Senate Budget and Fiscal Review—John Laird, Chair

SUBCOMMITTEE NO. 4 Agenda

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

Wednesday, August 12, 2026
9:30 a.m.
State Capitol - Room 113

Consultant: Jessica Uzarski

ITEMS FOR DISCUSSION

Public Comment

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

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Items for Discussion

0950 State Treasurer

Item #1: General Obligation Bond Extinguishment Trailer Bill Language

Request: The Administration requests trailer bill language to extinguish the unissued amounts of bond authority in seven separate bond acts approved from 1988 through 2002.

Background: Voter approved bonds fund a wide variety of state projects and priorities under a narrow set of purposes and requirements. When a voter approved bond has completed all work for which it was authorized, or when the remaining funds have dropped to a level insufficient to fund new initiatives under the bond, the remaining unissued bond authority creates administrative workload for the State Treasurer's Office and other entities. There are seven bond acts approved by voters between 1988 and 2002 which the Administration argues have either exhausted their voter authorized purposes or reached insufficient levels of funding to move forward with new projects. The Administration seeks extinguishment of remaining funds under these bonds.

Specifically, the Administration requests to extinguish bond authority for the following bonds. The requested trailer bill language would reduce each act's bonding authority to the amount previously issued and expended for the scope of purposes in each act.

- The Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 authorizes the issuance of bonds in the amount of $6,700,000,000 to finance, among other things, K-12 schools and higher education facilities. The requested legislation would reduce the amount of indebtedness authorized by the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 to $6,699,965,000, a reduction of $35,000.

- The California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 authorizes the issuance of bonds in the amount of $350,000,000 to finance, among other things, to provide grants to local governments to: (1) construct new libraries, (2) expand or renovate existing libraries, and (3) provide related furnishings and equipment. The requested legislation would reduce the amount of indebtedness authorized by the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 to $344,960,000, a reduction of bond authority in the amount of $5,040,000.

- The Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 authorizes the issuance of bonds in the amount of $2,100,000,000 to finance, among other things, additions and improvements to the State Park System. The requested legislation would reduce the amount of indebtedness authorized by the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 to $2,091,375,000, a reduction of bond authority in the amount of $8,625,000.

- The Voting Modernization Bond Act of 2002 authorizes the issuance of bonds in the amount of $200,000,000 to finance, among other things, upgraded voting systems, and establishing a Voting Modernization Board. The requested legislation would reduce the amount of indebtedness authorized by the Voting Modernization Bond Act of 2002 to $189,570,000, a reduction of bond authority in the amount of $10,430,000.

- The Veterans' Homes Bond Act of 2000 authorizes the issuance of bonds in the amount of $50,000,000 to finance, among other things, the designing and constructing veterans' homes in California and completing a comprehensive renovation of the Veterans' Home at Yountville. The requested legislation would reduce the amount of indebtedness authorized by the Veterans' Homes Bond Act of 2000 to $49,025,000, a reduction of bond authority in the amount of $975,000.

- The New Prison Construction Bond Act of 1988 authorizes the issuance of bonds in the amount of $817,000,000 to finance, among other things, overcrowding in the state's prisons, county jails, and Youth Authority facilities through new construction. The requested legislation would reduce the amount of indebtedness authorized by the New Prison Construction Bond Act of 1988 to $815,755,000, a reduction of bond authority in the amount of $1,245,000.

- The New Prison Construction Bond Act of 1990 authorizes the issuance of bonds in the amount of $450,000,000 to finance, among other things, to relieve overcrowding in the state's prisons, county jails, and Youth Authority facilities through new construction. The requested legislation would reduce the amount of indebtedness authorized by the New Prison Construction Bond Act of 1990 to $449,395,000, a reduction of bond authority in the amount of $605,000.

Staff Recommendation: This item is for discussion only.

7910 Office of Administrative Law

Item #2: Retirement Payments

Request: The Administration requests, for the Office of Administrative Law (OAL), $315,000 general fund related to staff retirements.

Background: The Administration requests the abovementioned funds for OAL to provide statutorily required services and address the financial impact of retirement payments, including for accrued leave, for three upcoming OAL retirements in fiscal year 2026-27. Due to the relatively small personnel size of the OAL, the Administration argues that there is no departmental ability to cover these costs via offset or absorption.

Staff Recommendation: This item is for discussion only.