General Fund Appropriation	**$67,952**	**$85,711**	**$80,738**	**$82,536**	**$87,307**	**$92,560**
Prop 98 Change to Prior-year	*1,896*	*20,523*	*-5,387*	*3,533*	*6,666*	*6,751*
Percent Change to Prior-year	*1.94%*	*20.64%*	*-4.49%*	*3.08%*	*5.64%*	*5.41%*
Prop 98 Operative Test	*2*	*1*	*1*	*1*	*1*	*1*
Maintenance Factor Balance	*$8,002*	*$2,829*	*$3,026*	*$3,123*	*$3,251*	*$3,367*
Settle-Up Balance	$0	$1,917	$1,917	$1,917	$1,917	$1,917
Mandate Balance	$785	$785	$785	$785	$785	$785
Public School Stabilization Account Transfer	$0	$455	$0	$0	$0	$0
Public School Stabilization Account Withdrawal	-8,413	0	-455	0	0	0
Public School Stabilization Account Balance	**$0**	**$455**	**$0**	**$0**	**$0**	**$0**

General Fund Multiyear N98 Expenditures by Agency
2025 Budget Act
(Dollars in Millions)

N98 excludes Capital Outlay, Debt Service	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Legislative, Executive	$7,607	$4,794	$3,405	$3,381	$2,777
Courts	3,183	3,318	3,444	3,452	3,481
Business, Consumer Services, and Housing	3,726	720	663	169	168
Transportation	251	166	32	32	32
Natural Resources	7,535	2,690	2,474	3,373	3,501
Environmental Protection	643	132	116	116	116
Health and Human Services	76,214	86,869	89,761	91,572	93,991
Corrections and Rehabilitation	13,608	12,994	12,537	12,509	12,442
Education	19,974	19,134	21,112	22,015	22,143
Labor and Workforce Development	1,108	958	1,031	953	912
Government Operations	3,464	2,465	2,363	2,450	2,527
General Government	4,255	6,715	3,618	11,902	10,057
Non-Agency Departments	(2,393)	(1,232)	(1,146)	(1,657)	(1,100)
Tax Relief/Local Government	(653)	(635)	(488)	(488)	(488)
Statewide Expenditures	(1,209)	(4,848)	(1,985)	(9,758)	(8,469)
Capital Outlay	773	683	410	498	258
Debt Service	5,525	5,992	6,623	6,970	7,307
Total N98 Expenditures	**$147,866**	**$147,628**	**$147,589**	**$159,391**	**$159,712**

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Payments Under Proposition 2

2025 Budget Act

(Dollars in Millions)

		Outstanding Amount at Start of 2025-26 [2/]	Use of 2025-26 Pay Down	Proposed Use of 2026-27 Pay Down	Proposed Use of 2027-28 Pay Down	Proposed Use of 2028-29 Pay Down
State Retirement Liabilities						
1	State Retiree Health	92,027	385	395	405	420
2a	State Employee Pensions—SB 84 Loan from SMIF		590	556	556	556
2b	State Employee Pensions	64,088	584	624	708	786
3	Teachers' Pensions [1/]	85,532	0	0	0	0
4	Judges' Pensions	2,437	0	0	0	0
	Total	**$244,084**	**$1,559**	**$1,575**	**$1,669**	**$1,762**

[1/] The state portion of the unfunded liability for teachers' pensions is $10.169 billion.

[2/] For retiree health and pensions, the amounts reflect latest actuarial report available.

Prop 2 Rainy Day Fund – 2025-26 and Out Years at 2025 Budget Act

(Dollars in Millions)

		2025-26	2026-27	2027-28	2028-29
	1.5% of General Fund Revenues & Transfers				
1	General Fund Revenues and Transfers (before BSA transfer)	$207,886 [1/]	$209,994 [1/]	$222,511	$234,873
2	1.5% of General Fund Revenues & Transfers	$3,118	$3,150	$3,338	$3,523
	Capital Gain Revenues (Sec 20(b))				
3	General Fund Tax Proceeds	$204,027	$208,862	$220,931	$234,217
4	Personal Income Taxes from Capital Gains	$15,254	$15,470	$16,664	$18,332
5	% of General Fund Tax Proceeds	7.5%	7.4%	7.5%	7.8%
6	8% of General Funds Tax Proceeds	$16,322	$16,709	$17,674	$18,737
7	Personal Income Taxes from Capital Gains in Excess of 8% General Fund Tax Proceeds	$0	$0	$0	$0
8	Prop 98 Share of Capital Gains Tax Revenue above 8%	$0	$0	$0	$0
9	Non 98 Share of Capital Gain Tax Revenue above 8%	$0	$0	$0	$0
10	Total Available (Line 2 + Line 9)	$3,118	$3,150	$3,338	$3,523
11	Debt Repayment (50%)	$1,559	$1,575	$1,669	$1,762
12	Deposit to Rainy Day Fund (50%)	$1,559	$1,575	$1,669	$1,762
12.1	Suspension of BSA Deposit	**-$1,559**	**-$1,575**	**-$1,669**	**-$1,762**
	Fund Balances				
13	**Mandatory Balance from Previous Fiscal Year** (Does not include discretionary amount)	$14,281	$9,392	$9,392	$9,392
14	10 percent of GF Tax Proceeds	$20,403	$20,886	$22,093	$23,422
15	Infrastructure/Deferred Maintenance (Mandatory balance in excess of 10 percent GF Tax Proceeds)	$0	$0	$0	$0
16	Adjusted Deposit to Rainy Day Fund (Line 12 - Line 12.1 - Line 15)	$0	$0	$0	$0
17	Withdrawal from BSA Mandatory Balance	**-$4,889**	**$0**	**$0**	**$0**

Prop 2 Rainy Day Fund – 2025-26 and Out Years at 2025 Budget Act

(Dollars in Millions)

		2025-26	2026-27	2027-28	2028-29
18	**Mandatory Balance (Line 13 + Line 16 + Line 17)**	**$9,392**	**$9,392**	**$9,392**	**$9,392**
18.1	Mandatory Percentage	4.6%	4.5%	4.3%	4.0%
19	Withdrawal from Overage Balance	**-$2,211**	**$0**	**$0**	**$0**
19.1	**Overage Balance (Amount from previous year + Line 19)**	**$0**	**$0**	**$0**	**$0**
19.2	Overage Percentage	0.0%	0.0%	0.0%	0.0%
20	Supplemental Withdrawal	**$0**	$0	$0	$0
21	**Discretionary Balance**	**$1,799**	**$1,799**	**$1,799**	**$1,799**
22	**Total Rainy Day Fund Balance (Line 18+ Line 19.1 + Line 21)**	**$11,191**	**$11,191**	**$11,191**	**$11,191**
22.1	Total Balance (Line 22) as a Percentage of General Fund Tax Proceeds (Line 3)	5.5%	5.4%	5.1%	4.8%

[1/] Excludes $0.7 billion in 2025-26 & $2.9 billion in 2026-27 for estimated FEMA cost recoveries for COVID-19 and wildfires/storms.