

Final Action Report

A Summary of the 2026 Budget Act

November 9, 2026

Chapters 19, 20, 21, and 248 Statutes of 2026

Senate Committee on Budget and Fiscal Review
Senator John Laird, Chair

FINAL ACTION REPORT

November 9, 2026

Senate Bills 110 and 111 Assembly Bills 109 and 113
2026-27 Budget Bills

Senate Committee on Budget and Fiscal Review

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John Laird, Chair

November 9, 2026

The Senate Committee on Budget and Fiscal Review has completed its Final Action Report, which is a detailed summary of the 2026-27 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,

John Laird

JOHN LAIRD
Chair, Senate Budget and Fiscal Review

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INTRODUCTION

2026-27 Budget Act

This Final Action Report from the Senate Committee on Budget and Fiscal Review provides a summary of the 2026 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 $251.5 billion and assumes $284 billion in total General Fund resources. The 2026 Budget Act reflects $35.2 billion in budgetary reserves.

The Legislature took a variety of budget-related actions prior to passing the final budget package.

- On February 9, 2026, the Legislature passed SB 106 (Laird), Chapter 4, Statutes of 2026, to increase General Fund expenditure authority for the Department of Health Care Access and Information (HCAI) by $90 million to support grants for family planning providers in response to federal reductions.

- On February 19, 2026, the Legislature passed AB 117 (Committee on Budget), Chapter 6, Statutes of 2026, to authorize the California State Transportation Agency to loan $590 million to the Metropolitan Transportation Commission from existing funds in the Transit and Intercity Rail Capital Program for projects within the region and specifies repayment terms. This action was the result of direction provided in the 2025 Budget Act for the Department of Finance to negotiate with transit operators to support public transportation in the Bay Area. In addition, the Legislature passed AB 107 (Gabriel), Chapter 5, Statutes of 2026, a Budget Bill Junior that makes a variety of technical changes to the Budget Acts of 2023-24, 2024-25, and 2025-26

On June 15, 2026, the Legislature passed AB 109 (Gabriel), Chapter 19, Statutes of 2026, which represented the Legislature's budget agreement. On June 29, 2026, the Legislature passed SB 111 (Laird), Chapter 21, Statutes of 2026, which was a Budget Bill Junior that made changes to the Budget Act adopted in AB 109 and represented the final budget agreement between the Legislature and the Administration. The Legislature also passed four additional Budget Bill Juniors in 2026, SB 110 (Laird) Chapter 20, and AB 113 (Gabriel) Chapter 248, that made additional changes to the Budget Act, and AB 112 (Gabriel), Chapter 22 and SB 114 (Laird), Chapter 249, which made changes to prior year budget acts.

The Legislature also approved numerous budget trailer bills prior to adjourning on September 1, 2026. Budget trailer bills are designed to implement certain provisions of the 2026 Budget Act as noted elsewhere in this report. The 2026 Budget Act (AB 109 and SB 111) was signed by the Governor on June 29, 2026 and subsequently, the Governor signed the remainder of the budget and trailer bills that were passed by the Legislature.

In building the 2026-27 budget, the state faced an unusual situation with significant revenue growth over what was anticipated when the 2025 Budget Act was signed (roughly $42 billion additional for the 2024-25 through 2026-27 budget window). However, much of these funds were considered one-time in nature – and beginning in 2027-28, the state was anticipated to face significant ongoing deficits. Despite the significant revenue increase, when the Administration released the Governor's Budget on January 10, 2026, after accounting for constitutional spending requirements, increased expenditures, the shortfall projected for 2026-27 at the 2025 Budget Act ($12.6 billion), and building in a modest reserve, the proposed 2026-27 budget reflected a small shortfall of $2.9 billion. The January budget also projected over $20 billion in shortfalls for 2027-28 and each of the next two years but noted an intention to work with the Legislature to balance both the 2026-27 and 2027-28 budgets as part of the final 2026-27 budget agreement.

In response to the Governor's proposal, the Senate presented a budget framework; "Foundation for the Future" that incorporated additional anticipated revenues, fully funded K-14 education, rejected further reductions in Medi-Cal delayed other painful cuts in health and human services, and provided additional funding for access to justice and housing and homelessness supports. The Senate's plan also included working with the Administration to reduce ongoing General Fund expenditures and included additional revenues from a "Fair Share Contribution" proposal to require large corporations who do not cover the health care costs of their employees to contribute to the Medi-Cal costs of their employees.

By the time of revenue estimate updates at the May Revision, across the prior year, current year, and budget year, General Fund revenues increased by approximately $16.5 billion as compared to the Governor's January budget proposal, before accounting for any new revenue proposals. The May Revision, after accounting for updated revenues and expenditures, and new revenue proposals, set forth a balanced budget for both 2026-27 and 2027-28.

The final budget agreement included updated estimates and the new revenues proposed by the Administration, with some adjustments, built record reserves, protected core programs, delayed certain program cuts, made targeted new investments, and included difficult spending and revenue decisions to balance the budget through 2027-28 and cut the long-term structural deficit in half.

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)

	2025-26	2026-27
Prior Year Balance	**$56,707**	**$57,221**
Revenues and Transfers	245,817	226,754
Total Resources Available	**$302,524**	**$283,975**
Non-Proposition 98 Expenditures	157,557	158,546
Proposition 98 Expenditures	87,746	92,931
Total Expenditures	**$245,303**	**$251,477**
Fund Balance	**$57,221**	**$32,498**
Reserve for Liquidation of Encumbrances	27,998	27,998
Special Fund for Economic Uncertainties	29,223	4,500
Safety Net Reserve	**$0**	**$0**
Public School System Stabilization Account (PSSSA)	**$9,195**	**$9,195**
Budget Stabilization Account	**$11,496**	**$15,070**

The 2026 Budget Act includes total expenditures of $251.5 billion General Fund, $95.1 billion special funds, and $187.2 billion in federal funds. The adopted budget contains total General Fund reserves of $35.2 billion. These reserves include: $15.1 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, $4.5 billion in the state's operating reserve, $9.2 billion in the Public School System Stabilization Account, and $6.4 billion in the Surplus Set-aside for 2027-28.

The budget includes General Fund revenue assumptions for 2026-27 of $230.3 billion and over the 3-year budget window (2024-25 through 2026-27) incorporated an increase of $16.8 billion over the Governor's January Budget projections. This increase reflected a stronger than anticipated stock market, leading to higher capital gains shown in strong personal income tax returns, with the majority of the growth in 2025. Future years were adjusted for more moderate revenue gains, reflecting the risks and potential short-term nature of this revenue surge.

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

	2025-26	2026-27	Percent Change	Percent Total[1]
Personal Income Tax	$146,847	$145,609	-0.8	63.2
Sales and Use Tax	34,588	35,598	2.9	15.5
Corporation Tax	43,662	45,167	3.4	19.6
Insurance Tax	4,510	4,728	4.8	218
Other Sources[2]	9,110	-774	-108.5	-0.03
Total	**$238,717**	**$230,328**		

[1]Based on 2026-27, [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 it builds record reserves, protects core programs and delays certain program cuts, makes targeted new investments, includes difficult spending and revenue decisions to balance the budget through 2027-28 and cuts the long-term structural deficit in half. Major spending categories are shown in the table below:

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

	2025-26	2026-27	Percent Change	Percent Total[1]
Legislative, Judicial, Executive	$10,820	$8,181	-24.4	3.3
Business, Consumer, Housing	2,618	1,701	-35.0	.7
Transportation	816	554	-32.1	.2
Natural Resources	6,711	4,888	-27.2	1.9
Environmental Protection	277	268	-3.2	.1
Health and Human Services	90,808	93,394	2.8	37.1
Corrections and Rehabilitation	14,483	14,448	-0.2	5.7
Education	106,110	117,594	10.8	46.8
Labor and Workforce	1,127	1,020	-9.5	.4
Government Operations	3,303	5,110	54.7	2.0
General Government	8,231	4,320	-47.5	1.7
Total	**$245,303**	**$251,477**	--	--

[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 the actions that make up the 2026 Budget Act. Specific highlights include:

- Establishes the Fair Share from Big Corporation program to combat the harm to health programs caused by the Federal House Resolution 1 (HR 1) and reduce the taxpayer subsidies for big corporations with employees enrolled in taxpayer funded Medi-Cal instead of company-provided health plans. Under the program, the Administration will be required to present fully viable options to the Legislature for holding big corporations accountable for their employees' health care costs by April 1, 2027 to be considered during next year's budget process.

- Approves over $5 billion in ongoing new revenues – consistent with the Senate's goals of a balanced approach including a federally compliant Managed Care Organization tax, expanding sales tax to pre-written software products, and placing limits on business tax credits.

- Adds 22,770 new child care spaces in 2026-27 (the next step to meet existing commitment of reaching 206,800 additional childcare spaces above 2020 levels) with costs for this expansion to be significantly absorbed by updating preschool costs.

- Provides $890 million for Round 7 of Homeless Housing, Assistance, and Prevention (HHAP).

- Provides $700 million for affordable housing programs, including the Multifamily Housing Program and the Low-Income Housing Tax Credit program.

- Maintains core funding for In-Home Supportive Services (IHSS) by rejecting all of the Governor's proposed cuts.

- Maintains full scope Medi-Cal for asylees and others who are no longer eligible for federal funding through the 2026-27 budget year, with commitment to work to maintain eligibility beyond that point.

- Maintains dental programs that would otherwise be eliminated starting July 1, 2026 to July 1, 2027, including dental benefits for adults 19 years of age and over, regardless of immigration status, and Proposition 56 Dental Supplemental Payments.

- Delays implementation of planned reductions to health clinics from July 1, 2026 to July 1, 2027, resulting in a cost of $1 billion in 2026-27.

- Extends the delay of Medi-Cal premiums for the unsatisfactory immigration status (UIS) population until July 1, 2027, but requires the Governor to set and announce a premium level between $30 and $50 in the 2027 May Revision.

- Provides $100 million to support local food banks.

- Provides funding to support increased county workload for health and human service programs due to the requirements of HR 1, including $197 million for Medi-Cal and $223 million for CalFresh.

- Provides a total of $175 million for legal aid programs to build broader reach throughout the state, including rural areas.

- Maintains access to justice through key investments, including new judgeships, courthouse maintenance, and courthouse construction.

Subcommittee No. 1 – Education

1111	Bureau for Private Postsecondary Education	6440	University of California
6100	Department of Education	6600	Hastings College of the Law
6120	California State Library	6610	California State University
6350	School Facilities Aid Program	6870	California Community Colleges
6360	California Commission on Teacher Credentialing	6980	California Student Aid Commission

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

0540 Secretary for Natural Resources
0555 Secretary for Environmental Protection
3125 California Tahoe Conservancy
3340 California Conservation Corps
3355 Office of Energy Infrastructure Safety
3360 California Energy Commission
3480 Department of Conservancy
3540 Department of Forestry and Fire Protection
3560 State Lands Commission
3600 Department of Fish and Wildlife
3640 Wildlife Conservation Board
3720 California Coastal Commission
3760 State Coastal Conservancy
3790 Department of Parks and Recreation
3840 Delta Protection Commission
3855 Sierra Nevada Conservancy
3860 Department of Water Resources
3885 Delta Stewardship Council
3900 Air Resources Board
3930 Department of Pesticide Regulation
3940 State Water Resources Control Board
3960 Department of Toxic Substances Control
3970 Department of Resources Recycling and Recovery
3980 Office of Environmental Health Hazard Assessment
8660 California Public Utilities Commission

Subcommittee No. 3 – Health and Human Services

0000	Multiple Departments
0530	California Health and Human Services Agency
4100	State Council on Developmental Disabilities
4120	Emergency Medical Services Authority
4140	Department of Health Care Access and Information
4150	Department of Managed Health Care
4170	California Department of Aging
4180	California Commission on Aging
4185	California Senior Legislature
4260	Department of Health Care Services
4265	Department of Public Health
4300	Department of Developmental Services
4440	Department of State Hospitals
4560	Mental Health Services Oversight and Accountability Commission
4700	Department of Community Services and Development
4800	California Health Benefit Exchange
5160	Department of Rehabilitation
5170	State Independent Living Council
5175	Department of Child Support Services
5180	Department of Social Services

Subcommittee No. 4 – State Administration and General Government

0110/0120/0130 State Legislature
0509 Governor's Office of Business and Development
0511 Secretary for Government Operations Agency
0515 Business, Consumer Services, and Housing Agency
0516 California Housing and Homelessness Agency
0650 Governor's Office of Planning and Research
0680 Governor's Office of Service and Community Engagement
0840 State Controller
0845 Department of Insurance
0855 Gambling Control Commission
0860 Board of Equalization
0890 Secretary of State
0950 State Treasurer
0959 California Debt Limit Allocation Committee
0968 Tax Credit Allocation Committee
1045 Cannabis Control Appeals Panel
1111 Department of Consumer Affairs – Boards and Bureaus
1115 Department of Cannabis Control
1700 Department of Fair Employment and Housing
1701 Department of Financial Protection and Innovation
1703 California Privacy Protection Agency
1750 California Horse Racing Board
2100 Department of Alcoholic Beverage Control
2240 Department of Housing and Community Development
2245 California Housing Finance Agency
2250 Housing Development Finance Committee
2255 California Interagency Council on Homelessness
3100 Exposition Park
7502 Department of Technology
7504 Office of Data and Innovation
7600 Department of Tax and Fee Administration
7730 Franchise Tax Board
7760 Department of General Services
8260 California Arts Council
8570 California Department of Food and Agriculture
8620 Fair Political Practices Commission
8860 Department of Finance
8880 Financial Information System for California
8885 Commission on State Mandates
8940 Military Department
8955 Department of Veterans Affairs
9210 Local Government Financing

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

0250 Judicial Branch
0390 Contribution to the Judges' Retirement Fund
0521 California State Transportation Agency
0552 Office of Inspector General
0559 Labor and Workforce Development Agency
0690 Office of Emergency Services
0820 Department of Justice
2600 California Transportation Commission
2660 California Department of Transportation
2665 High-Speed Rail Authority
2667 High Speed Rail Authority Office of the Inspector General
2670 Board of Pilot Commissioners
2720 California Highway Patrol
2740 Department of Motor Vehicles
5225 Department of Corrections & Rehabilitation
5227 Board of State and Community Corrections
7100 Employment Development Department
7120 California Workforce Development Board
7300 Agricultural Labor Regulations Board
7320 Public Employment Relations Board
7350 Department of Industrial Relations
7501 Department of Human Resources
7870 Victim Compensation Board
7900 California Public Employees' Retirement System
7920 California State Teacher's Retirement System
8120 Commission on Peace Officer Standards and Training
8140 State Public Defender
8830 California Law Revision Commission
9800 Employee Compensation

SUBCOMMITTEE 1

ON

EDUCATION

Senate Committee on Budget and Fiscal Review

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Bob Archuleta
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SUBCOMMITTEE NO. 1

EDUCATION

Pre-K-12

6100	Department of Education	1-1
6350	School Facilities Aid Program	1-8
6360	California Commission on Teacher Credentialing	1-8

Higher Education

1111	Bureau for Private Postsecondary Education	1-10
6120	California State Library	1-10
6440	University of California	1-10
6600	UC College of the Law, San Francisco	1-13
6610	California State University	1-13
6870	California Community Colleges	1-14
6980	California Student Aid Commission	1-17

K-12 EDUCATION

6100 CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

K-14 EDUCATION - PROPOSITION 98 OVERALL

The 2026 Budget Act estimates that the Proposition 98 Minimum Guarantee is calculated to be $124.9 billion in 2024-25, $125.3 billion in 2025-26, and $128.1 billion in 2026-27. The estimated guarantee for Proposition 98 in 2026-27 includes a re-benched calculation that adjusts $813 million from the General Fund to Proposition 98 General Fund, and increases the percentage of General Fund revenues being counted towards Proposition 98 from 39.3 percent to 39.6 percent. These estimates are approximately $29.2 billion over the three-year period compared to the 2025 Budget Act. The 2025 Budget Act created $1.9 billion in settle-up payments in 2024-25, which is paid off in the 2026 Budget Act. Proposition 98 guarantee for the 2023-24 fiscal year was suspended, which created $8.3 billion in a constitutionally obligated payments, otherwise known as maintenance factor. The 2026 Budget Act fully pays off the $8.3 billion in maintenance factor payments in the 2024-25 fiscal year, with no payments remaining. While the 2026 Budget Act estimates the Proposition 98 Guarantee in 2025-26 to be $125.3 billion, the budget appropriates $121.3 billion for the same year, creating $3.9 billion in settle-up payments. The 2026 Budget Act requires that 33 percent of revenues during the May Revision in 2027-28 that are above 2026-27 Budget Act estimates must be deposited into the Public School System Stabilization Account (PSSSA) and be counted towards settle-up payments for the 2025-26 fiscal year.

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 2025-26 Budget Act (June 2026)	Applicable Proposition 98 Test[1]	K-12 Per Pupil Expenditures
2024-25	$124.93 billion	$4.98 billion increase over 2025-26 revised.	Test 1	$19,410
2025-26	$125.26 billion	$10.7 billion decrease over 2025-26 revised.	Test 1	$19,298
2026-27	$128.1 billion	N/A	Test 1	$21,148

The 2026-27 estimate of average daily attendance (ADA) was 5,365,567 reflecting an estimated ADA decrease from 2025-26 of 0.6 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)

	2024-25	2025-26	2026-27
K-12 Education*			
General Fund	$77,249	$75,070	$82,990
Local property tax revenue	$28,270	$29,130	$30,478
K-12 subtotal	$105,518	$104,200	$113,468
California Community Colleges*			
General Fund	$9,744	$8,805	$9,941
Local property tax revenue	$4,343	$4,444	$4,661
CCC subtotal	$14,087	$13,248	$14,602
Proposition 98 Reserve Deposit	$5,324	$3,871	$0
Unpaid Settle Up	$0	$3,940	$0
Total Proposition 98	$124,929	$125,260	$128,071
General Fund	$92,316	$91,686	$92,931
Local property tax revenue	$32,614	$33,574	$35,140

*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 deposits a total of $8.7 billion across the three-year budget window into the Public School System Stabilization Account, known as the Proposition 98 Rainy Day Fund, as well as a discretionary deposit of $500 million in 2025-26. The balance of the Proposition 98 Rainy Day Fund after 2026-27 is $9.2 billion, and triggers school district reserve caps beginning in 2026-27.

The 2026 Budget Act requires that 33 percent of any higher non-Proposition 98 and non-Proposition 2 General Fund tax revenues added to Department of Finance projections through the 2027 May Revision is appropriated to pay all or part of any unpaid Proposition 98 obligations for the 2025-26 fiscal year (which is currently projected to be $3.9 billion). Any funds would be transferred to the Proposition 98 Rainy Day Fund as a discretionary deposit for appropriation to Proposition 98 programs by the Legislature.

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 $151.4 billion in 2026-27.

K-12 Major Expenditures and Policy Changes. The following significant investments in K-12 education were adopted in the 2026-27 budget:

Local Control Funding Formula (LCFF). The budget provides a total of approximately $85.8 billion Proposition 98 General Fund for the LCFF in 2026-27. This funding amount provides a cost-of-living adjustment (COLA) of $3.4 billion (or 4.3 percent, of which 1.44 percent is discretionary) for school districts, charter schools, and county offices of education (COEs), known as Local Educational Agencies (LEAs), in 2026-27.

Necessary Small Schools. The budget provides a 20 percent augmentation for necessary small schools.

Cost of Living Adjustments. The budget includes $215 million ongoing Proposition 98 General Fund to reflect a 2.87 percent cost-of-living adjustment for specified categorical programs.

Equity Multiplier. The budget includes $319 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 $1.06 billion in 2026-27 to support the Arts and Music in Schools: Funding Guarantee and Accountability Act.

Transitional Kindergarten. The budget includes statutory changes that clarify that transitional kindergarten classroom instruction must be developmentally appropriate.

Student Support and Professional Development Discretionary Block Grant. The budget appropriates $5 billion one-time Proposition 98 General Fund, which are allocated based on average daily attendance, for discretionary purposes, including support for dual enrollment, career pathways approaches, and professional development for educators in Universal Transitional Kindergarten, English Language Arts and Development, mathematics, induction, mentorship, community schools, and deferred maintenance.

Learning Recovery Emergency Block Grant. The budget appropriates a final one-time $757.3 million one-time Proposition 98 General Fund to augment the Learning Recovery Emergency Block Grant. Prior budgets allocated $7.2 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.

2025 Los Angeles County Wildfire Support. The budget appropriates $22.9 million one-time Proposition 98 General Fund to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County Wildfires, including one-time $4 million Proposition 98 General Fund for Pasadena Unified School District.

- Using savings from Multi-Tiered Systems of Support to support fire-impacted local educational agencies.

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

- Providing authority for additional fiscal oversight of single-district county offices of education.

- Revising the Statewide of System of Support and shifts differentiated assistance and direct technical assistance framework into a Universal and Targeted Assistance model. Revises the identification of local educational agencies that are eligible for targeted assistance, and shifts identification to occur every three years.

- Revising the funding formula for county offices of education providing this assistance, and delinks the number of local educational agencies identified for assistance.

Paid Pregnancy Disability Leave. The budget includes statutory changes that requires public school employers to provide up to 14 weeks of paid pregnancy disability leave to all employees.

Charter Accountability. The budget includes several changes to accountability provisions for charter schools to ensure that funds are used properly, address fraud and malfeasance, and improve accountability and oversight. The budget also allows the use of verified data in the charter school renewal process until June 30, 2028.

Literacy Coaches and Reading Specialists Grant Program. Appropriates an additional $350 million one-time Proposition 98 General Fund to extend existing Literacy Coaches and Reading Specialists Grant Programs to 2031. This investment augments prior allocations of this program, bringing the current total of investments to $1.1 billion.

Plumas Unified School District Emergency Apportionment. The budget waives the administrator-teacher ratio requirements for Plumas Unified School District from 2023-24 to 2026-27.

Expanded Learning Opportunities Program. The budget stabilizes the Rate 2 local educational agencies under the Expanded Learning Opportunities Program by providing at least $1,800 per unduplicated pupil rate for local education agencies with less than 55 percent total unduplicated pupils.

Special Education. The budget increases the base rate for special education programs by 43 percent, which totals $2.4 billion ongoing Proposition 98 General Fund. The budget also augments the special education extraordinary cost pool and low incidence disabilities set-aside by an ongoing $80 million Proposition 98 General Fund.

Community Schools Partnership Program. The budget establishes the California Community Schools Partnership Program as an ongoing apportionment program for existing grantees or for schoolsites with an unduplicated pupil percentage of 65 percent or above, and codifies the State Board of Education-adopted framework for community schools.

The budget also re-appropriates $84 million one-time Proposition 98 General Fund within the California Community Schools Partnership Program in the following ways:

- $28 million for the State Transformational Assistance Center (STAC).
- $3 million for a set of analyses by the STAC, or by an institution of higher education.
- $10 million to develop and implement the community school certification process.
- $15 million for the STAC and the technical assistance network.
- $50 million for the Secondary School Redesign Pilot Program.
- $6 million for Transforming Together, which was originally established under the Children and Youth Behavioral Youth Initiative.

The budget also ensures that funding is allocated to county offices of education in the future to coordinate county-level community school implementation support.

Inclusive College Technical Assistance Center. The budget appropriates $25 million one-time Proposition 98 General Fund for the California Center for Inclusive College.

Alternative Pathways to Diplomas. The budget appropriates $10 million one-time Proposition 98 General Fund for Sacramento County Office of Education to provide technical assistance for local educational agencies to implement alternative pathways to diplomas.

University of California, San Francisco Dyslexia Center. The budget appropriates an ongoing $5 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 includes statutory changes that prohibit the administration of screeners to identify reading difficulties in students prior to 91 days into the schoolyear for kindergarten students.

Dual Enrollment. The budget appropriates $100 million one-time Proposition 98 General Fund for dual enrollment programs, and provides an additional $50,000 for local educational agencies that serve justice-involved youth in county-run facilities. The budget also allows regional occupational center programs to be eligible for dual enrollment programs, and reduces the required

minimum schoolday requirements for students in dual enrollment programs from 240 minutes to 180 minutes.

School Meals. The budget includes a total of $1.9 billion Proposition 98 General Fund and $2.8 billion in federal funds to support universal school meals in 2026-27.

2026 Kitchen Infrastructure and Training Grants. The budget includes $500 million one-time Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Funds, and includes family food pantries on school sites and hands-on food education, including activities with school gardens, as eligible expenditures.

Holocaust and Genocide Education Grant Program. The budget appropriates $10 million one-time Proposition 98 General Fund for the Holocaust and Genocide Education Grant Program, with clarifying statutory changes.

21st Century California School Leadership Academy. The budget re-appropriates $15 million one-time Proposition 98 General Fund and augments the 21st Century California School Leadership Academy to support professional learning opportunities statewide.

Museum of Tolerance. The budget augments funding for the Museum of Tolerance by $1 million ongoing Proposition 98 General Fund, for a total funding amount of $4 million ongoing Proposition 98 General Fund.

Students Experiencing Homelessness Grants. The budget appropriates $116 million one-time Proposition 98 General Fund to support students experiencing homelessness, to be used in accordance with federal McKinney-Vento requirements.

New Americans in Schools (CalNAS). The budget appropriates $100 million one-time Proposition 98 General Fund for the new California New Americans in Schools (CalNAS) program.

Dream Resource Center Grants. The budget appropriates $75 million one-time Proposition 98 General Fund for the Dream Resource Center Grant Program.

K-12 Mandates Block Grant. The budget includes the mandate to provide menstrual products at local educational agencies in the K-12 Mandates Block Grant.

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 School for the Deaf-Fremont Capital Outlay. The budget appropriates $14.7 million General Fund for perimeter security fencing around the California School for the Deaf in Fremont.

EARLY EDUCATION

Universal Preschool Planning Grant Program. The budget appropriates $50 million one-time Proposition 98 General Fund for the Universal Preschool Planning Grant Program.

Universal Pre-Kindergarten Planning and Implementation Grants Extension. The budget appropriates $200 million one-time Proposition 98 General Fund for the Universal PreKindergarten Planning and Implementation Grants.

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:

- Streamlines eligibility for children enrolling in California State Preschool programs in order to help contractors maximize contracts.
- Makes children of local educational agency employees eligible for State Preschool programs.
- Increases the number of professional development days for State Preschool staff training from two days to five days.
- Makes technical changes to the cost-of-living adjustment and Cost of Care Plus payment calculation.
- Prescribes how reimbursement rates are set under the single rate structure.
- Extends the certification period for no less than 24 months when a family member transfers to another California State Preschool Program or when a child is voluntarily disenrolled for any period of time during eligibility, with correlating adjustments for the Department of Education to update management bulletins and regulations.
- Includes medical and educational appointments as excused absences in the California State Preschool Program.
- Allows a contractor to claim attendance for days the child is not in attendance during a suspension or expulsion appeal process, and specifies that a family receiving child protective services may be exempt from family fees for up to one certification period.
- Beginning on January 1, 2027, the 2026 Budget Act requires California State Preschool Program contractors to reimburse providers for the full amount of the certificate or voucher without deducting family fees and requires providers to collect family fees.
- Appropriates $20 million for the California State Preschool Program Quality Rating and Improvement System.

OTHER CHANGES

Save the Children. The budget appropriates one-time $5 million General Fund for Save the Children to support after school programs in rural areas.

Inglewood Unified School District. The budget includes one-time $400,000 Proposition 98 General Fund to support Inglewood Unified School District.

Curriculum-Embedded Performance Tasks for Science. The budget appropriates ongoing $890,000 Proposition 98 General Fund for Los Angeles County Office of Education to support curriculum-embedded performance tasks that are aligned with Next Generation Science Standards.

Californians Together. The budget includes an ongoing $600,000 Proposition 98 General Fund for Californians Together, an online repository of educational curricula.

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.

6350 SCHOOL FACILITIES AID PROGRAM

The budget authorizes the State Allocation Board to withhold new funding approvals from school districts that default, or are projected to default, with any requirements of facility construction programs under its authority.

6360 CALIFORNIA COMMISSION ON TEACHER CREDENTIALING (CTC)

Student Teacher Stipend Program. The budget includes an additional $408 million one-time Proposition 98 General Fund to extend the Student Teacher Stipend program, and expands the program for high-need fields and priority schools. Prior investments to this program include $300 million one-time Proposition 98 General Fund, bringing the total investment to $708 million.

National Board of Professional Teaching Standards Certification Incentive Program. The budget makes additional changes under the National Board for Professional Teaching Standards Certification Incentive Program that teachers may apply for all aspects of the grant program and apply for the maintenance of certification award multiple times.

Teacher Supply Report. Clarifies and facilitates improved data sharing and specifies data that is to be included in the annual Teacher Supply Report.

Credentialing Fees. The budget increases the fee for a renewal of a teaching credential and a service clear credential to $125 every five years.

Teacher Candidate Transcript Review Platform. The budget directs the Commission of Teacher Credentialing to develop and implement a platform that will allow the Commission to conduct transcript review for candidates to establish subject matter competency, and includes $5 million one-time General Fund for this purpose.

Subject Matter Competency. The budget includes statutory changes that update degree majors that would establish subject matter competence, and requires subject matter examinations when candidates' degree majors or completed coursework do not establish subject matter competence.

Technical Assistance Center for Teacher Residency Grants and the National Board for Professional Teaching Standards Certification Incentive Program. The budget provides one-time $30 million Proposition 98 General Fund for a technical assistance center supporting Teacher Residency Grant and National Board for Professional Teaching Standards Certification Incentive Programs.

Computer Science Supplementary Authorization Incentive Grant Program. The budget makes clarifying changes to the Computer Science Supplementary Authorization Incentive Grant Program to increase subscription to the program.

Bilingual Teaching Pathways Program. The budget appropriates $10 million one-time Proposition 98 General Fund for the Bilingual Teaching Pathways Program.

Classified School Employee Teacher Grant Program. The budget appropriates $10 million one-time Proposition 98 General Fund for the Classified Employee Teacher Grant Program.

Teacher Residency Grant Program. The budget appropriates $250 million one-time Proposition 98 General Fund for the Teacher Residency Grant Program.

K-12 Education Budget Trailer Bills

1. *K-12 Education Finance – Assembly Bill 126 (Committee on Budget), Chapter 65, Statutes of 2026.*

2. *Early Care and Education – Assembly Bill 150 (Committee on Budget), Chapter 25, Statutes of 2026.*

3. *K-12 Education Finance – Senate Bill 133 (Committee on Budget and Fiscal Review), Chapter 250, Statutes of 2026.*

4. *Early Care and Education – Assembly Bill 190 (Committee on Budget), Chapter 257, Statutes of 2026.*

HIGHER EDUCATION

1111 BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

General Fund Backfill for Legal Costs. The budget includes $10 million one-time General Fund used to repay the High Polluter Repair or Removal Account loan in full in the current year. This would effectively shift the litigation costs covered by that loan to the General Fund.

6120 CALIFORNIA STATE LIBRARY

Increased Building Rental Expenses for Library and Courts I and II. The budget includes $1.1 million ongoing General Fund related to increased building rental expenses at the California State Library.

Local Library Infrastructure Grants and Community Development Support Liquidation Extension. The budget reappropriates up to $94.3 million in unspent funds and extends the encumbrance and expenditure period to June 30, 2030, for the same purpose.

Career Online High School. The budget includes $5 million one-time General Fund to support Career Online High School.

6440 UNIVERSITY OF CALIFORNIA (UC)

Base Funding Adjustment – Fifth-Year Compact Payment. The budget includes $254.3 million ongoing General Fund, representing a five percent base increase for the fifth and final year payment of the Compact.

Base Funding Adjustment – Partial Fourth-Year Compact Payment. The budget includes $96.3 million ongoing General Fund to partially fund the fourth-year Compact payment as scheduled in the 2025 Budget Act.

Compact Funding Deferral – Fourth-Year Compact Payment. The budget maintains a $240.8 million one-time General Fund deferral of the 2025-26 Compact payment, representing a five percent base increase in the fourth-year of the Compact, to 2027-28.

Extends One-Time Base Deferral. The budget extends the deferral of a $129.7 million one-time General Fund repayment of a one-time three percent base decrease included in the 2025 Budget Act from 2026-27 to 2027-28. To mitigate the impacts of this delay, the budget provides UC with the authority for a cash flow loan in 2026-27, which will allow UC to repay and retire its existing 2025-26 cash flow loan.

Nonresident Student Replacement Deferral. The budget maintains a planned $31 million one-time General Fund deferral to offset revenue reductions associated with the replacement of the 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students from 2025-26 to 2027-28.

Nonresident Student Replacement Provisional Language. The budget includes provisional language clarifying the annual target of replacing 902 nonresident undergraduate students with resident undergraduate students is a total target of 4,510 students across the five years of the Compact. Additionally, the budget includes provisional language authorizing the Director of the Department of Finance to proportionally reduce funding if the UC falls short of the enrollment swap target.

Resident Undergraduate Growth Target. Includes provisional language maintaining the resident undergraduate growth target of 2,968 full-time equivalent students (FTES), for a total target of 212,503 FTES at the UC.

Voting Rights Program. The budget includes $6.5 million one-time General Fund to the UC Office of the President to support voting rights programs at the UC.

ENLACE. The budget includes $750,000 one-time General Fund to support the ENLACE program at the UC.

UC Menopause Center for Excellence. The budget includes $3.4 million one-time General Fund to the UC Menopause Center for Excellence to support an awareness campaign.

UCLA Center for Reproductive Health, Law, and Policy. The budget includes $5 million one-time General Fund to support the UCLA Center for Reproductive Health, Law, and Policy.

PRIME Rx. The budget includes $3.6 million one-time General Fund to support Prime Rx at UC San Diego.

Research Funding and Reappropriations. The budget includes a reappropriation of $32 million General Fund for the same research-related purposes. This includes:

- $13 million for Jordan Syndrome Research
- $10 million for the California Institutes for Science and Innovation
- $1 million for the California Institute on Law, Neuroscience, and Technology

ACCESS Optometry Program. The budget includes $1.8 million one-time General Fund to support the ACCESS Optometry program at UC Berkeley.

Workforce Development at UC San Diego. The budget includes $3 million one-time General Fund to support a workforce development program at UC San Diego.

UC/CSU Collaborative for Neuroscience, Diversity and Learning. The budget includes $7.5 million one-time General Fund for the UC/CSU Collaborative for Neuroscience, Diversity and Learning.

Central Coast PRIME. The budget includes $3.3 million one-time General Fund to support the UC Central Coast PRIME program.

UC Berkeley Institute of Governmental Studies Local Digitization Project. The budget includes $1.4 million one-time General Fund to support the UC Berkeley Institute of Governmental Studies Local Digitization Project.

AAPI Data Research. The budget includes $750,000 one-time General Fund for UC Berkeley to support AAPI Data Research at UC Berkeley.

UCLA CalFresh Enrollment Accelerator. The budget includes $200,000 one-time General Fund to support the UCLA Bruin One Access as a State-CalFresh Enrollment Accelerator.

UC Climate Change Research Institute. The budget includes $15 million one-time General Fund to support the UC Climate Change Research Institute.

UC Degree Plus. The budget includes $5 million one-time General Fund to support UC Degree Plus.

UC Malignancies Consortium. The budget includes $3 million one-time General Fund to support the University of California Malignancies Consortium.

UC Innovative Genomics Institute. The budget includes $25 million one-time General Fund to the Innovative Genomics Institute at the University of California, of which $20 million is to support breast cancer research of which $5 million is to support agriculture and entrepreneurship activities at the Institute.

UC San Diego Business and Data Science Program. The budget includes $2.2 million one-time General Fund to support the University of California, San Diego Business and Data Science Program.

UCLA Office of the Chancellor. The budget includes $2.5 million one-time General Fund to support the University of California, Los Angeles Office of the Chancellor.

Firefighter Cancer Research. The budget includes $10 million one-time General Fund to support firefighter cancer research at the University of California.

Student Basic Needs, Housing, and Disability Services. The budget includes $20 million one-time General Fund to support Student Basic Needs, Housing, and Disability Services.

UC Berkeley Journalism Fellowship Program. The budget includes $15 million one-time General Fund to support the UC Berkeley Journalism Fellowship Program.

Cal-Bridge. The budget includes $9 million one-time General Fund to support the Cal-Bridge Program.

First Star Academy Youth Cohorts. The budget includes $1.5 million to support First Star Academy Youth Cohorts at UC campuses.

Cradle-to-Career (C2C) Data System Memorandum of Understanding (MOU). The budget includes trailer bill language that request that the UC enter into an MOU with C2C for data sharing purposes.

Umbilical Cord Blood Collection Program. The budget includes trailer bill language that extends the authority for the Umbilical Cord Blood Collection Program to January 1, 2032.

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

Campus Safety and Security Resources. The budget includes $1 million ongoing General Fund to support campus public safety and security programs.

6610 CALIFORNIA STATE UNIVERSITY (CSU)

Base Funding Adjustment – Fifth Year Compact Payment. The budget includes $264.8 million ongoing General Fund, representing a five percent base increase for the fifth and final year payment of the Compact.

Base Funding Adjustment – Partial Fourth Year Compact Payment. The budget includes $100.9 million ongoing General Fund to partially fund the fourth-year Compact payment as scheduled in the 2025 Budget Act.

Compact Funding Deferral – Fourth Year Compact Payment. The budget maintains a $252.3 million one-time General Fund deferral of the 2025-26 Compact payment, representing a five percent base increase in the fourth-year of the Compact, to 2027-28.

Extends One-Time Base Deferral. The budget extends the deferral of a $143.8 million one-time General Fund repayment of a one-time three percent base decrease included in the 2025 Budget Act from 2026-27 to 2027-28. To mitigate the impacts of this delay, the Budget provides CSU with the authority for a cash flow loan in 2026-27, which will allow CSU to repay and retire its existing 2025-26 cash flow loan.

California-Mexican Initiative for New Opportunities (CAMINO) Program. The budget includes $5.4 million one-time General Fund for the CAMINO Program, which facilitates student and faculty exchanges and other partnerships between California and Mexico.

Resident Undergraduate Growth Target. The budget includes provisional language that sets an enrollment target for the CSU to increase resident undergraduate enrollment by an additional 10,161 FTES in 2026-27 for total resident undergraduate enrollment of 360,160 FTES at the CSU.

Turnaround Plan Progress Reporting. The budget includes provisional language to require annual reporting by the CSU Chancellor's Office on progress made by campuses on implementation of turnaround plans. Additionally, specifies turnaround plans are valid for five years and requires any additional campuses that experience enrollment challenges to develop and report on turnaround plans.

Annual Enrollment Target Reporting. The budget includes trailer bill language that requires the California State University Chancellor's Office to develop annual enrollment targets and report them to the Legislature and Department of Finance, among other conforming changes.

CSU Retiree Health Benefits Cost Increase. The budget includes $60 million ongoing General Fund to address adjustments to CSU retiree health benefits costs.

6870 CALIFORNIA COMMUNITY COLLEGES (CCC)

TK-12/CCC Proposition 98 Funding Split. Beginning in 2026-27, adjusts the Proposition 98 split funding between TK-12 and the California Community Colleges (CCC) to 88.9 percent for TK-12 and 11.1 percent for CCC. This includes an additional $217.7 million Proposition 98 General Fund to CCC in 2026-27 through the adjusted split percentages. This will address a structural deficit that was inadvertently created for CCC when the 2025 Budget Act shifted TK costs outside of the split.

Payment of 2025 Budget Act Deferrals. The budget includes $408.4 million one-time Proposition 98 General Fund to fully repay deferrals for the Student Centered Funding Formula (SCFF).

SCFF Cost-of-Living Adjustment (COLA) & Paid Pregnancy Disability Leave. The budget includes $440.5 million ongoing Proposition 98 General Fund to support a 4.31 percent COLA, of which 1.44 percent is discretionary. The budget also includes $13.3 million ongoing Proposition 98 General Fund to adjust hold harmless funding levels by 1.44 percent. This discretionary COLA is available to support any costs related to providing all employees with up to 14 weeks of paid pregnancy disability leave beginning January 2027.

Paid Pregnancy Disability Leave - CCC. The budget includes trailer bill language that requires community colleges districts to provide employees with up to 14 weeks of paid pregnancy disability leave benefits, among other conforming changes.

SCFF Base Adjustment. The budget includes $141 million one-time Proposition 98 General Fund to fully fund the SCFF in 2025-26.

SCFF Growth Adjustment. The budget includes $97.8 million ongoing Proposition 98 General Fund to fund 1.5 percent enrollment growth in the SCFF in 2026-27. The budget also includes $55.3 million ongoing Proposition 98 General Fund to fund an additional one percent enrollment growth in 2025-26. The net effect of these two enrollment growth investments support a combined growth percentage of 2.5 percent in 2026-27.

SCFF Calculation: Use of Current Year Full-Time Equivalent Students. The budget includes $47.7 million ongoing Proposition 98 General Fund to allow the greater of the three-year rolling average or the current year full-time equivalent students to be incorporated into SCFF apportionment calculations.

Community College Facilities. The budget includes $736.9 million one-time Proposition 2 bond funds to finance 10 new projects and 29 continuing projects at the community colleges.

Local Property Tax Adjustments. The budget includes $120.6 million ongoing Proposition 98 General Fund as a result of decreasing offsetting local property tax revenues.

Student Support Block Grant. The budget includes $147.2 million one-time Proposition 98 General Fund for a flexible Student Support Block Grant for the community college system.

Deferred Maintenance. The budget includes $120.7 million one-time Proposition 98 General Fund to address deferred maintenance needs.

Dreamer Resource Grant Program. The budget includes $71.1 million one-time Proposition 98 General Fund for community colleges to support Dreamer Resource Centers.

Calbright College. The budget includes $53.1 million ongoing Proposition 98 General Fund to support Calbright College base operations as it transitions out of its startup capacity. The budget also includes trailer bill language that requires the California Community Colleges Chancellor's Office to develop recommendations related to enrollment in competency-based education programs and alternate funding models, in relation to Calbright College, among other changes.

Common Cloud Data Platform. The budget includes $41 million Proposition 98 General Fund, of which $5 million is ongoing, for further scaling of the Common Cloud Data Platform across the community college system. The budget also includes trailer bill language that requires the California Community College Chancellor's Office to establish the Common Cloud Data Platform to create a unified, modern data infrastructure to enhance statewide reporting, data sharing, and available analytical tools across participating community college districts and the Chancellor's Office, among other conforming changes.

Credit for Prior Learning. The budget includes $37 million Proposition 98 General Fund, of which $2 million is ongoing, to support and build upon the Credit for Prior Learning Initiative. The budget also includes trailer bill language that requires the California Community College Chancellor's Office to establish the Credit for Prior Learning Initiative as a systemwide initiative to award credit for prior learning opportunities at community colleges, among other conforming changes.

Categorical Programs COLA. The budget includes $36.9 million ongoing Proposition 98 General Fund to provide a 2.87 percent COLA to select categorical programs and the Adult Education Program.

California Indian Nations College. The budget includes $42.6 million one-time Proposition 98 General Fund available over three years to support the California Indian Nations College.

Student Equity and Achievement Program. The budget includes $30.1 million ongoing Proposition 98 General Fund for the Student Equity and Achievement Program.

LGBTQ+ Resource Centers. The budget includes $30 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers.

Strong Workforce Program. The budget includes $15.8 million one-time Proposition 98 General Fund to support the Strong Workforce Program.

Future of Creative Industries Pilot Project. The budget includes $15 million one-time Proposition 98 General Fund to support the Future of Creative Industries Pilot Project.

California Healthy School Food Pathways Program. The budget includes $14.3 million ongoing Proposition 98 General Fund to support the California Healthy School Food Pathway program, which strengthens the school food service workforce through apprenticeship and training programs.

California Early College Demonstration Initiative. The budget includes $10 million one-time Proposition 98 General Fund to establish and support the California Early College Demonstration

Initiative. This initiative is a regional pilot focused on developing partnerships between local educational agencies and community college districts to expand and sustain equitable dual enrollment and early college opportunities.

Financial Aid Administration Support. The budget includes $10 million one-time Proposition 98 General Fund for Community College Financial Aid Administration Offices.

Adult Learner Demonstration Project. The budget includes $9.7 million one-time Proposition 98 General Fund, available for use over three years, to support the Adult Learner Demonstration Project. This program provides comprehensive services to assist low-income adult workers to move into stable and higher-paying jobs.

College Family Resource Centers. The budget includes $5 million one-time Proposition 98 General Fund to support the Pierce College Family Resource Center.

Southwestern Community College Pharmacy Tech and UCSD Transfer Pathways. The budget includes $3 million one-time Proposition 98 General Fund to support the Southwestern Community College Pharmacy Tech and UCSD Transfer Pathways Program.

Cal-Bridge First Academic Scholar Training Program. The budget includes $1.2 million one-time Proposition 98 General Fund to support the Cal-Bridge First Academic Scholar Training Program.

Apprenticeship Related and Supplemental Instruction (RSI) Costs Backfill. The budget includes $16 million one-time Proposition 98 General Fund to backfill apprentice RSI costs in 2024-25 and 2025-26.

Chancellor's Office Positions for Increased Capacity. The budget includes $614,000 Proposition 98 General Fund to support four additional positions at the Chancellor's Office related to legal counsel.

Tuition Exemptions Allocation. The budget includes trailer bill language that requires the governing boards of community colleges that provide tuition exemptions for students related to nonresident students living along the California-Mexico border to jointly plan how to distribute the authorized 1,350 FTES for these purposes, among other conforming changes.

Part-Time Faculty Health Insurance Program – Dental and Vision Benefits. The budget includes trailer bill language that authorizes the reimbursement of dental and vision benefits under the Part-Time Faculty Health Insurance Program.

Higher Education Student Housing Grant Program – CCC. The budget includes trailer bill language that authorizes an additional round of student housing projects for the California Community Colleges, among other conforming changes.

6980 CALIFORNIA STUDENT AID COMMISSION

Cal Grant Program Caseload Adjustments. The budget includes an estimate of Cal Grant expenditures of approximately $2.5 billion in 2024-25, $2.9 billion in 2025-26, and $3.2 billion in 2026-27 based on the latest estimates of enrollment of Cal Grant-eligible students. These estimates reflect an increase of $4.8 million one-time General Fund in 2025-26 and $31.5 million ongoing General Fund in 2026-27.

Middle Class Scholarship Program (MCS). The budget includes $41 million one-time General Fund for the remaining payment to support the 2025-26 MCS awards, which reimburses up to 35 percent of a student's remaining financial need as authorized in the 2025 Budget Act. This brings the total General Fund cost for 2025-26 MCS awards to $959 million. The budget also increases the 2026-27 MCS award coverage amount from 17.5 percent to 23 percent of a student's remaining financial need. As MCS awards are paid in arrears, the budget includes $166.9 million one-time General Fund to pay for the higher award coverage percentage in 2027-28.

Cal Grant Transfer Entitlement Program. The budget includes a total of $100.6 million in one-time General Fund over five years to expand the state Cal Grant Transfer Entitlement program to students aged 29 to 30 for new and renewal awards for five years. As awards are paid one-year in arrears, the total amount provided is allocated as follows:

- $13.5 million for 2027-28, $22.2 million in 2028-29, $23.5 million in 2029-30, $25 million in 2030-31, and $26.5 million in 2031-32.

Golden State Teacher Grant (GSTG) Program. The budget includes $16.2 million in ongoing federal special education (IDEA) funds for grant awards to prospective special education teachers of up to $20,000. The budget also provides $1.6 million one-time federal Title II funds for 2026-27 grant awards and $10 million one-time General Fund for 2027-28 grant awards of up to $10,000 to prospective teachers in high-need fields of study.

Workforce Pell Grant Program Implementation. The budget includes $644,000 one-time General Fund to support Commission implementation activities to enable California to participate in the new federal Workforce Pell Grant Program as authorized under the House of Representatives (H.R.) 1 of 2025. The budget also includes trailer bill language related to implementation of the federal Workforce Pell Grant Program, including alignment of the Cal Grant C program and other conforming changes.

California Student Opportunity and Access Program (Cal-SOAP) & Regional Outreach. The budget includes $2 million one-time General Fund to support regional financial aid application outreach and support, including support for Cal-SOAP.

Middle Class Scholarship Program – Foster Youth. The budget includes trailer bill language to maintain full MCS awards for former foster youth students that receive additional aid during the academic year.

Department Vacancy Savings and Position Elimination Reductions. The budget includes an ongoing reduction of $164,000 and 0.5 position in 2025-26 related to the position sweep under Control Section 4.12 of the 2024-25 Budget Act.

Public Interest Attorney Loan Repayment Program. The budget includes trailer bill language that clarifies that loan repayments can also be made to the participant of the Public Interest Attorney Loan Repayment program, among other conforming changes.

ADDITIONAL TRAILER BILL LANGUAGE

Student Housing Data Collection & Higher Education Student Housing Grant Program. The budget includes trailer bill language to require that annual reports related to student housing data collection be released with the annual reports on the Higher Education Student Housing Grant Program for the UC, CSU and CCC.

Basic Needs, Mental Health, and Rapid Rehousing. The budget includes trailer bill language that codifies existing reporting requirements from budget bill language, changes the frequency of reports from annual to biennial, and consolidates the existing reports.

Title IX Reporting. The budget includes trailer bill language that clarifies that representatives of UC, CSU, and CCC leadership are authorized to report on Title IX activities during legislative budget committee hearings.

California Early College Demonstration Initiative. The budget includes trailer bill language that establishes the California Early College Demonstration Initiative related to dual enrollment.

Higher Education Budget and Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026– Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*
3. *Budget Acts of 2026– Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*
4. *Higher Education Trailer Bill – Senate Bill 135, Chapter 79, Statutes of 2026.*
5. *Higher Education Trailer Bill – Senate Bill 167, Chapter 251, Statutes of 2026.*

SUBCOMMITTEE 2
ON
NATURAL RESOURCES, ENVIRONMENTAL PROTECTION, AND ENERGY

Senate Committee on Budget and Fiscal Review

Members
Eloise Gomez Reyes, Chair
Catherine Blakespear
Steven Choi
Jerry McNerney

Consultants
Eunice Roh
Joanne Roy

SUBCOMMITTEE NO. 2

NATURAL RESOURCES, ENVIRONMENTAL PROTECTION and ENERGY

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Environmental Protection

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3960 Department of Toxic Substances Control 2-49
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Energy, Air Quality, and Utilities

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3900 State Air Resources Board 2-57
8660 California Public Utilities Commission 2-58
Various Department 2-60

NATURAL RESOURCES

VARIOUS DEPARTMENTS

Proposition 4 2026-27 Spending Plan. The budget includes a total of $2.66 billion from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4), as follows:

Proposition 4 Chapter	Total Bond Chapter Allocation (in thousands)	2026-27 Appropriations (in thousands)
Safe Drinking Water, Drought, Flood, & Water Resilience	$3,800,000	$1,051,444
Wildfire & Forest Resilience	$1,500,000	$329,536
Coastal Resilience	$1,200,000	$204,173
Extreme Heat Mitigation	$450,000	$245,934
Biodiversity & Nature-Based Climate Solutions	$1,200,000	$288,371
Climate Smart Agriculture	$300,000	$103,591
Park Creation & Outdoor Access	$700,000	$103,829
Clean Air & Energy	$850,000	$335,560
Total	**$10,000,000**	**$2,662,438**

More specifically, the budget provides the following:

CHAPTER 2. Safe Drinking Water, Drought, Flood, and Water Resilience

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
91011(a)	State Water Resources Control Board (SWRCB)	Water Quality and Clean, Safe Reliable Drinking Water	$265,667	Includes: - $100 million for Safe and Affordable Funding for Equity and Resilience (SAFER) - $5 million for Hexavalent Chromium treatment in groundwater wells in the City of Los Banos - $500,000 for removal of Chromium 6 contaminants in the City of Dixon
91011(a)(8)(B)	SWRCB	Tribal Water Infrastructure	$12,870	
91012(a)	Department of Water Resources (DWR)	Groundwater Storage/Banking/Recharge and Instream Flow	$77,500	Includes: - $50 million for direct investments in regional watershed and drought resilience projects (separate from the primary funding stream for Sustainable Groundwater Management Act (SGMA) implementation) - $8 million for local grants for small farmer assistance to comply with SGMA
91013	Department of Conservation (DOC)	Multibenefit Land Repurposing Program for Groundwater Sustainability Projects	$64,900	
91014	SWRCB	Water Reuse and Recycling	$103,400	Includes: $25 million for the East County Advanced Water Purification and Wastewater Treatment Project
91016	DWR	Brackish Desalination, Contaminant, and Salt Removal, and Salinity Management Projects	$600	
91017	DWR	Improve Water Data Management and Reactivate Existing and Deploy New Gages	$500	
91017	SWRCB	Improve Water Data Management and Reactivate Existing and Deploy New Gages	$700	

91018	DWR & California Natural Resources Agency (CNRA)	Regional Conveyance Projects or Repairs to Existing Conveyances	$68,798	Includes: Provisional language specifying $45 million is to address subsidence for State Water Project Canals
91019	DWR	Increase Water Conservation in Agricultural and Urban Areas	$1,265	
91021(a)	DWR	Flood Management Projects: Sacramento-San Joaquin Delta	$75,600	Includes: Provisional language for Delta Levees Repair of State Water Project - Special Projects Program and Flood Control Subventions Program
91021(b)	DWR	Flood Management Projects: Flood Control Subventions Program	$24,400	
91021(c)	DWR	Flood Management Projects: State Plan of Flood Control Projects	$147,625	
91022	DWR	Dam Safety and Climate Resilience	$14,083	Includes: $12 million for competitive grants
91023	SWRCB	Multibenefit Urban Stormwater Management Projects	$49,150	Includes: - $3.5 million to Mount St. Mary's University for stormwater management - $250,000 to Mount St. Mary's University to address stormwater issues - $5 million to the City of Rancho Palos Verdes for Greater Portuguese Bend deep dewatering wells winterization and stormwater intrusion improvements - $1 million to the City of Santa Monica for the Pico-Kenter Stormwater Outfall Improvement Project
91031	DWR	Integrated Regional Water Management	$1,500	
91032(a)	San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC)	Climate Resiliency or Protection of the LA River Watershed	$10,500	
91032(b)	Santa Monica Mountains Conservancy (SMMC)	Climate Resiliency or Protection of the LA River Watershed and Upper LA River and Tributaries	$6,400	

91032(c)	DWR	Riverine Stewardship Projects that Improve Climate Resiliency (WC 7049)	$4,815	
91032(d)	State Coastal Conservancy (SCC)	Santa Ana River Conservancy	$194	
91032(e)	DWR	Urban Streams Restoration Program	$11,875	Includes: $950,000 to the City of Martinez for the Lower Alhambra Creek Watershed Project
91032(f)	CNRA	Wildlife Refuges and Wetland Habitat Areas	$23,350	
91032(h)	SCC	Coyote Valley Conservation Program	$14,444	
91032(i)	SCC	West Coyote Hills Program	$23,256	
91032(j)	SWRCB	Cross-Border Rivers and Coastal Waters (Tijuana & New River)	$675	
91032(k)	CNRA	Clear Lake Watershed	$16,880	Includes: $1.4 million is for the UC Davis Tahoe Environmental Research Center to be used for its hypolimnetic oxygenation pilot project in the Oaks Arm of Clear Lake
91033(a)	DWR, CNRA & California Department of Fish & Wildlife (CDFW)	Salton Sea Management Program	$3,143	
91033(b)	Salton Sea Conservancy	Salton Sea Conservancy	$3,224	
91040(a)	WCB	Stream Flow Enhancement Program	$20,500	Includes: $10 million for competitive grants
91040(b)	CDFW-Wildlife Conservation Board (WCB)	Habitat Enhancement and Restoration Program	$39,125	Fully appropriates the remaining balance available for projects related to Salmon Monitoring, Parental-Based Tagging, and Cohort Reconstruction Program
91040(b)	WCB	Habitat Enhancement and Restoration Program		
91045	CNRA	Nature, Climate Education & Research Facilities Grants	$3,630	Includes: $1.8 million to Discovery Cube for the Coastal Stewardship Educational Exhibit. $1.7 million to Discovery Cube for the Lysanne Ray Kelp Farming Aquarium & Exhibit in Santa Ana
Total			**$1,051,444**	

Chapter 3. Wildfire and Forest Resilience

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
91510	(Office of Emergency Services (OES)	Wildfire Mitigation Grant Program	$26,050	Includes: $25 million for a statewide community wildfire mitigation program pursuant to Public Resources Code (PRC) Section 91510.
91520(a)	DOC	Regional Forest and Fire Capacity Program	$60,500	
91520(b)	Department of Forestry and Fire Protection (CalFire)	Regional Projects	$38,847	
91520(b)	SNC	Regional Projects	$250	
91520(c)	CalFire	Forest Health Program	$36,499	Includes: $2.5 million for the Tribal Wildfire Resilience Program
91520(d)	CalFire	Local Fire Prevention Grants	$63,671	Includes: $5.7 million to Napa County for Conn Valley and Lake Hennessey Strategic Fuel Break, including 949-acre wildfire mitigation project protecting Lake Hennessey municipal water supply.
91520(e)	CalFire	Fire Training Center	$5,000	
91520(f)	Department of Parks and Recreation (State Parks)	Forest Health and Watershed Improvement Projects	$33,000	
91520(g)	CalFire	Fuel Reduction, Structure Hardening, Create Defensible Space, Reforestation, or Targeted Acquisitions to Improve Forest Health and Fire Resilience	$19,625	
91520(h)	Sierra Nevada Conservancy (SNC)	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$41	
91520(i)	Tahoe Conservancy	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$150	

91520(j)	SMMC	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$400	
91520(k)	SCC	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$261	
91520(l)	RMC	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$400	
91520(m)	San Diego River Conservancy (SDRC)	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$200	
91520(n)	Wildfire Conservancy (CalFire)	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$200	
91520(o)	California Fire Foundation (CalFire)	Watershed Improvement, Forest Health, Biomass Utilization, Chaparral and Forest Restoration, and Workforce Development	$200	
91530	DOC	Long-term Capital Infrastructure to use Forest and Other Vegetative Waste Removed for Wildfire Mitigation for Noncombustible Uses	$15,407	
91535	CalFire	Fire Ignition Detection Technology	$1,550	Directs the remaining $1.55 million to San Bernardino County for next-generation aerial firefighting. This amount is being amended into the 2025 Budget Act and combined with an existing $1.25 million that will also be repurposed for this use, providing a total of $2.8 million.
91540	CalFire	Reduce wildfire risk related to electricity transmission	$15,243	
91545(a)	California Conservation Corps (CCC)	Demonstrated Jobs Projects	$11,642	
Total			**$329,536**	

Chapter 4. Coastal Resilience

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
92010(a)	SCC	Coastal Resilience	$83,057	Includes: $30.8 million for competitive grants and $50 million for Golden Gate Fields
92010(b)	SCC	SF Bay Restoration Authority Act/SF Bay Conservancy Program	10661	Includes: $10 million for Golden Gate Fields
92015	SCC	Coastal and Combined Flood Management Projects and Activities for Developed Shoreline Areas	$2,224	
92020	Ocean Protection Council (OPC)	Increase Ocean & Coastal Resilience to Impacts of Climate Change	$36,700	Includes: - $15 million to the City of Redondo Beach for a new facility for the Marine Mammal Care Center Los Angeles - $6.5 million to UC Office of the President for UC San Diego Scripps Institute marine research vessel
92030	OPC	Sea Level Rise Mitigation and Adaptation (SB 1)	$25,500	
92040	State Parks	Sea Level Rise Adaptation Strategy	$250	
92050	WCB	Protect and Restore Island Ecosystems, Advance Climate-ready Fisheries Management and Support the Restoration and Management of Kelp Ecosystems	$10,600	Includes: $10 million to WCB for island resilience and restoration
92050	CDFW	Protect and Restore Island Ecosystems, Advance Climate-ready Fisheries Management and Support the Restoration and Management of Kelp Ecosystems	$0	Includes: $39.1 million in Section 91040(b) for projects for a Salmon Monitoring, Parental-Based Tagging, and Cohort Reconstruction Program
92050	OPC	Protect and Restore Island Ecosystems, Advance Climate-ready Fisheries Management and Support the Restoration and Management of Kelp Ecosystems	$25,386	Includes: - $3 million for Kelp Ecosystems - $22 million for climate-ready fisheries
92060	SCC	Dam Removal and Related Water Infrastructure	$583	
92070	CDFW	Central Valley Chinook Salmon Hatcheries	$19,812	
Total			**$204,173**	

Chapter 5. Extreme Heat Mitigation

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
92510	Governor's Office of Land Use and Climate Innovation (LCI)	Extreme Heat and Community Resilience Program	$24,125	
92520	LCI	Transformative Climate Communities Program	$137,375	
92530	CNRA	Urban Greening Program	$700	
92540	CalFire	Urban Forests	$27,750	Includes: $5 million for local grants for tree planting in disadvantaged communities
92550	LCI	Community Resilience Centers	$55,284	
92560	California Department of Food and Agriculture (CDFA)	Fairground Upgrades	$700	
Total			**$245,934**	

Chapter 6. Biodiversity and Nature-Based Climate Solutions

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
93010	WCB	Protect and Enhance Fish and Wildlife Resources and Habitats and Achieve Biodiversity, Public Access, and Conservation Goals	$199,925	Includes: $110 million for competitive grants, $53 million for Golden Gate Fields, and $35.9 million for the following: - $150,000 for the San Diego Bird Alliance's (SDBA) Rose Creek Habitat Restoration - $1 million to the City of Los Angeles to acquire open space near the Flat Top Park - $1 million to the Santa Monica Mountains Conservancy to acquire the Elephant Hill parcel - $3 million for land acquisition of the Bowtie Parcel in Los Angeles - $3.5 million for the Tribal Nature Based Solutions Program - $500,000 to CCC for land acquisitions for the Youth Tribal Nature Based Solutions Conservation Corp - $3.6 million for the Arroyo Conservancy Land Purchase - $1.2 million for the Hansen Dam Biodiversity Improvements - $5 million for Tijuana River Valley habitat protection and restoration - $5 million to SMMC for the land acquisition of Sweetwater Mesa/Primrose - $3 million to SMMC for the land acquisition of Wayfinder property - $4 million to SCC for the Ballona Wetlands Restoration Project - $5 million to the Sacramento-San Joaquin Delta Conservancy for Jersey Island acquisition and remediation
93030	WCB	Improve Habitat Connectivity and Establish Wildlife Crossings and Corridors	$20,500	
93030	WCB	Establish the San Andreas Corridor Program	$20,000	
93050	WCB	Southern Ballona Creek Watershed	$1,835	
93020(a)(1)	Baldwin Hills Conservancy (BHC)	Climate Change Risk Reduction & Public Access	$400	
93020(a)(2)	Tahoe Conservancy	Climate Change Risk Reduction & Public Access	$3,550	
93020(a)(3)	Coachella Valley Mountains Conservancy (CVMC)	Climate Change Risk Reduction & Public Access	$2,300	

93020(a)(4)	Sacramento-San Joaquin Delta Conservancy (SSJDC)	Climate Change Risk Reduction & Public Access	$15,350	
93020(a)(5)	SDRC	Climate Change Risk Reduction & Public Access	$200	
93020(a)(6)	RMC	Climate Change Risk Reduction & Public Access	$11,450	
93020(a)(7)	San Joaquin River Conservancy (SJRC)	Climate Change Risk Reduction & Public Access	$5,227	
93020(a)(8)	SMMC	Climate Change Risk Reduction & Public Access	$7,400	
93020(a)(9)	SNC	Climate Change Risk Reduction & Public Access	$59	
93040	CNRA	Tribal Nature Based Solutions Program	$175	
Total			**$288,371**	

Chapter 7. Climate Smart Agriculture

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
93510(a)	CDFA	Healthy Soils	$25,873	
93510(b)	CDFA	State Water Efficiency & Enhancement Program (SWEEP)	$700	
93530	DOC	Protection, Restoration, Conservation and Enhancement of Farm and Range Lands	$150	
93540(a)	CDFA	Certified Mobile Farmers' Markets	$9,550	
93540(b)	CDFA	Year-round Certified Farmers' Markets	$9,550	
93540(c)	CDFA	Urban Agriculture Projects	$350	
93540(d)	CDFA	Regional Farm Equipment Sharing	$14,048	
93540(e)	CDFA	Tribal Food Sovereignty	$14,048	
93550	DOC	Improve Land Access and Tenure for Socially Disadvantaged Farmers or Ranchers or Tribal Producers	$4,975	Accompanying statutory language in SB 178 (Committee on Budget and Fiscal Review), Chapter 254, Statutes of 2026, which is based on AB 524 (Wilson, 2025)
93560	California Vanpool Authority (CalVans)	Deployment of Vanpool Vehicles, Clean Technologies and Infrastructure	$14,888	Appropriates the full amount authorized in the bond section, the appropriation will be in CNRA's budget

93580	Department of Community Services and Development (CSD)	Farmworker Housing Component of the Low-Income Weatherization Program	$9,459	Includes: Provisional language related to the Low-Income Weatherization Program (LIWP)
Total			**$103,591**	

Chapter 8. Park Creation and Outdoor Access

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
94010(a)	State Parks	Statewide Park Program	$1,900	
94020	CNRA & Depts (remainder)	Reduction of Climate Impacts on Disadvantaged Communities & Expansion of Outdoor Recreation	$17,000	Includes: $12 million for Golden Gate Fields and $5 million to the Port of Los Angeles for the Community Aquatic Center in San Pedro
94020	State Parks	Reduction of Climate Impacts on Disadvantaged Communities & Expansion of Outdoor Recreation	$32,691	Includes: - $4 million to the City of Concord for renovations and enhancements to Ellis Lake Park - $400,000 to the East Bay Regional Park District for the Stock Pond Restoration - $225,000 to the City of South El Monte for lighting and improvements to Shivley Park - $400,000 to the City of South El Monte for lighting and improvements to New Temple Park - $3 million to the City of South El Monte for a new park - $1.5 million to the City of Temple City for the creation of Sereno Park - $500,000 to the City of Cudahy for Clara Park Rehabilitation Project - $3 million to the Santa Ynez Valley Union High School District for the Santa Ynez Valley Community Aquatics Center - $10 million to Los Angeles County for the Rory M Shaw Wetlands Park Project - $1.2 million to the City of Upland for the construction of Bodenhamer Neighborhood Park and renovations to Cabrillo Park - $1.7 million to the City of Rancho Cucamonga for Bear Gulch Park safety enhancements - $900,000 to the City of Highland for Community Park Enhancement Project
94020	CDFW	Reduction of Climate Impacts on Disadvantaged Communities & Expansion of Outdoor Recreation	$21,555	Includes: $1.56 million to appropriate the remaining balance available for projects.

94030	CNRA & Depts	Enhancement of the Natural Resource Value of State Park System and Expanded Trail Access	$23,250	Includes: - CNRA, $10 million to the Santa Barbara County Land Trust for public access upgrades to Hartnell Ranch. - State Parks, $2 million for the City of Sacramento for the Two Rivers Trail Project at Sutter's Landing Park. - SMMC, $11.25 million for local assistance or support for the acquisition of Saddle Peak Springs.
94030	SCC	Enhancement of the Natural Resource Value of State Park System and Expanded Trail Access (Great Redwood Trail Agency)	$700	
94040	State Parks	Deferred Maintenance	$400	
94050	CNRA	Nature, Climate Education & Research Facilities Grants		Fully appropriates the remaining balance available for projects, as follows: - $2 million to the City of San Diego for the Fleet Science Center - $1 million to the City of Downey for the Columbia Memorial Space Center -$3.2 million to the UC for the UC Climate Center
Total			**$103,829**	

Chapter 9. Clean Air and Energy

Bond Section	Department	Program Name	2026-27 Appropriation ($ in thousands)	Notes
94520(a)	IBank	Public Financing of Clean Energy Transmission Projects	$355,563	
94530	California Energy Commission (CEC)	Distributed Electricity Backup Assets Program	$10,497	
94540	CEC	Development of Offshore Wind Generation	$2,500	
Total			**$335,560**	

Among other things, the Proposition 4 Spending Plan includes the following:

- ***Golden Gate Fields.*** Provides $125 million for the acquisition of Golden Gate Fields, a former horse racing track in the Cities of Albany and Berkeley, as follows:

    - $50 million from Coastal Resilience (PRC Section 92010(a))
    - $10 million from San Francisco Bay (PRC Section 92010(b))
    - $53 million from Fish and Wildlife Habitat (PRC Section 93010)
    - $12 million from Expanding Outdoor Recreation (PRC Section 94020)

- ***Control Section 15.04.*** Authorizes the Department of Finance to transfer a portion of a Proposition 4 appropriation from the state entity receiving the appropriation to another state entity for the following purposes:

    - To collaboratively fund projects at a landscape or multijurisdictional scale to provide multiple benefits consistent with PRC Section 90620; or
    - To avoid delays related to cashflow constraints resulting from reimbursements in arrears when a state entity awards or assigns funding pursuant to Proposition 4 to another state entity by instead providing the funding directly to the state entity receiving the award or assignment.

- ***Wetlands and Wildlife Refuges.*** Appropriates $23.2 million to CNRA for projects that improve conditions on wildlife refuges and wetland habitat areas. Section 91032(f) of the Climate Bond provides up to $25 million to CNRA for projects that improve conditions on wildlife refuges and wetland habitat areas.

- ***Office of Emergency Services.*** Increases Item 0690-008-6093 be increased by $1.03 million one-time and Item 0690-108-6093 be decreased by $1.03 million one-time to provide technical assistance funding for the Wildfire Mitigation Grant Program.

- ***CalFire.*** Adds Item 3540-491 to reappropriate Item 3540-107-6093 and Item 3540-108-6093 from the 2025 Budget Act, extending the encumbrance periods to June 30, 2027. The extension provides adequate time for CalFire to finalize contractual agreements with the Wildfire Conservancy and the California Fire Foundation, respectively.

- ***State Coastal Conservancy (SCC).*** Amends 3760-001-6093 to correct Schedule (1) to reflect the correct program name of "2790-Coastal Conservancy Programs."

- ***Santa Monica Mountains Conservancy (SMMC).*** Adds Item 3810-490 to reappropriate the unencumbered administrative support dollars in Item 3810-004-6093 and Item 3810-005-6093 from the 2025 Budget Act, until June 30, 2028, to support administration and management of corresponding Proposition 4 local assistance appropriations made in the 2025 Budget Act. This adjustment aligns the encumbrance period of administrative support dollars with the encumbrance period of the associated local assistance items.

- ***State Department of Education.*** Adds Item 6100-499 to revert Item 6100-001-6093 and Item 6100-101-6093, Budget Act of 2025; and adds Item 6100-001-6093 in the amount of $1.05

million onetime and Item 6100-101-6093 in the amount of $13.84 million one-time to provide additional time for the Department of Education to coordinate with the Department of Food and Agriculture on implementation of Proposition 4 funding for grants to post-secondary education institutions to develop research farms to improve climate resiliency. These adjustments align the encumbrance period of administrative support dollars with the encumbrance period of the associated local assistance item.

VARIOUS DEPARTMENTS

CNRA Bond and Technical Proposals. The budget makes various bond and technical changes.

Chaptered Legislation Proposals. The budget appropriates from the General Fund and special funds to implement legislation chaptered in 2025, as follows:

CNRA. AB 900 (Papan), Chapter 385, Statutes of 2025. *Environmental protection: 30x30 goals: land conservation: stewardship: reporting*. $1.21 million General Fund in 2026-27 and $963,000 in 2027-28. This bill required CNRA to update the 2027 Pathways to 30x30 Report to include recommendations to increase and improve stewardship of 30x30 lands, including innovative ways to reduce barriers and increase federal, state, and local support for science-based management and stewardship.

CEC. SB 237 (Grayson), Chapter 118, Statutes of 2025. *Oil spill prevention: gasoline specifications: suspension: California Environmental Quality Act (CEQA): exemptions: County of Kern: transportation fuels assessment: coastal resources.* $660,000 Energy Resources Programs Account one-time. This bill contained a number of provisions that seek to safely and responsibly increase in-state oil production (such as through testing of previously-idled pipelines, greater disclosure of financial assurances, and resolving ongoing litigation in favor of easier approval of drilling permits in Kern County), while also soliciting additional information to mitigate rising fuel costs (such as by relaxing California gasoline standards) and assess medium- to long-term strategies in line with recent work from CEC.

CEC. AB 368 (Ward), Chapter 145, Statutes of 2025. *Passive House Standards.* $342,000 Energy Resources Programs Account in 2026-27 and 2027-28. Energy: building standards: passive house standards. This bill required CEC to evaluate the cost-effectiveness of passive house building energy efficiency standards by climate zone and submit a report to the Legislature on its findings.

CEC. SB 767 (Richardson), Chapter 657, Statutes of 2025. *Crude Oil Reportable Pipelines.* $396,000 Energy Resources Programs Account in 2026-27 and 2027-28; and $205,000 in 2028-29 ongoing; and one position. Energy: transportation fuels: supply: reportable pipelines. This bill required oil pipeline operators to report specified information about pipeline flows to CEC, starting on March 30, 2027.

CDFW. SB 237 (Grayson), Chapter, Statues of 2025. *Oil spill prevention: gasoline specifications: suspension: CEQA: exemptions: County of Kern: transportation fuels assessment: coastal resources.* $125,000 Oil Spill Prevention and Administration Fund one-time. This bill contained several provisions regarding safely and responsibly increasing in-state oil production (such as through testing of previously idled pipelines, greater disclosure of financial assurances, and resolving ongoing litigation in favor of easier approval of drilling permits in Kern County), while also soliciting additional information to mitigate rising fuel costs (such as relaxing California gasoline standards) and assess medium- to long-term strategies in line with recent work from CEC.

Coastal Commission. SB 484 (Laird), Chapter 416, Statutes of 2025*. Coastal resources: coastal development permits: infill area categorical exclusion: Categorical Exclusions for Affordable Housing.* $220,000 General Fund in 2026-27 and 2027-28. This bill required the California Coastal Commission to identify coastal zone infill areas in three jurisdictions where the commission retains coastal development permitting authority for a 10-year categorical exclusion from that permitting requirement for residential housing projects comprised entirely of very low-, low-, and moderate-income housing units.

Coastal Commission. AB 462 (Lowenthal), Chapter 491 Statutes of 2025*. Land use: accessory dwelling units (ADUs): Permitting in the coastal zone*. $217,000 General Fund ongoing. This bill required coastal development permits for ADUs to be approved or denied within 60 days, waives prohibitions on issuing certificates of occupancy for ADUs on lots without a primary dwelling unit following a disaster, and eliminates the ability to appeal a coastal development permit for an ADU issued by a local government to the California Coastal Commission.

Parks. SB 586 (Jones), Chapter 588, Statutes of 2025*. Off-Highway Electric Motorcycles*. $200,000 one-time from the Off-Highway Vehicle Trust Fund. This bill classified "off-highway electric motorcycle" or "eMoto" as an off-highway motor vehicle (OHV) thereby requiring them to follow OHV rules, including displaying an identification plate or device issued by the Department of Motor Vehicles.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3480 DEPARTMENT OF CONSERVATION (DOC)
3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)
3720 CALIFORNIA COASTAL COMMISSION (Commission)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Joint Wildfire and Vegetation Management Streamlining. The budget includes $719,000 Timber Regulation and Forest Restoration Fund (TRFRF) and $1.8 million in reimbursement authority in 2026-27 and $710,000 TRFRF and $1.6 million in reimbursement authority in 2027-28 to SWRCB, DOC, CDFW, and the California Coastal Commission (Commission) to support the expedited review and implementation of vegetation management throughout California's forested ecosystems to reduce fire risk and build the state's resilience to wildfires. This action includes four positions at the Commission, two positions at DOC, and three positions at CDFW to support these activities on a temporary basis. Additionally, this action includes $250,000 TRFRF in 2026-27 and ongoing for Information Technology (IT) support to address application intake and vegetation treatment tracking needs. This action adds provisional language requiring CNRA (and relevant departments) to report back to the Legislature on outcomes of and lessons learned from the State of Emergency-expedited vegetation management process.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)
3860 DEPARTMENT OF WATER RESOURCES (DWR)

Salton Sea Habitat Restoration. The budget reverts $16.8 million Proposition 68, Section 80111(a), and provides a new appropriation of $16.2 million capital outlay to DWR and $600,000 to CNRA for an agreement with the Salton Sea Authority (SSA) for the North Lake Pilot Demonstration Project. This project is become a component of the adjacent North Lake Wetlands Project and protects public health by suppressing dust from exposed lakebed and restore habitat for fish and birds. The Administration

states that this project is also needed to comply with the state's restoration requirements under SWRCB Stipulated Order 2017-0134.

0540 CALIFORNIA NATURAL RESOURCES AGENCY (CNRA)

Lake Tahoe Clarity Management Tools. The budget appropriates $700,000 one-time in 2026-27 from the Lake Tahoe Science and Lake Improvement Account to support the Tahoe Science Advisory Council's (Council's) work to understand and improve Lake Tahoe's clarity in the face of changing climate conditions. CNRA intends to contract with the Council to use the resources to leverage recent research and monitoring and develop contemporary clarity prediction tools that reflect evolving ecological and climate conditions, and support management decisions at Lake Tahoe.

California Ocean Protection Trust Fund Authority Increase. The budget provides a one-time augmentation of $25 million for the Ocean Protection Council from the California Ocean Protection Trust Fund in 2026-27 to account for the increase in mitigation funds received by the state for the Once-Through Cooling Interim Mitigation Program.

Environmental Enhancement and Mitigation Program Fund Augmentation. The budget includes $8.84 million Environmental Enhancement and Mitigation Fund one-time, as well as associated provisional language, to provide additional support for Phase 2 of the Wallis Annenberg Wildlife Crossing project for estimated project completion by the end of the 2026 calendar year.

Museum of Tolerance. The budget increases Item 0540-101-0001 by $12 million one-time with provisional language authorizing an extended encumbrance period until June 30, 2028, to support the Museum of Tolerance, which provides education and messaging of tolerance and empowerment of the Jewish community.

Algae Blooms in Discovery Bay. The budget appropriates $1.4 million General Fund for the treatment of algae blooms in Discovery Bay.

Geothermal Resources. The budget appropriates $10 million General Fund to support the exploration, mapping, characterization, and development of geothermal resources.

Child and Family Services. The budget appropriates $1.77 million General Fund for Child and Family Services.

Camp Ramah. The budget appropriates $5.65 million General Fund for Camp Ramah in Ojai.

Oakland Children's Fairyland. The budget appropriates $6 million General Fund for Oakland Children's Fairyland.

Restoration Projects. The budget appropriates $5 million General Fund for efforts to restore habitat.

Women in California Politics Museum. The budget appropriates $1 million General Fund for the Women in California Politics Museum in Sacramento.

Exposition Park Public Safety and Legal Services. The budget appropriates $1.7 million Exposition Park Improvement Fund ongoing to support increase baseline public safety and legal services.

Cultural, Educational, and Economic Improvements. The budget appropriates $10 million General Fund one-time for cultural, educational, and economic improvements.

Marine Mammal Care Center. The budget appropriates $1 million General Fund to the Marine Mammal Care Center in Los Angeles for the study of the California sea lion to be identified as the state pinniped and for sea lion rehabilitation, treatment, and care.

Oil and Gas Affordability and Reliability. The budget appropriates $3.75 million General Fund to the City of Benicia to maintain city services to ensure that the idled Valero Benicia Refinery could instead be utilized for Fuel Import Operations at the request of the California Energy Commission to maintain a reliable supply of gas to the state and keep the price of gas affordable.

Saving Silicon Valley's Urban Forest and Climate Workforce. The budget appropriates $2.63 million General Fund to Our City Forest to preserve urban forestry workforce, sustain environmental education programs, and maintain free or low-cost access to trees and climate-resilient landscaping resources.

Pacific Wildlife Care Rehabilitation Facility. The budget appropriates $166,000 General Fund to Pacific Wildlife Care for the construction of a regional wildlife rehabilitation center.

Seaside Pedestrian Bridge. The budget appropriates $550,000 General Fund to the City of Seaside for improvements to the San Pablo Pedestrian Bridge.

City of Tracy Animal Shelter Expansion. The budget appropriates $1 million General Fund to the City of Tracy for improvements and expansion of the city's animal shelter.

City of Burbank Reservoir and Turnout Gear Storage Area. The budget appropriates $1.2 million General Fund to the City of Burbank for the Burbank Reservoir 2 and turnout gear storage area to hold firefighter personal protective equipment.

Fairfax Parcel, Play Equity Project. The budget appropriates $1 million General Fund to the County of Los Angeles for oil well re-abandonment at the Fairfax Parcel, a 7.5-acre County-owned site within the Inglewood Oil Field.

City of Los Angeles Park Infrastructure. The budget appropriates $3 million General Fund to the City of Los Angeles for park infrastructure improvements.

Climate Adaptive Tree Planting. The budget appropriates $500,000 General Fund to the City of Los Angeles for climate adaptive tree planting in Koreatown.

Sierra Madre Playhouse. The budget appropriates $2.5 million General Fund to the Sierra Madre Playhouse for facility improvements and Americans with Disabilities Act (ADA) improvements.

Oasis Community Center and Open Space. The budget appropriates $2 million General Fund for the Oasis Community Resilience Center and Open Space Project in Orcutt.

City of Sacramento Community Reinvestment. The budget appropriates $2.5 million General Fund to the City of Sacramento for community reinvestment.

City of Bell Senior and Youth Center. The budget appropriates $500,000 General Fund to the City of Bell for renovations and accessibility improvements to the Senior and Youth Center.

San Diego Zoo Wildlife Outdoor Learning Lab. The budget appropriates $1 million General Fund to the San Diego Zoo Wildlife Alliance for upgrades and expansion of the Outdoor Learning Lab at the Arnold and Mabel Beckman Center for Conservation Research.

Santa Cruz Lifeguard Headquarters. The budget appropriates $1 million General Fund to the City of Santa Cruz for the repair of the Lifeguard headquarters.

Climate Adaptive Tree Planting. The budget appropriates $2 million General Fund to the City of Tracy for climate adaptive tree planting.

Soledad Community Center. The budget appropriates $1.5 million General Fund to the City of Soledad for renovation and improvements to the City of Soledad Community Center.

King City Recreation Center. The budget appropriates $2.5 million General Fund to the City of King for renovation and improvements to the King City Recreation Center.

Salinas Regional Soccer Complex. The budget appropriates $1.5 million General Fund to the Salinas Regional Sports Authority for capital improvements to the Salinas Regional Sports Complex.

Baldwin Park Family Services Center Project. The budget appropriates $3 million General Fund to the City of Baldwin Park for capital and operational costs relating to the Family Services Center.

Castaic Lake Repair. The budget appropriates $5 million General Fund to the County of Los Angeles Park Department for repairs to the Castaic Lake Recreation Area boat ramp.

Discovery Cube of Los Angeles. The budget appropriates $4 million General Fund to the Discovery Cube of Los Angeles for the Fire Prevention Training Grounds and the Wildfire Prevention Program.

Paramount Park and Community Center Expansion. The budget appropriates $2 million General Fund to the City of Paramount for the Paramount Park and Community Center expansion.

City of Maywood Teen Tech Center. The budget appropriates $1.5 million General Fund to the City of Maywood for Teen Tech Center facility and project costs.

Noble Creek Regional Park. The budget appropriates $2 million General Fund to the Pass Area Recreation and Park District to upgrade emergency operations infrastructure at Noble Creek Regional Park.

Redwood High School. The budget appropriates $4 million General Fund to Redwood High School for its fitness center renovation.

West Marin Community Services. The budget appropriates $550,000 General Fund to West Marin Community Services for programming.

Bolinas Community Land Trust. The budget appropriates $2 million General Fund to the Bolinas Community Land Trust.

California Museum. The budget appropriates $1.5 million General Fund for capital costs associated with the build-out of the lobby and external façade as well as long-term support (five years) for the California Hall of Fame program and exhibit.

California Firefighter Memorial. The budget appropriates $5 million General Fund for the California Firefighter Memorial.

California Police Memorial. The budget appropriates $10 million General Fund for the California Police Memorial.

Jewish Family and Children's Services (JFCS) Holocaust Center. The budget appropriates $20 million General Fund for the JFCS Holocaust Center in San Francisco.

Arion Press/The Grabhorn Institute. The budget appropriates $2 million General Fund for the Arion Press/The Grabhorn Institute in San Francisco.

FOR-SITE. The budget appropriates $1 million General Fund for FOR-SITE, which is an organization dedicated to supporting art that engages with and reflects the natural and cultural environment through place-based art, located in San Francisco.

Pasadena Playhouse. The budget appropriates $1 million General Fund for the Pasadena Playhouse, State Theatre of California.

San Francisco Botanical Garden. The budget appropriates $1 million General Fund for the San Francisco Parks and Recreation Boardwalk – Strybing.

California African American Museum. The budget appropriates $3 million General Fund to the California African American Museum.

Exposition Park. The budget appropriates $7 million General Fund to Exposition Park for security cameras.

Marin City Recreation Center. The budget appropriates $350,000 General Fund to the Marin City Recreation Center.

Jackson Park. The budget appropriates $10 million General Fund to the Friends of Jackson Park in San Francisco.

Bay Area Discovery Museum. The budget appropriates $2.7 million General Fund to the Bay Area Discovery Museum.

California Academy of Sciences. The budget appropriates $2 million General Fund to the Academy of Sciences in San Francisco.

Landscaping and Irrigation San Francisco. The budget appropriates $7.4 million General Fund for landscaping and irrigation in San Francisco.

Kiss the Ground. The budget appropriates $250,000 General Fund to Kiss the Ground, which is an organization that supports regenerative agriculture, in Los Angeles.

Juntos Fruitvale Cultural Arts Center. The budget appropriates $3 million General Fund to the Juntos Fruitvale Cultural Arts Center in Oakland.

Cultural Conservancy. The budget appropriates $2 million General Fund for the Cultural Conservancy, which is a Native-led organization dedicated to indigenous cultures, and located in San Francisco.

Tahoe Fund – Upper Truckee Marsh South. The budget appropriates $5 million General Fund for the Tahoe Fund to support the Upper Truckee Marsh South.

Youth Sports Coaching. The budget appropriates $2 million General Fund for youth sports coaching.

3125 CALIFORNIA TAHOE CONSERVANCY

Minor Capital Outlay. The budget includes $500,000 ($100,000 from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access Fund (Proposition 68) and $400,000 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84)) 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. Additionally, the budget reverts the following items: (1) 3125-301-6051 (2022) (Conceptual Feasibility Planning); and (2) 3125-301-6051 (2024_ (Conceptual Feasibility Planning). The funding helps resolve a list of issues based on an inventory of site improvement needs for improved public access and safety, fencing, property surveys, and water quality improvements.

Reappropriation of Item 3125-301-0262 Budget Act of 2022. The budget reappropriates $500,000 Habitat Conservation Fund capital outlay funding for the working drawings phase for the multiple-benefit Upper Truckee River, Reach 6 Project without delay. As part of the project's working drawings phase, the Conservancy intends to develop engineering plans and specifications to restore a degraded section of the Upper Truckee River (River) and adjacent floodplain. Total project costs are estimated at $11.5 million. The project reduces sediment and nutrients that flow from the River into Lake Tahoe; enhance aquatic and terrestrial habitat; protect biodiversity; sequester carbon; improve public access; and restore climate resilience.

Lake Tahoe and Tahoe Conservancy Funding Realignment. The budget reduces $320,000 of ongoing funding from the Lake Tahoe Conservancy Account and reduces $108,000 in ongoing funding from the Tahoe Conservancy Fund. The adjustments help create stability in the respective fund's fiscal health.

Opportunity Acquisitions. The budget includes $6 million ($1.5 million Proposition 4 and $4.5 million of reimbursement authority to the Environmental License Plate Fund) for the acquisition of lands in environmentally sensitive or significant resource areas.

Lake Tahoe Boulevard: ADA Sidewalk Improvements. The budget appropriates $500,000 Proposition 68 to reconstruct and improve a heavily used sidewalk to meet current ADA and state standards that is located on Conservancy property.

Lake Tahoe Boulevard: Demolition and Site Stabilization. The budget adds Item 3125-496 to revert Schedule 3 of Item 3125-301-6088, Budget Act of 2025. This supplemental appropriation was included in the budget to ensure that the Conservancy could fund its construction contract. However, bids came in under the initial estimates, and the Conservancy no longer requires the entire appropriation.

Lakefront ADA Improvements. The budget includes $1.04 million one-time from the Lake Tahoe Science and Lake Improvement Account in 2026-27 to fund special repairs and ADA accessibility improvements at two Conservancy-owned public beach facilities on the north shore of Lake Tahoe. The two projects address accessibility barriers, including uneven walkways and boardwalks, a shortage of accessible picnic areas and lake access points, and noncompliant restroom fixtures and site amenities. The action is consistent with the purpose of the Account, as the two projects enhance public access to Lake Tahoe by removing accessibility barriers and upgrading essential facilities.

Upper Truckee Marsh South Project. The budget provides a supplemental appropriation of $500,000 in reimbursements to ELPF for the study phase of the Upper Truckee Marsh South Project. This funding supplements existing Proposition 68 authority for the project and authorizes the Conservancy to use recently awarded grant to study restoration and recreation opportunities and complete environmental review for the project. The grant is federally funded and passes through a local jurisdiction to the Conservancy.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

Greenwood Residential Center Staffing and Operations. The budget includes $12.29 million ($6.76 million General Fund and $5.53 million Collins-Dugan Reimbursement Account) in 2026-27 and $9.44 million ($5.19 million General Fund and $4.25 million Collins-Dugan Reimbursement Account) in 2027-28 and ongoing to fund 24 positions, 100 Corpsmembers, and six Special Corpsmembers to fully staff the new Greenwood Residential Center, scheduled for occupancy in July 2026.

Wildfire Readiness Seven-Day Per Week Schedule — CCC Hand Crews. The budget includes $11.66 million General Fund in 2026-27 and $10.79 million General Fund ongoing to fund 49 positions and 47 full-time equivalent Corpsmember and Special Corpsmember positions to implement a year-round, seven-day per week schedule that provides adequate relief and support positions to allow CCC to align with CalFire's Hand Crew Program schedule.

Deferred Maintenance. The budget one-time expenditure authority of $5 million Collins-Dugan Reimbursement Account in 2026-27 to address high priority deferred maintenance needs. Each location varies in age and levels of repairs required to meet building code, ADA standards, and potential OSHA requirements for living and workspace. The cost of these repairs varies based on the age and complexity of meeting the required standards listed. The current deferred maintenance items are subject to change both in priority and cost estimate.

Vehicle Replacement. The budget appropriates $8.7 million one-time Collins-Dugan Reimbursement Account in 2026-27 to replace 84 vehicles in its aging fleet.

Auberry, New Residential Center: Demolition. The budget includes Item 3340-495 to effectuate the reversion of an appropriation from the Collins-Dugan CCC Reimbursement Account. This reversion is due to the cancellation of the Auberry, New Residential Center project. The project was cancelled because of significant cost escalations and because CCC has determined that continuing this project no longer aligned with its mission.

Agricultural Emergency Response. The budget increases Item 3340-001-0318 (Collins-Dugan California Conservation Corps Reimbursement Account) by $600,000 annually in 2026-27 and 2027-28 to fund crews sponsored by the California Department of Food and Agriculture for emergency pest eradication activities.

3480 DEPARTMENT OF CONSERVATION (DOC)

Maintaining and Strengthening Resilience of California's Seismic Network. The budget appropriates $2.13 million in 2026-27, and $1.87 million annually in 2027-28, 2028-29, and 2029-30, from the Strong Motion Instrumentation and Seismic Hazard Mapping Fund; and adds 10 permanent positions to maintain and upgrade the California Strong Motion Instrumentation Program.

Division of Mine Reclamation SMARA-4. The budget appropriates $869,000 Surface Mining and Reclamation Account one-time to continue its work on configuring, maintaining, and operating SMARA-4, a new Software as a Service (SaaS) case management system. DOC is completing the Project Approval Lifecycle process.

Farmland Access and Conservation for Thriving Communities Act. The budget includes trailer bill language in SB 178 (Committee on Budget and Fiscal Review), Chapter 254, Statutes of 2026, establishing the Farmland Access and Conservation for Thriving Communities Act, which was formerly AB 524 (Wilson, 2025). SB 178 requires DOC to administer the Farmland Access and Conservation for Thriving Communities Program and provide financial and technical assistance to qualified entities, as specified, for the purposes of supporting agricultural land acquisition and protection.

3480 DEPARTMENT OF CONSERVATION (DOC)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Gravity-Based Energy Storage Well Pilot Program (SB 567). The budget includes an increase in appropriations from the Oil, Gas, and Geothermal Administrative Fund of $1.8 million in 2026-27 and $1.8 million in 2027-28 to implement the Gravity-Based Energy Storage Well Pilot Program pursuant to SB 567 (Limón), Chapter 419, Statutes of 2025. Among other things, SB 567 established the program and authorized the State Oil and Gas Supervisor to authorize the conversion of 250 oil and gas wells for use as gravity-based energy storage wells, as defined, in order to evaluate their use to safely generate energy.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)

CalFire Backfill. The budget appropriates $1.15 billion Greenhouse Gas Reduction Fund (GGRF) CalFire backfill for state operations and fire protection.

Home Hardening. The budget updates the amount for the Home Hardening Inventory Report from $5 million to $2.5 million General Fund, AB 1964 (Bennett), Chapter 765, Statutes of 2026.

Permanent Resources for Enhanced Defensible Space Inspections. The budget includes $6.24 million and 31 positions starting in 2026-27, $6.21 million in 2027-28, $6.44 million in 2028-29, $5.68 million in 2029-30, and $5.62 million ongoing from the General Fund to directly support the state inspection goal of 250,000 annual parcel inspections by obtaining: (1) permanent funding and authority for 17 Forestry Technicians and two Research Data Analysts; (2) ongoing funding for three existing Forestry Technicians currently supported with limited duration funding from the 2022-23 Wildfire and Forest Resilience Package; and (3) additional position authority for 12 Forestry Technicians to be funded by an adjustment of existing budget allocations.

Fixed-Wing Pilot and Mechanics Contract Increases. The budget includes up to $66.5 million General Fund in 2026-27 through 2028-29, $69.64 million in 2029-30, and $74.15 million ongoing for fixed-wing pilot and mechanics contract cost increases.

Boggs Mountain Helitack Base (HB): Relocate Facility. The budget appropriates $4.76 million General Fund for the working drawings phase of the Boggs Mountain HB: Relocate Facility project in Lake County. This is a continuing project. 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. The scope of work includes site work and utilities as needed. Total estimated project cost is $79.77 million.

Hemet-Ryan Air Attack Base (AAB): Replace Facility. The budget includes a supplemental appropriation of $1.81 million General Fund for the working drawings phase of the Hemet-Ryan AAB: Replace Facility project, located in Riverside County. This is a continuing project. This supplemental appropriation funds higher than expected design costs related to natural gas and sewer connections for the facility. The project includes the construction of an air operations building, barracks/mess hall, an apparatus storage and warehouse building, aircraft hangars, protective aircraft weather canopy for air tankers, and a helicopter training tower. Total estimated project costs are $93.05 million.

Hollister AAB/Bear Valley HB: Relocate Facilities. The budget includes a supplemental appropriation of $5.52 million General Fund for the working drawings phases of the Hollister AAB/Bear Valley HB: Relocate Facilities project, located in San Benito County. This project includes construction of an air operations building, barracks/mess hall, apparatus storage and warehouse building, auto shop, hangar, protective aircraft weather canopy for an air tanker, hazardous material storage building, office building, and a helicopter training tower. Site work includes demolition of existing structures, fire retardant chemical mixing plant, taxiway tie-in work, on-site tarmac improvements (including retardant loading pits with associated utilities and waste/runoff mitigation), helipad, radio tower, sewer connections, fencing, grading, and paving (including access road), fire suppression water storage tank, fire pump test pit, fuel vault, site fencing and lighting, photovoltaic system, landscaping, utilities, and appurtenances, as needed. Total estimated project cost is $204.45 million. The purpose of this supplemental appropriation is to include the relocation of retardant pits and helipad. There is insufficient room to accommodate the larger modern aircraft as intended in the original proposal.

Howard Forest HB: Replace Facility. The budget appropriates $1.9 million General Fund for the preliminary plans phase for the Howard Forest HB: Replace Facility project to replace the existing facility in Mendocino County. This is a continuing project. Total estimated project costs are $76.5 million.

Humboldt-Del Norte Unit Headquarters (UH): Relocate Facility. The budget appropriates $3.95 million General Fund for the working drawings phase of the Humboldt-Del Norte UH: Relocate Facility project, located in Humboldt County. This is a continuing project. The project includes site acquisition and construction of an administration/training building, an Emergency Command Center (ECC)/support building, a self-contained breathing apparatus repair building, a Service Center building, an auto shop, a covered vehicle wash rack with water recycle system and building, a telecommunications building, a covered parking structure for vehicles (with photovoltaic panels), a multi-engine fire station with a dozer/transport dozer shed, generator/pump/storage buildings (with generators), a radio communications tower, site development, utilities, propane or natural gas system, a septic system, a domestic water well with water treatment and storage, a fire suppression water system with water storage, landscaping and irrigation, site lighting and fencing, and telephone and radio cabling. Demolition and hazardous materials abatement, at the existing site, is required upon completion of the new site. Total estimated project costs are $69.18 million.

L.A. Moran Reforestation Center (LAMRC) Improvements. The budget includes a supplemental appropriation of $1.21 million General Fund for the preliminary plans phase of the LAMRC project, located in Yolo County. This is a continuing project. The project includes the construction of an administration building, a Seed Processing Building (Kiln/Dewinger/Freezer), a multi-purpose building (styroblock washing, soil conditioning, packaging, cold storage, and freezer), greenhouses, and a shade-house(s). Additionally, the scope includes site work as needed, connecting the sewer main to the city, and providing appurtenances to support the reforestation center. Total project costs are estimated at $26.19 million.

Parlin Fork Fire Center (FC): Repair Kitchen. The budget appropriates $4.11 million General Fund for the immediate repair of the kitchen at Parlin Fork FC located in Mendocino County due to a structure fire. The project consists of preliminary plans, working drawings, and construction. Repairs include new electrical wiring and water and sewer plumbing to be installed up to current code. This repair project expedites the design and construction of the kitchen. Total project costs are estimated at $4.11 million and is anticipated to be completed in July 2028.

Property Acquisitions: Happy Valley FC. The budget appropriates $6 million General Fund for the acquisition phase of Property Acquisition: Happy Valley FC project located in Shasta County. This is a new project. This project proposes acquiring a site in Shasta County to expand the current CalFire infrastructure. This facility will be used to provide housing and training grounds for the department's hand crews. The acquisition phase is estimated to begin in July 2026 and be completed in June 2028. The total estimated project costs are $6 million.

Riverside Unit Headquarters (UH): Relocate Facility. The budget includes a supplemental appropriation of $10 million General Fund for the acquisition phase of the Riverside UH: Relocate Facility project, located in Riverside County. This is a continuing project. Total estimated project cost is $110.48 million.

Shasta Trinity UH/Northern Operations (NOPS): Relocate Facility. The budget includes $247.5 million in lease-revenue bonds for the construction phase of the Shasta Trinity UH/NOPS: Relocate Facility project, located in Shasta County. This is a continuing project. Total estimated project costs are $261.08 million. The scope of work includes the design and construction of jointly used: auto shop, service center, dozer-mobile command center storage, fueling tanks with flammable storage building,

visitor and photovoltaic covered parking, emergency generator/pump/storage building and a covered vehicle wash rack.

Tehama Glenn UH: Relocate Facility. The budget includes a supplemental appropriation of $4.5 million General Fund for the acquisition phase of the Tehama Glenn UH: Relocate Facility project. The project is located in Tehama County. The supplemental appropriation covers increased costs as a result of the limited number of properties available outside of the flood plain that meet essential services standard. The total estimated project costs are $90.1 million. The project includes land acquisition, design, and construction of a new Unit Headquarters including an administration building, emergency command center (ECC), auto shop, fire station, dozer transport building, service center, training building, physical fitness building, telecommunications building, maintenance building, a self-contained breathing apparatus charging building, covered vehicle wash rack, flammables storage building, ECC telecommunications tower, covered parking spaces, and an emergency generator building. Other work includes site development, asphalt paving, curbs, sidewalks, utilities, fire suppression system, fire hose wash rack with drying slab, solar power, fire pump test pit, a security system with cameras, and security fencing with access control gates.

Witch Creek Fire Station (FS): Relocate Facility. The budget appropriates $3.3 million General Fund for the acquisition phase of the Witch Creek FS: Relocate Facility project, located in San Diego County. This is a new project. The project includes acquisition of a new site to relocate the Witch Creek FS, as well as the following: a fire station, combined barracks/apparatus building, Battalion Chief Office, generator/pump building, storage building, telecommunication tower, fuel vaults, septic system, water system, electrical system, security systems, storm water detention systems, and other appurtenances to support operations. Total project costs are estimated at $25.45 million.

SB 345 Cleanup Trailer Bill Language. The budget includes trailer bill language in SB 166 (Committee on Budget and Fiscal Review), Chapter 81, Statutes of 2026, for technical clarification and clean-up language to SB 345 (Hurtado): California Fire Service Training and Education Program: California Fire and Arson Training Act: fees.

Fresno AAB: Infrastructure Improvements. The budget includes a supplemental appropriation of $3.55 million General Fund for the construction phase of the Fresno AAB Infrastructure Improvement project, located in Fresno County. This is a continuing project. The supplemental appropriation covers increased project costs, primarily driven by the addition of a stormwater pollution prevention plan; escalation of material and labor costs; delays driven by supply chain and logistics issues; and added labor costs for additional construction management time, inspection time, and materials testing. Additionally, builder's risk insurance has increased drastically in high fire hazard areas.

Potrero FS: Replace Facility. The budget appropriates $30.29 million Public Buildings Construction Fund for the construction phase of the Potrero FS: Replace Facility project, located in San Diego County. This is a continuing project. Total estimated project cost is $33.38 million. Estimated project costs have increased to address larger than anticipated site work requirements addressing environmental and poor soil conditions (high seismic zone, poor soil stability and poor percolation) to meet Essential Services Building Code requirements.

Ramona AAB: Infrastructure Improvements. The budget includes a supplemental appropriation of $1.2 million General Fund for the construction phase of the Ramona AAB: Infrastructure Improvements project, located in San Diego County. This is a continuing project. Total estimated project costs are $7

million. The 2019 Budget included funding for CalFire to acquire and operate seven C-130 aircraft. This project is necessary for the use and maintenance of those aircraft. The supplemental appropriation covers increased project costs, primarily driven by the escalation of material and labor costs, supply chain and logistics issues, increased construction management time, additional inspection time, and materials testing. Additionally, builder's risk insurance has increased drastically in high fire hazard areas, exceeding the initial estimate included in the budget for the project.

Rohnerville AAB: Replace Fuel System. The budget includes a supplemental appropriation of $475,000 General Fund for the redesign of the working drawings phase of the Rohnerville AAB: Replace Fuel System project, located in Humboldt County. This is a continuing project. The total estimated costs of the project are $4.94 million. This supplemental appropriation covers an update the project design to comply with current code requirements, finalize plans, and prepare for bidding.

Santa Clara HB: Relocate Facility. The budget appropriates $1 million General Fund for the site selection portion of the acquisition phase of the Santa Clara HB: Relocate Facility project, located in Santa Clara County. This is a continuing project which was previously known as the Alma HB: Relocate Facility project. The name of the project has changed to reflect a change in the intended location of the project. A separate proposal will be submitted in a future budget for the remainder of the acquisition phase once a site is identified. Total estimated project costs are $155.85 million.

Statewide: Replace Communications Facilities, Phase V. The budget includes a supplemental appropriation of $28.92 million General Fund for the construction phase of the Statewide: Replace Communications Facilities – Phase V project, located in various counties. This is a continuing project. The supplemental appropriation is due to significant cost increases resulting from regulatory review delays, labor shortages, and market inflation. Both hard and soft costs increased due to increased steel prices, increased labor and equipment costs, extended procurement, builder's risk insurance increase, and extended review and backcheck timelines. Additional costs include increased construction management for concurrent tower projects, required Parks monitoring, increased Division of State Architecture and State Fire Marshal fees due to more involvement in tower projects than previous projects.

Various Capital Outlay Reappropriations and Reversions. The budget includes reappropriation of capital outlay items related to various phases of continuing projects and reversion of appropriations not needed in 2026-27 as determined by current project schedules. This action includes a total of $65.4 million ($35.1 million General Fund, $30.3 million Public Buildings Construction Fund) to improve the infrastructure and housing on air attack and helitack bases and replace various outdated communications facilities. These items address the health and safety of CalFire personnel as well as support the state's wildfire response capacity.

Napa Firewise Fuel Reduction Projects. The budget appropriates $480,000 General Fund for Napa Firewise fuel reduction projects, including the Circle Oaks Wildland Urban Interface (WUI) Community to Atlas Peak Evacuation/Fuel Break Corridor.

3560 STATE LANDS COMMISSION (SLC)

Long Beach Office Lease Renewal. The budget appropriates $31,000 ($9,000 General Fund and $22,000 Oil Spill Prevention and Administration Fund (OSPAF)) in 2026-27, $63,000 ($18,000 General Fund and $45,000 OSPAF) in 2027-28, $96,000 ($28,000 General Fund and $68,000 OSPAF) in 2028-

29, $129,000 ($37,000 General Fund and $92,000 OSPAF) in 2029-30, and $237,000 ($69,000 General Fund and $168,000 OSPAF) in 2030-31 and ongoing to pay for the increasing difference in the projected new rent for its Long Beach Office over its existing rent after lease renewal. The lease is currently set to expire on February 28, 2027.

Ongoing Inspections, Remediations, and Repairs of Previous Closures of Abandoned Mine Features on State-Owned School Lands. The budget appropriates $102,000 School Land Bank Fund in 2026-27 and ongoing to conduct mandatory safety inspections of abandoned mine features on school lands, use updated equipment to improve the safety of staff involved in these inspections, perform mine closures that present a safety risk to the public, and remediate features that require repair or have been breached therefore removing the safety risk to the public. The funding enables staff to secure contracts with appropriate contractors and support the scheduling of mine remediations and repairs as needed. Funding also supports regular field inspection trips, the purchase of necessary field and safety supplies, and provide staff with greater control over the prioritization and timing of remediation work at school land mine sites.

Regulatory Operations and Enforcement to Support Increased Import Demands. The budget includes six positions and $2.09 million OSPAF in 2026-27 and $2.04 million ongoing to support six new Senior Engineers, Petroleum Structures (Specialist) positions in the Marine Environmental Protection Division (MEPD) to meet the growing demands of the Marine Oil Terminal (MOT) industry and regulatory mandates. These positions require technical expertise and understanding of structural, mechanical, electrical and pipeline engineering.

Hollister Ranch Public Access. The budget includes a technical correction moving $20 million Proposition 4 that was previously appropriated in the 2025-26 Budget Act for the Hollister Ranch Public Access Plan from local assistance to state operations.

3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)

Reimbursement Position Authority. The budget includes 21.5 positions (permanent position authority only) in 2026-27 and ongoing, to replace temporary positions used to complete work that has been funded historically by long-term reimbursement agreements. These reimbursement agreements allow the department to further its mission and help ensure the protection of California's ecosystems and wildlife. For CDFW to continue to meet the objectives in the agreements and the associated permitting, the department requires reimbursement position authority.

Cannabis Impacted Lands. The budget adds 22 positions (permanent position authority only) to further assess, mitigate and remediate cannabis impacted lands owned by the department, California Native American Tribes, and local jurisdictions, in addition to increasing enforcement support in Northern California. The positions are funded by the department's existing authority provided through the continuous appropriation from the Cannabis Tax Fund – Department of Fish and Wildlife, Environmental Restoration and Protection Account - Allocation 3 (Allocation 3). The positions expand and strengthen CDFW's capacity to protect public and tribal lands from the escalating threats posed by illegal cannabis cultivation. By establishing specialized scientific teams dedicated to unique geographic regions and watersheds, CDFW intends to enhance its ability to assess, mitigate, and remediate environmental impacts while fostering vital partnerships with local jurisdictions and local tribes to safeguard their ancestral resources.

San Joaquin River Basin Spring and Fall-Run Chinook Salmon Restoration. The budget includes three permanent positions, resources for existing staff, $5 million General Fund in 2026-27 and $5.4 million in 2027-28 and ongoing to provide necessary resources for the operation of the newly constructed San Joaquin Research and Conservation Hatchery Facility (SCARF), and to continue the San Joaquin River Restoration Program (SJRRP), and the Merced River Hatchery (MRH). This action helps ensure continued success for salmon reintroduction and restoration in the San Joaquin River Basin which represents the southern segment of the Central Valley salmon population.

Nutria Eradication Program (NEP). The budget includes one permanent position, $8.2 million General Fund in 2026-27, and $8 million General Fund in 2027-28 and ongoing, to support the continued and expanded operations of the NEP, which addresses the spread of the invasive nutria species. This action includes one-time funding for three 4x4, crew cab pickups to move staff to more locations through the 8.3-million-acre project area. NEP currently operates with a total of 28 trucks, six of which have been temporarily borrowed. NEP vehicles are utilized five to seven days per week, year-round. Temporary, loaned vehicles are not long-term solutions to the NEP's workload and need, which are daily and year-round.

Golden Mussel Containment Program. The budget includes eight permanent positions to increase the department's capacity to prevent the spread of golden mussel from infested waters. These resources support efforts by federal, state, and local agencies to prevent the introduction of golden mussel to un-infested waters throughout California. These positions are funded for three years from $20 million previously appropriated from Proposition 4 in the 2025 Budget.

Protecting California's Federally Listed Species (AB 1319). The budget includes five permanent positions, $1.4 million General Fund in 2026-27 and $1.3 million annually in 2027-28 through 2031-32 to implement requirements imposed by AB 1319 (Schultz), Chapter 639, Statutes of 2025, through the bill's sunset date, December 31, 2031. To fully implement this bill and protect the habitat and biodiversity in the state, CDFW needs to expand the number of scientific and legal staff to monitor federal actions, evaluate impacts on species, conduct status reviews, add species to the list of provisional candidates, develop protective measures and guidance, and implement permitting and conservation programs for the federally listed species that are listed pursuant to the California Endangered Species Act as a result of this process.

Automated License Data System Contract. The budget includes $1.6 million Fish and Game Preservation Fund (FGPF) Non-Dedicated in 2026-27, $1.8 million in 2027-28, $1.9 million in 2028-29, $2.1 million in 2029- 30, and $2.3 million in 2030-31 and ongoing for the increased cost of the agreement between CDFW's Data and Technology Division and Aspira. Aspira provides maintenance, development, and support to keep the Automated License Data System operational.

Coexisting with Wildlife. The budget appropriates $1.02 million FGPF one-time to allow CDFW to use existing ELPF to fund temporary resources to support the Coexisting with Wildlife Initiative that allows for proactive mitigation of human-wildlife conflict and foster safe coexistence with native wildlife in California.

FGPF Dedicated Realignment and Technical Adjustment. The budget includes various adjustments to FGPF dedicated accounts. The adjustments to specified FGPF dedicated accounts are designed to keep the accounts structurally balanced with a prudent fund reserve. The budget also includes a net zero technical adjustment to Administration/Distributed Administration authority to correct previously

received administrative positions where CDFW did not appropriately request nor receive the commensurate Administration/Distributed Administration authority.

Office of Spill Prevention and Response (OSPR) Fleet Replacement. The budget includes a one-time increase of $3.28 million OSPAF to replace fleet assets used for oil spill response and support. OSPR has identified an immediate need for additional resources to close an operational gap to ensure adequate and reliable fleet resources necessary for response activities.

OSPR Regulatory Staffing. The budget adds two permanent positions, $488,000 OSPAF in 2026-27 and $472,000 in 2027-28 and ongoing to address the workload associated with evaluating the adequacy of the Certificate of Financial Responsibility requirements and conducting Reasonable Worst-Case Spill calculations on a regular basis. These positions modernize CDFW systems to improve transparency and engagement with the public, information and documentation collection, and update internal processes and workflows for increased efficiencies.

Ongoing Funding for Statewide Administrative Support Positions. The budget appropriates $3.5 million Special Funds (including $2 million FGPF-Non-Dedicated) in 2026-27 and ongoing to fund various existing positions. This action provides ongoing funding for the 20 positions CDFW received in the 2022 Budget for statewide administrative support in the Drought Resilience and Response Package and funded by various one-time General Fund investments.

CDFW: Litigation Costs. The budget increases by $1.9 million General Fund to the department to support litigation costs incurred in 2025-26.

Vacancy Efficiency Cuts. The budget maintains 60.1 Full-Time Equivalents (FTEs) at CDFW that the Administration had proposed to eliminate in 2024.

Golden Mussels. The budget appropriates $6 million General Fund for Delta-based decontamination control sites to prevent the spread of the invasive species, Golden Mussels.

Mojave Desert Tortoise. The budget appropriates $2 million General Fund to support recovery of the Mojave Desert Tortoise, which is officially listed as endangered under the California Endangered Species Act.

Human-Wildlife Conflict. The budget appropriates $5 million General Fund for human-wildlife conflict issues.

3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)

Wildlife Conservation Board Accounting Positions Transfer. The budget transfers seven permanent accounting positions from CDFW to WCB. WCB currently contracts with CDFW for accounting services, with WCB covering the full cost of all seven permanent positions plus overhead contracting costs via Interagency Agreement. Moving the positions directly under WCB authority yields savings of overhead costs and eliminates contract administration. WCB will utilize existing funds to continue covering the cost of the positions.

3600 CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW)
3640 WILDLIFE CONSERVATION BOARD (WCB)
3860 DEPARTMENT OF WATER RESOURCES (DWR)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Water Quality, Supply, and Infrastructure Improvement Act of 2014 General Obligation Bond (Proposition 1) Redistribution of Statewide Costs. The budget redistributes $76.7 million that was set aside for statewide bond costs for Proposition 1. Funding is redistributed to departments identified in Prop 1 to support additional projects consistent with Proposition 1 provisions. This action returns funding to the following sections of Proposition 1 consistent with amounts previously set aside for statewide bond costs:

(Continue to next page)

Chapter	Sub Section	Department Program	Allocation
Ch. 8	79750(b)	California Water Commission: Water storage projects that improve the operation of the state water system	$17,750,000
Ch. 9	79765	State Water Resources Control Board: Water recycling and advanced treatment technology projects	$12,500,000
Ch. 6**	79736	Department of Water Resources: Fulfill the obligations of the State of California	$9,500,000
Ch. 11	79781(a-d)	Department of Water Resources and Central Valley Flood Protection Board: Reduce the risk of levee failure and flood in the Delta	$5,900,000
Ch. 6	79737(a)	California Department of Fish and Wildlife: Watershed restoration projects statewide	$5,700,000
Ch. 6	79738(a)	California Department of Fish and Wildlife: Water quality, ecosystem restoration and fish protection facilities	$1,750,000
Ch. 10	79771(a)	State Water Resources Control Board: Projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water	$5,200,000
Ch. 5	79723	State Water Resources Control Board: Wastewater treatment projects	$5,200,000
Ch. 5	79724(a)(1)	State Water Resources Control Board: Public water system infrastructure improvements	$5,200,000
Ch. 6	79733	Wildlife Conservation Board: Enhanced stream flow	$4,000,000
Ch. 7	79747(a)	State Water Resources Control Board: Multibenefit stormwater management projects	$4,000,000

Proposition 1 funding is allocated to specified programs that help meet legal obligations, advance priorities in existing water supply and salmon strategies, address groundwater contamination, and support water recycling projects, including:

- $12.5 million to the State Water Resources Control Board (SWRCB) to fund the planning, design and construction of water recycling and advance treatment project

- $5.9 million to DWR is proposed to advance high priority multi-benefit flood management projects.

- $5.7 million to CDFW and $4 million to the Wildlife Conservation Board to advance near-term, high-priority actions in the Salmon Strategy in coordination with the State Salmon Strategy Implementation Team.

- $1.75 million to CDFW to fund grants for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta.

- $5.2 million to SWRCB to fund grants for municipalities serving small, disadvantaged communities for the planning, design, and construction of wastewater infrastructure.

- $5.2 million to SWRCB to fund grants to public water systems serving small, disadvantaged communities for the planning, design, and construction of drinking water infrastructure.

- $5.2 million to SWRCB to fund grants for the prevention or clean-up of contaminated groundwater sources that serve as a drinking water source, including septic-to-sewer projects.

- $4 million to SWRCB to fund grants to municipalities for multi-benefit stormwater projects.

The California Water Commission's Proposition 1 Water Storage Investment Program is continuously appropriated. $17.75 million is proposed to be allocated to purchase more public benefits and/or cover inflation of water storage projects, including Sites Reservoir.

3640 WILDLIFE CONSERVATION BOARD

Point Reyes Conservation Projects. The budget reappropriates $10 million General Fund for Point Reyes conservation projects that enhance coastal wetland resilience, restore Tule Elk habitat and native vegetation, and improve public access.

3720 CALIFORNIA COASTAL COMMISSION

Public Education Program Support. The budget includes $183,000 one-time from the California Beach & Coastal Enhancement Account to support a temporary position in the Public Education program. The temporary position supports grant recipients, conduct outreach, broaden access to coastal educational opportunities, and help manage social media accounts.

Coyote Fields. The budget appropriates $1 million General Fund to the Santa Clara Valley Open Space Authority to fund the permanent protection of the Coyote Fields property in Coyote Valley.

3760 STATE COASTAL CONSERVANCY (SCC)

SCC Fund Appropriation and Reimbursement Authority. The budget includes $7 million State Coastal Conservancy Fund one-time in 2026-27 and $7 million in reimbursement authority one-time. This funding provides additional resources for coastal resource enhancement and public access projects. Reimbursement authority allows SCC to encumber a grant from the National Fish and Wildlife Foundation for the South Bay Salt Pond Restoration Project. Funds are available for encumbrance or expenditure through June 30, 2028, given the multi-year nature of projects.

San Clemente Sand Replenishment. The budget appropriates $1 million to the City of San Clemente for sand replenishment in support of coastal and railroad infrastructure.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)

California State Parks Library Pass Program. The budget includes an ongoing transfer of $6.75 million General Fund to the State Park Recreation Fund (SPRF) for the Library Pass Program, which began as a pilot program in 2021-22. This action continues providing 33,000 State Library Parks Passes to more than 1,100 library branch locations throughout the state.

California Indian Heritage Center (CIHC). The budget transfers $2.1 million in 2026-27 from the General Fund to the Natural Resources and Parks Preservation Fund (NRPPF) for the construction phase of the CIHC project in Yolo County. Parks is in the process of bidding the first construction phase of the Immediate Public Use (IPU) project. This action does not reflect a net increase to the state's share of the $200 million total; instead; it provides funding in the NRPPF to augment the project now, shifting $2.1 million from a later phase of construction to provide additional enhancements in the IPU portion of construction.

CIHC: Access and Community. The budget includes $842,000 General Fund in 2026-27, $805,000 General Fund in 2027-28 and ongoing, and three permanent positions, to support CIHC. These resources are used to develop recreational and interpretive infrastructures such as parking lots, interpretive shelters, and restrooms to enhance public access and improve visitor recreation experience at the site.

CIHC Support Organization. The Administration proposed trailer bill language adding Section 526 to the Public Resources Code to establish a support organization for CIHC that reflects the CIHC's tribal partnership context and cultural mission. This proposal included substantive, statutory changes. The Legislature rejected this proposal without prejudice and deferred it to the legislative policy process.

Hollister Hills State Vehicle Recreation Area (SVRA): Entrance Kiosk. The budget appropriates $133,000 one-time from the Off-Highway Vehicle Trust Fund (OHVTF) for the working drawings phase of the Hollister Hills SVRA Entrance Kiosk project in San Benito County. This project includes an entrance kiosk, site work, utilities, and accessible parking. Total project costs are estimated at $1.66 million. Construction is scheduled to begin in January 2028 and will be completed in October 2028. This action includes provisional language extending the encumbrance period for two years, rather than one year, because this project is in a park with culturally and naturally sensitive areas. This results in longer than average time requirements for design, permitting, environmental compliance and construction.

OHVTF Local Assistance Grants. The budget includes $29 million OHVTF one-time for local assistance grants.

Off-Highway Vehicle Opportunity Purchases. The budget appropriates $5 million OHVTF one-time for the acquisition of opportunity purchases. This project provides for the purchase of real property benefitting and supported by the Off-Highway Motor Vehicle Recreation Division (Division) throughout the state. These purchases may include, but are not limited to in-holdings, parcels adjacent to or near SVRAs or parcels available through tax defaults that fall within Parks's five-year plan for program expansion. These funds will also be used for property appraisals prior to departmental requests for further acquisition funding. Additionally, this funding covers the following costs: the expense of obtaining comprehensive title information, inspections, environmental assessments, relocation assistance estimates, surveys, and appraisal work. Parks may contract with other state agencies or private entities to provide the work. The current project schedule estimates acquisition activities will reach completion by June 30, 2029.

Fort Ord Dunes State Park (SP): New Campground and Beach Access. The budget includes a supplemental appropriation of $1 million in 2026-27 from Proposition 68 for the construction phase of the Fort Ord Dunes SP: New Campground and Beach Access project in Monterey County. This project will result in the construction of up to 110 new campsites. Half of these will include full utility hook-ups for recreational vehicles. This project includes other pertinent improvements, operations facilities, and a beach access trail with restrooms and paved parking.

Fort Ord Dunes Campground Operations. The budget includes $3.59 million General Fund and 7.5 positions in 2026-27, $1.96 million and 7.5 positions in 2027-28, and $1.05 million and 14 positions in 2028-29 and ongoing to support operations of the new Fort Ord Dunes State Park campground; as well as $1.31 million SPRF in 2027-28 and $2.22 million in 2028-29 and ongoing for the same purpose. The new campground, which is expected to be completed in Spring 2027, will offer new campsites and provide beach access and aquatic recreation opportunities.

Angel Island State Park (SP): Low-Cost Accommodations. The budget includes $450,000 in reimbursement authority in 2026-27 to SPRF for the preliminary plans phase of the Angel Island SP: Low-Cost Accommodations project, which is located in the San Francisco Bay. This new project includes planning, development, construction, operation, and maintenance of low-cost accommodations at Angel Island SP. Total cost of the project is $5.9 million and expected to be completed in December 2029. Parks will use grant funds from the State Coastal Conservancy (SCC) to support this action. This action includes provisional language extending the encumbrance period to two years, rather than one year, due to fact that the project site is a coastal area and possibly an area of natural resources sensitivity. The planning and initial development process requires coordination between multiple agencies, resulting in longer-than-average time requirements for studies, design, permitting, and environmental compliance.

Emma Woods State Beach (SB): Low-Cost Accommodations. The budget includes $600,000 in 2026-27 from the State Parks Contingent Fund for the preliminary plans phase of the Emma Woods SB: Low-Cost Accommodations project. This project provides planning, development, construction, operation, and maintenance of low-cost accommodations at Emma Wood SB. Total project costs are estimated at $7.7 million and the project is expected to be completed in May 3030. Emma Wood SB is located north of Ventura. This action includes provisions for encumbrance availability for two years, rather than one year, due to fact that the project site is a coastal area and possibly an area of natural resources sensitivity.

The planning and initial development process requires coordination between multiple agencies, resulting in longer-than-average time requirements for studies, design, permitting, and environmental compliance.

Pfeiffer Big Sur SP: Low-Cost Alternative Lodging. The budget includes $1 million Proposition 68 in 2026-27 for the construction phase of the Pfeiffer Big Sur SP: Low-Cost Alternative Coastal Lodging project in Monterey County. Total project costs are estimated at $7.47 million and the project is expected to be completed in March 2027. This continuing project includes construction of up to 15 new, lower-cost alternative lodging cabins along the coast to enhance visitor experience and increase visitors by non-traditional users within Pfeiffer Big Sur SP. A portion of funds for this project comes from the California Coastal Commission as a donation in-lieu of mitigation fees totaling up to $3.46 million over the next several years. Parks intends to use Proposition 68 for additional project costs.

Silver Strand SB: Low-Cost Accommodations. The budget includes $750,000 in reimbursement authority to SPRF for the working drawings phase of the Silver Strand SB: Low-Cost Accommodations project. Silver Strand SB is located south of the City of San Diego. This continuing project allows for the planning and initial development of low-cost accommodations at Silver Strand SB. The funds for this action come from a grant from SCC. This project is funded by SPRF, State Park Contingent Fund, and Proposition 68. Total project costs are estimated at $17 million and the project is expected to be completed in April 2029.

Winter Recreation Fund Program Support. The budget increases Item 3790-001-0449 (Winter Recreation Fund) by $101,000 in 2026-27 and ongoing to maintain the existing service level of Parks's winter recreation program, SNO-PARK Program. Funding supports increased operating costs of the SNO-PARK Program and can be sustained by the Program revenues generated through SNO-PARK permit fees.

Office of the Attorney General: Legal Services. The budget appropriates $2 million General Fund ongoing beginning in 2026-27 for the cost of representation from the Attorney General's Office (AGO) in various lawsuits filed against Parks. The Administration notes that these services are critical as the AGO provides expertise in complex legal fields and is skilled when it comes to negotiating settlements in court that are cost-effective to Parks. Additional resources are necessary to cover the cost of service provided by the AGO.

Oceano Dunes SVRA: Le Sage Bridge Replacement. The budget includes a supplemental appropriation of $225,000 OHVTF for the working drawings phase of the Oceano Dunes SVRA: Le Sage Bridge Replacement project in San Luis Obispo County. This project rehabilitates the Le Sage Bridge to provide critical structural improvements and enhanced design features for combined vehicle and pedestrian use. This supplemental design funding enables Parks to achieve approximately $675,000 in net project savings by avoiding more costly construction associated with the initial design approach.

Pismo Beach SB: Entrance Kiosk Replacement. The budget appropriates $400,000 OHVTF in 2026-27 for the construction phase of the Pismo SB: Entrance Kiosk Replacement project. Parks received bids for the construction contract, which exceeded the original project budget by more than 20 percent. This supplemental appropriation allows Parks to successfully rebid and award the project contract in 2026-27. Additionally, this funding includes increases for escalation using standard escalation procedures.

Rio de Los Angeles SP: Public Use Facilities at Bowtie project. The budget includes $7.8 million in reimbursements to SPRF for the construction phase of the Rio de Los Angeles SP: Public Use Facilities

at Bowtie project. The project includes infrastructure, site improvements, and day-use amenities. Upon completion, the project provides public access, passive recreation opportunities, and habitat restoration.

State Park Police Officer Cadet Recruitment. The budget includes one-time funding of $3 million SPRF in 2026-27 and one-time funding of $7.5 million SPRF in 2026-27, to increase SPPO Cadet Academy throughput. Currently, approximately 23 percent of SPPO positions are vacant, with rank and-file vacancies exceeding 26 percent. Without the capacity to hire and train additional cadets, vacancies are projected to climb above 25 percent.

Various Capital Outlay Reappropriations and Reversion. The budget includes reappropriations and extensions of liquidation of existing capital outlay appropriations and to allow completion of current projects without delay, as well as reversion of savings from completed projects.

Will Rogers and Dockweiler SBs Operations Transition. The budget appropriates $19.21 million General Fund in 2026-27, $3.5 million General Fund in 2027-28, $3.82 million General Fund in 2028-29, and $3.83 million in 2029-30 and ongoing for the operation of Will Rogers and Dockweiler SBs. Additionally, this action also includes $5.17 million SPRF in 2026-27 and $8.62 million SPRF in 2027-28 and ongoing as well as 31 positions phased in over three years for the same purpose. Will Rogers SB and Dockweiler SB are currently operated by Los Angeles County Parks and Recreation (LA County) through a Joint Powers Agreement (JPA) with the City of Los Angeles Department of Parks and Recreation (LA City). Parks is responsible for operating both Will Rogers SB and Dockweiler SB beginning in 2026-27 as Los Angeles County has notified all parties of its intent to terminate the JPA on September 17, 2026.

Will Rogers and Dockweiler SBs Concession Contracts. The budget includes provisional language allowing Parks to negotiate new concession agreements for Will Rogers and Dockweiler SBs. This language allows Parks to honor the remaining terms of concession contracts and continue these services to the public consistent with the intent of the approved action for operations transition above.

Reservation System "True Up." The budget includes $17.5 million SPRF expenditure authority ongoing for purposes of covering estimated invoice costs related to the new Reservation System Agreement with the department's contractor.

Point Lobos State Natural Reserve: Parking. The budget includes trailer bill language in SB 178 appropriating $150,000 General Fund to Parks and requires the department, no later than April 1, 2027, and in consultation with the California Coastal Commission, California Transportation Agency, and the Monterey County District 5 Supervisor, to prepare and submit a report to the Legislature related to parking concerns and public safety near the Point Lobos State Natural Reserve, as specified.

Pico Park Baseball Fields. The budget appropriates $1 million General Fund to the City of Pico Rivera for the renovation and modernization of baseball facilities at Pico Park.

Rio Linda Parks. The budget appropriates $1 million General Fund to the Rio Linda Parks Department for parks projects.

Cosumnes Community Servies District Park Revitalization. The budget appropriates $850,000 General Fund to the Cosumnes Community Services District for upgrades to Baker Park.

Visit Sacramento Creative Economy Projects. The budget appropriates $2 million General Fund to Visit Sacramento for creative economy developments in the greater Sacramento region.

Sonoma Valley Trail Class 1 Bikeway. The budget appropriates $500,000 General Fund to the County of Sonoma for Class 1 bikeway construction from Warm Springs to the Sonoma Botanical Garden.

City of San Joaquin Multi-Purpose Walking Trail & Public Park. The budget appropriates $1 million General Fund to the City of San Joaquin for new public park infrastructure and walking trail enhancements.

City of Merced McNamara Park Soccer Fields Turf Replacement. The budget appropriates $1 million General Fund to the City of Merced to support the McNamara Park soccer fields turf replacement project.

City of Madera Centennial Pool Reconstruction. The budget appropriates $2 million General Fund to the City of Madera Centennial Pool reconstruction project.

Patriot Park Renovation Project. The budget appropriates $3 million General Fund to the City of Perris for renovations at Patriot Park.

Morrison Park Adaptive Playground Project. The budget appropriates $1 million General Fund to the Jurupa Area Recreation and Park District for the Discovery Center to upgrade the water supply system and perimeter security fencing.

Rancho del Pueblo Golf Course Capital Improvements. The budget appropriates $2.13 million General Fund to First Tee Silicon Valley to make capital improvements at the Rancho Del Pueblo Golf Course to benefit First Tee Silicon Valley and the community.

Los Angeles Boys & Girls Club. The budget appropriates $500,000 General Fund to the Los Angeles Boys & Girls Club for a swimming pool renovation project.

Weingart East Los Angeles YMCA. The budget appropriates $1 million General Fund to the Weingart East Los Angeles YMCA Center revitalization and wellbeing initiative.

Legacy LA Youth and Community Center. The budget appropriates $1 million General Fund for capital improvements to enhance the Legacy LA Youth and Community Center (formerly the Hazard Park Armory).

Aquarium of the Pacific. The budget appropriates $250,000 General Fund to the Aquarium of the Pacific to support conservation, education, community engagement, and programming at the Aquarium.

Salinas Soccer Fields. The budget appropriates $1.27 million General Fund to the Salinas Regional Sports Authority for the Salinas Regional Soccer Complex.

Seymour Marine Discovery Center. The budget appropriates $200,000 General Fund to the University of California (UC) to support the Seymour Marine Discovery Center at UC Santa Cruz for climate-focused work.

Hearst Ranch Trail. The budget appropriates $300,000 General Fund to support he completion of the first 3.5-mile segment of the Hearst Ranch Trail at San Simeon.

Avila Beach Trail. The budget appropriates $500,000 General Fund to the County of San Luis Obispo for the permitting and planning of a multipurpose trail from Avila Beach to Port San Luis.

Salinas River Corridor. The budget appropriates $250,000 General Fund to the San Luis Obispo Beaver Brigade for conservation and public access to high biodiversity value properties along the Salinas River.

Youth Alliance Center in Hollister. The budget appropriates $560,000 General Fund to the Youth Alliance Center for renovations.

Oak Manor Park Rehabilitation. The budget appropriates $600,000 General Fund to the City of Ukiah for essential upgrades to public structures in Oak Manor Park.

Clearlake Skatepark. The budget appropriates $500,000 General Fund to the City of Clearlake to rebuild and improve skatepark structures at Austin Park.

Rory M. Shaw Wetlands Park Project. The budget appropriates $2 million General Fund to the County of Los Angeles for infrastructure preparation of the Rory M. Shaw Wetlands Park project.

Sheldon Arleta Park. The budget appropriates $1.7 million General Fund to the City of Los Angeles for the Sheldon Arleta Park streetscape improvement project.

Highland Community Park. The budget appropriates $875,000 General Fund to the City of Highland for improvements to Highland Community Park.

Tom Sawyer Aquatics Center. The budget appropriates $1 million General Fund to the City of Rialto for improvements to the Tom Sawyer Aquatics Center.

City of San Bernardino Park Restroom Conversions. The budget appropriates $600,000 General Fund to the City of San Bernardino for park restroom conversions related to the City's portable bathroom project.

Highland Boxing Club. The budget appropriates $500,000 General Fund to the Highland Boxing Club to support current activities.

Inglewood Youth Activity Center. The budget appropriates $1 million General Fund to the Youth Activity Center of Inglewood (serviced and managed by YMCA) to support the construction of a new Inglewood Youth Activity Center.

Irwindale Park Inclusive Playground. The budget appropriates $400,000 General Fund to the City of Irwindale for an inclusive playground at Irwindale Park.

Mountain View Park. The budget appropriates $1.4 million General Fund to the City of El Monte to rehabilitate and improve Mountain View Park.

S.R. Zocalo Park. The budget appropriates $500,000 General Fund to the City of Baldwin Park for landscape and infrastructure improvements at S.R. Zocalo Park.

Waite Park Development Project. The budget appropriates $1.5 million General Fund to the City of La Mesa for the Waite Park Development Project.

Emerald Hills Neighborhood Park. The budget appropriates $1.05 million General Fund to the City of San Diego for renovations and improvement at Emerald Hills Neighborhood Park.

Spring Valley Park Upgrades. The budget appropriates $750,000 General Fund to the County of San Diego for park upgrades in Spring Valley Park.

Berry Street Park Restrooms. The budget appropriates $700,000 General Fund to the City of Lemon Grove for Berry Street Park restrooms.

Pershing Park. The budget appropriates $5 million General Fund to the City of Santa Barbara for Pershing Park restoration.

City of Carpinteria Community Pool. The budget appropriates $3.3 million General Fund to the City of Carpinteria for its community pool.

Outdoor Access. The budget appropriates $7 million General Fund to State Parks to support outdoor access investments.

Two Rivers Park. The budget appropriates $1 million General Fund to the City of Fillmore to support Two Rivers Park.

City of Santa Paula Sports Complex. The budget appropriates $1.5 million General Fund to the City of Santa Paula to complete Phase II of the Sports Complex.

Lompoc Community Plaza. The budget appropriates $1.5 million General Fund to the City of Lompoc for improvements to the Lompoc Community Plaza.

San Antonia Creek Walking Path. The budget appropriates $1.7 million General Fund to the County of Santa Barbara for the San Antonia Creek walking path.

Olde Town Nipomo Community Park, Trails and Renovation Project. The budget appropriates $1 million General Fund to the County of San Luis Obispo for the Olde Town Nipomo Community Park, Trails, and Renovation Project.

Nipomo Community Park Perimeter Trail. The budget appropriates $800,000 General Fund to the County of San Luis Obispo for the Nipomo Community Park Perimeter Trail for Phase I construction.

Fiddyment Homestead Rehabilitation Project. The budget appropriates $730,000 General Fund to the City of Roseville for the rehabilitation and adaptive reuse of the historic Fiddyment Homestead at Pistachio Regional Park.

Victorville Civic Center Plaza Project. The budget appropriates $575,000 General Fund to the City of Victorville for the development and construction of the Victorville Civic Center Plaza, including recreational amenities, splash pad, pickleball courts, site and infrastructure improvements, landscaping, shade structures, pedestrian and ADA accessibility improvements, lighting, seating, and community gathering spaces.

Northwest Bakersfield Baseball Association. The budget appropriates $200,000 General Fund to the Northwest Bakersfield Baseball Association to maintain and improve facilities and equipment.

Historical Marker Installation. The budget appropriates $38,000 General Fund to the San Francisco Korean American History Museum for the installation of a historical marker at the San Francisco United Methodist Church in San Francisco.

Detert Park Infrastructure. The budget appropriates $500,000 General Fund to the City of Jackson to perform necessary repairs and ADA upgrades at Detert Park.

Archie Moore Memorial Statue. The budget appropriates $300,000 General Fund to the Roman HEART Mural Project for purposes of commissioning and construction of a statue memorializing Archie Moore in the unincorporated area of San Diego County.

Solana Center for Innovation Waste Diversion Program. The budget appropriates $1 million General Fund for Solana Center for Environmental Innovation to fund waste diversion programs and models used throughout San Diego County and beyond.

Museum of Science And Curiosity (MOSAC) Multiverse Theater Upgrade. The budget appropriates $700,000 General Fund to support MOSAC's UC Davis Multiverse Theater for upgrades to the planetarium projection system and hardware, including funds to cover the costs of emergency repairs diverted from the operating budget.

San Diego Natural History Museum. The budget appropriates $1.5 million General Fund to the San Diego Natural History Museum to complete critical infrastructure projects to update and improve community access and collections preservation.

Sepulveda Basin Park Cleanup. The budget specifies allocations for the existing appropriation of $22 million Proposition 4 funds provided to the City of Los Angeles, as follows: $8 million for Balboa Sports Complex improvements; $4 million for Hjelte Sports Complex improvements; $6 million for transportation and mobility improvements along Victory Boulevard; $2 million for fire prevention projects; and $2 million for vegetation management.

Placer County: American River Debris Cleanup. The budget clarifies that existing funding provided to Placer County to remove wreckage of State Route 49 Bridge, which lies in the American River, may also be used for removal of McKeon Ponderosa/Sliger Mine Road Bridge debris that also lies in the American River.

3790 DEPARTMENT OF PARKS AND RECREATION (PARKS)
3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

Border Field SP Cross-Border Pollution Management. The budget includes one-time funding from the California Tire Recycling Fund via reimbursement authority to support the hauling of additional sediment and debris from the Tijuana Estuary and Border Field State Park. CalRecycle, which administers the California Tire Recycling Management Fund, provides up to $2 million in one-time funding to Parks. Parks intends to utilize these funds to support immediate needs while pursuing additional sources of grant funding to expand sediment and debris management efforts and support restoration of critical habitat through the beneficial reuse of sediment from the Tijuana River Valley. Consistent with statutory requirements for interagency coordination, Parks intends to coordinate with CalRecycle to implement these activities through an interagency agreement. The Tijuana Estuary within Border Field State Park is critically threatened by sedimentation and debris, which can smother salt marsh habitat and damage critical infrastructure, including park roads, trails, and wastewater management systems.

3840 DELTA PROTECTION COMMISSION

Sacramento-San Joaquin Delta National Heritage Area. The budget increases Item 3840-001-0890 by $320,000 and adds one position ongoing to implement the Delta National Heritage Area management plan. The US National Park Service provides additional funding for this program, and the Commission intends to engage in public education, historic preservation, tourism and recreation development, visitor amenities, and economic development activities.

3855 SIERRA NEVADA CONSERVANCY (SNC)

Accounting Resources. The budget increases Item 3855-001-0140 by $214,000 and adds two permanent full-time positions ongoing to right-size accounting resources for SNC. These resources help to enhance operational efficiency of SNC as well as produce estimated average annual savings of $111,000 ELPF from 2027-28 through 2030-31 and $150,000 annually thereafter.

Increase Federal Reimbursement Authority. The budget increases Item 3855-001-0890 by $1.1 million one-time to match the projected cost of work associated with SNC's three federal grant agreements in 2026-27.

40 Acre Conservation League Grant Reappropriation. The budget reappropriates $5 million Proposition 68 bond funding for the 40 Acre Conservation League and extends the encumbrance period until June 30, 2028.

3860 DEPARTMENT OF WATER RESOURCES (DWR)

River Forecast and Snow Survey Resources. The budget includes $9.5 million General Fund ongoing and 15 permanent positions to mitigate the impacts of federal reductions in staffing and capabilities and ensure that DWR can continue to provide 24-hour flood emergency response, issue river forecasts, and collect snow course measurements for water supply forecasting.

California Dam Safety Program Funding. The budget appropriates $1.4 million Dam Safety Fund ongoing to address new and increased operating expenses and equipment (OE&E) costs associated with DWR's Division of Safety of Dams' (DSOD's) Dam Safety Program. This funding supports DSOD's enforcement efforts ($850,000), existing/increased travel costs ($470,000), and increased/new IT costs ($100,000).

Modernization of the California Water Plan (SB 72). The budget appropriates $5.8 million General Fund in 2026– 27 and annually for the first five years, and $2.4 million General Fund in 2031-32 and ongoing to fulfill the requirements of SB 72 (Caballero), Chapter 210, Statutes of 2025. SB 72 requires DWR to develop an actionable plan by 2033 that identifies watershed-scale actions necessary to achieve long-term water supply targets by 2040. SB 72 also requires the 2028 and 2033 updates to the California Water Plan to include planning targets for additional water, water conservation, and water storage capacity to be achieved by 2040 and 2050 respectively.

San Joaquin River Restoration Settlement State Obligations — Eastside Bypass Control Structure Fish Passage Rock Ramp. The budget appropriates $9.5 million Proposition 1 to implement the Eastside Bypass Control Structure Fish Passage Rock Ramp project to further the work towards the tate obligated San Joaquin River Restoration Program (SJRRP). This funding is being combined with $15.5 million Proposition 4 in the Administration's Proposition 4 rollout plan, which was approved, to support up to nine existing positions to develop plans and specifications, complete the permitting, and construct the project that includes modification of a control structure and construction of a rock ramp to improve fish passage for adult salmon and other native fish within the San Joaquin River.

Urban Flood Risk Reduction. The budget includes $12.5 million ($8.7 million General Fund and $3.8 million Proposition 4) to support and manage the United States Army Corps of Engineers (USACE) and Urban Flood Risk Reduction (UFRR) projects during 2026-27. The $12.5 million in state operations is needed to support ongoing, critical USACE/UFRR urban projects which require oversight and project management by state subject matter experts and to ensure state obligations are met. As a result of past significant federal appropriations, including the $1.5 billion in supplemental funding in 2019 and large annual federal appropriations ($90 - $404 million per year since 2019), USACE has accelerated the current authorized work in Central Valley urban areas.

Central Valley Flood Protection Board (CVFPB): Unauthorized Activities: Enforcement. The Governor's budget requested trailer bill language for CVFPB related to enforcement actions of unauthorized activities. The proposal made substantive policy changes, which was more suitable to be vetted through the legislative policy process. The Legislature rejected this proposal without prejudice and deferred it to the legislative policy process.

Delta Levees Program Mitigation. The budget includes, for DWR's Division of Multibenefit Initiatives, $7.9 million General Fund to support the compensatory mitigation needs of the Delta Levees Program.

Healthy Rivers and Landscapes (HRL) Program Implementation. The budget includes $25 million one-time General Fund to support necessary monitoring, habitat restoration projects, water purchases, and administration towards implementation of the HRL Program (commonly known as Voluntary Agreements) for the first year of implementation to comply with an updated Bay-Delta Water Quality

Control Plan. This funding is in addition to the $560 million that the state has already appropriated for the HRL Program.

The budget includes provisional language making encumbrance of the $25 million contingent upon the State Water Resources Control Board's adoption of the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (also known as the Bay-Delta Water Quality Control Plan or Bay-Delta Plan). A breakdown of spending is as follows:

- $10 million for habitat restoration acreage for the Feather River flood and Southern Sutter Bypass. These projects create shallow water floodplain for fish migration.
- $10 million to support the Instream Flow Purchase Program for the state's obligations for water purchases.
- $3.75 million for science and monitoring by supporting efforts to launch the initial required science and monitoring network as part of the state's commitments to the program.

DWR expects this additional funding and staffing resources to be sufficient to effectively deliver and administer the DWR requirements pursuant to the HRL Program.

Northern Regional Office Facility Relocation. The budget appropriates $8.6 million General Fund spread over five years and $1.7 million annually to secure a leased facility for the Northern Region Office facilities located in Red Bluff, California. This action includes $2.2 million in 2026-27, $1.5 million in 2027-28, $1.6 million in 2028-29, $1.6 million in 2029-30, $1.7 million in 2030-31 and $1.7 million ongoing for future fiscal years. Significant facility concerns necessitate an office relocation.

Salton Sea Habitat Restoration. The budget, for DWR's Salton Sea Restoration Office (SSRO), includes the reversion of $16.8 million Proposition 68, Section 80111(a); and a new appropriation of $16.2 million capital outlay to DWR and $600,000 to CNRA for an agreement with the Salton Sea Authority (SSA) for the North Lake Pilot Demonstration Project. This project is a component of the adjacent North Lake Wetlands Project and protect public health by suppressing dust from exposed lakebed and restore habitat for fish and birds. The Administration states that this project is also needed to comply with the state's restoration requirements under SWRCB Stipulated Order 2017-0134.

Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 General Obligation Bond (Proposition 50) South Delta Gates. The budget includes $31.46 million Proposition 50 and $4.37 million from Proposition 13 (Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act) to fund the state's share of costs for implementing the South Delta Gates (SDG), formerly South Delta Permanent Operable Gates, project. This action is partially funded through the reversion of $11.3 million Proposition 50. This action also includes $110 million Federal Trust Fund Authority. The Administration states that the SDG project is a critical project under the CALFED Bay-Delta program aimed at improving water supply reliability and addressing long-standing issues in South Delta through a permanent solution. The project includes constructing and installing three permanent structures with operable gates across three South Delta channels. This action includes provisional language to provide extended encumbrance to June 30, 2030.

Proposition 1 (2014) Redistribution of Statewide Costs. The budget adds Item 3860-301-6083 in the amount of $5.9 million in 2026-27 for projects to reduce the risk of levee failure and flood in the Delta.

Coyote Creek Flood Protection. The budget appropriates $2.5 million General Fund for the Coyote Creek Flood Protection Project.

Carmel River Flooding. The budget includes provisional language clarifying that existing funding provided to Monterey County Water Resources Agency for Carmel River flooding impacts study may also be used to purchase temporary flood walls.

3885 DELTA STEWARDSHIP COUNCIL (DSC)

Independent Peer Review for Science and Monitoring. The budget includes $539,000 General Fund ongoing and three permanent positions to support the DSC's Delta Science Program and the Delta Independent Science Board (Delta ISB) in performing independent scientific review, advice, and monitoring for the implementation of SWRCB's Bay-Delta Water Quality Control Plan. This action also provides $139,000 General Fund ongoing and the inclusion of annual provisional language to cover statutorily required rate increases for the members of the Delta ISB.

Information Security Officer (ISO). The budget includes $185,000 General Fund ongoing and one permanent position to serve as DSC's ISO and address critical information technology (IT) gaps including security and privacy, assist with security monitoring and enhancement, and ensure alignment with mandated IT security regulations and policies.

Natural Resources and Environmental Protection Budget Bills and Trailer Bills

1. *Budget Act of 2026 – SB 111 (Laird), Chapter 21, Statutes of 2026*
2. *Budget Acts of 2022, 2023, 2024, and 2025 — AB 112 (Gabriel), Chapter 22, Statutes of 2026*
3. *Budget Act of 2026 – AB 113 (Gabriel), Chapter 248, Statutes of 2026*
4. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026*
5. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 166 (Committee on Budget and Fiscal Review), Chapter 62, Statutes of 2026*
6. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 178 (Committee on Budget and Fiscal Review), Chapter 254, Statutes of 2026*

ENVIRONMENTAL PROTECTION

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CalEPA)
3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)
3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)
3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CalRecycle)

Landfill Support, Response, and Enforcement. The budget adds 12 permanent full-time positions and appropriates $5.14 million from various funds, which includes $1 million for local assistance programs, and ongoing contract dollars in the amount of $1.4 million to address Subsurface Elevated Temperature (SET) events at Class III Landfills.

Consolidated Administrative Operations. The budget adds 14 permanent positions and reimbursement authority in the amount of $2.6 million Motor Vehicle Account (MVA) in 2026-27 and ongoing to consolidate administrative activities to support an efficient and effective government pursuant to Public Resources Code (PRC) Sections 71121 through 71126 relating to CalEPA consolidation. The budget increases CalEPA's BDOs expenditure authority in the amount of $2.6 million proportionally split across various funds. The administration clarifies that OEHHA's total impact to MVA is $21,000 and CalEPA's share impacting MVA is $88,000. The consolidation of administrative functions of Human Resources, Accounting, Budgets, and Acquisitions within CalEPA to create a more efficient, effective way to deploy administrative services across the Agency and its BDOs while reducing duplicative efforts and improving services.

CalEPA Bond and Technical Adjustments. The budget includes various bond appropriations, reappropriations, and reversions; technical adjustments; and baseline adjustments to continue implementation of previously authorized programs.

0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CalEPA)

Agency Information Technology (IT) Operations. The budget includes $2.83 million from various special funds and four permanent positions to enhance IT service delivery and strengthen the agency's operational capabilities. This action includes $2.5 million in reimbursement authority for three positions supporting audio-visual communication services and IT project oversight services; and $325,000 from distributed administration of various funds for one position needed for managing operations.

California Environmental Reporting System (CERS) Project. The budget includes $6.82 million in spending authority from the Unified Program Account in 2026-27 to implement a technology refresh project on the California Environmental Reporting System known as CERS NextGen. CERS Nextgen is an ongoing information technology project. This action includes continued funding for five permanent positions approved in the 2022 Budget Act. The project updates the technical platform, improve data quality and the processes supporting data quality, and modernize a critical public-facing system that enables more than 160,000 businesses and 104 local regulators to meet their legal reporting obligations.

Rural Certified Unified Program Agency (CUPA) (AB 993). The budget includes $720,000 ongoing resources from the Rural CUPA Reimbursement Account established in the General Fund to implement AB 993 (Hadwick), Chapter 176, Statutes of 2025.

Agency Information Technology Operations. The budget includes $941,000 in new funding authority ($870,000 ongoing and $125,000 one-time funding) from various funds and two permanent positions to drive the agency's technology innovation strategy, governance, and practical adoption in alignment with California Department of Technology's Envision 2026 statewide IT strategic plan and to improve the administration of public meetings in accordance with the Bagley-Keene Open Meeting Act.

General Fund Solution: Ongoing Fund Shift for State Operations. The budget includes the elimination of Item 0555-001-0001 and increases the various items by a total of $3.12 million and 22.1 positions in 2026-27, $3.18 million in 2027-28 and ongoing to shift resources for state operations activities from the General Fund to various special funds.

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 AND RECOVERY (CALRECYCLE)

Vacancy Efficiency Cuts. The budget maintains 15 Full-Time Equivalents (FTEs) ($2.9 million special funds) at DPR, 29 FTEs ($5.7 million special funds) at SWRCB, 75.1 FTEs (10.6 million special funds) at DTSC, and nine FTEs ($1.2 million special funds) at CalRecycle. The Administration had originally proposed to eliminate these positions (among 6,000 open positions) in 2024.

3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

Fumigant Exposure Mitigation. The budget includes $394,000 DPR Fund ongoing and two positions to lead and expand department work for modeling, data tracking, analysis, mitigation, and regulatory development related to fumigants, including 1,3-dichloropropene (1,3-D), and support continuous evaluation for other high-use fumigants. These positions are consistent with the fiscal impact identified in DPR's recent regulatory work and support broader fumigant evaluation and appropriate mitigation action throughout the department.

Spray Days. The budget adds two permanent positions and appropriates $809,000 DPR Fund ongoing for the operations, maintenance, and continued outreach for SprayDays California, a public-facing pesticide application notification system. SprayDays provides timely public access to information on scheduled California restricted material pesticide applications statewide. This action provides adequate staffing and resources are available to respond to feedback, to operate and maintain the platform in compliance with regulation as well as help address common challenges raised by users, including the need for clearer mapping visuals, more inclusive sign-up, access options, and notifications with broader accessibility.

CalEPA Consolidated Administration. The budget increases Item 3930-001-0106 (DPR Fund) by $64,000 ongoing to align with the department's portion of proposed consolidation of administrative activities under the CalEPA Office of the Secretary. The budget includes $2.6 million ongoing resources split proportionately between the various Boards, Departments, and Offices within the agency. This action corrects a technical error.

3940 STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Permitting Impacts of Recent Supreme Court Decisions. The budget appropriates $2.6 million Waste Discharge Permit Fund (WDPF) in 2026-27 and ongoing; and adds 12 permanent positions to conduct essential water quality permitting and enforcement work due to the 2023 US Supreme Court decision in *Sackett v. Environmental Protection Agency* that reduces federal jurisdiction over several waterbodies.

Recycled Water Program Needs (SB 31). The budget includes the following:

- $1 million in 2026-27 and ongoing, and four permanent positions from WDPF and the Safe Drinking Water Account (SDWA) to permit and oversee the new types of water recycling uses authorized by SB 31 (McNerney), Chapter 736, Statutes of 2025.

- $500,000 annually between 2026-27 and 2028-29 from WDPF to fund two 3-year limited-term positions for developing necessary updates to water recycling regulations in the Division of Drinking Water.

Costs for the two limited-term positions developing regulations and the costs for the two permanent Division of Water Quality positions are incurred primarily to WDPF. The remainder of the costs are passed through as billable review time to the recycled water projects for the two permanent Division of Drinking Water positions, thus reimbursable to the state through SDWA.

Border Water Quality Protection Unit. The budget appropriates $1 million WDPF ongoing and adds four permanent positions to establish a Border Water Quality Protection Unit at the San Diego Regional Water Quality Control Board to address cross-border pollution from Mexico and support the protection of human health, water quality, and beneficial uses associated with the Tijuana River and Estuary, and near-shore Pacific Ocean.

California Environmental Regulatory Data Security Initiative. The budget includes $1 million one-time in contract funds from SDWA in 2026-27 to complete the project planning process for a secure, modern database to safeguard existing data, maintain uninterrupted accreditation services, and protect the integrity of the state's Environmental Laboratory Accreditation Program (ELAP) regulatory infrastructure. The $1 million in contract resources address ELAP's outdated database, which has experienced multiple system outages and data loss incidents.

Drinking Water State Revolving Fund (DWSRF) Administration Fund. The budget includes $3.5 million in expenditure authority for 2026-27 and ongoing from DWSRF Administration Fund to support the personnel costs of DWSRF program. This action provides a source of long-term funding to support SWRCB's administration of the DWSRF program and helps ensure this drinking water financing program revolves in perpetuity per state and federal requirements.

San Diego County Water Recycling Oversight. The budget appropriates $785,000 SDWA ongoing and adds three permanent positions to oversee and regulate water recycling projects in San Diego County following the county's termination of its oversight delegation agreement.

School Lead Reporting (AB 1096). The budget includes $500,000 SDWA in 2026-27 for one-time contract funding to upgrade existing information systems to streamline the collection, compilation, and posting of data on lead sampling in elementary schools and childcare facilities to SWRCB's website as required by AB 1096 (Connolly), Chapter 290, Statutes of 2025.

Site Cleanup Account. The budget appropriates $6 million Site Cleanup Subaccount ongoing to reimburse costs associated with the investigation, mitigation, and remediation of surface or groundwater contamination at sites where there are no financially viable responsible parties. The increase is an augmentation to the existing program funding of $34 million annually, providing for a total of $40 million, and implements SWRCB's increased allocation of petroleum storage fees for Site Cleanup Subaccount projects.

Contra Costa and Kings Counties Local Primacy Agency Delegation Agreement Termination. The budget includes $952,000 ongoing Safe Drinking Water Account and four permanent positions to regulate small water systems (SWS) in Contra Costa County and Kings County. Both counties have notified SWRCB that they are terminating their local primacy agency delegation agreements and returning the SWS regulatory programs to the state during the 2026 calendar year. The SWS programs are absorbed by SWRCB's Division of Drinking Water.

Fresno Office Relocation. The budget appropriates $8.9 million in 2026-27, $503,000 in 2027-28, $553,000 in 2028-29, $606,000 in 2029-30, and $661,000 in 2030-31 and ongoing from the General Fund and various special funds to relocate and consolidate the Central Valley Regional Water Quality Control Board's (Regional Board) Fresno office and SWRCB's Division of Drinking Water's Fresno district office. The Regional Board's Fresno office has experienced ongoing safety issues and facility deficiencies, and a new location is required. Through consolidating the Regional Board's and Division of Drinking Water's Fresno offices, SWRCB maximizes operational efficiencies for the region.

Proposition 1 (2014) Redistribution of Statewide Costs. The budget adds Item 3940-101-6083 to provide $12.5 million for water recycling and advance treatment, $5.2 million for wastewater infrastructure, $5.2 million for drinking water infrastructure, $5.2 million for groundwater cleanup, and $4 million for multi-benefit stormwater projects — a total of $32.1 million. Bond funds that were previously allocated to cover costs for administering and issuing bonds are no longer needed for that purpose; and can be redistributed back to programs and departments in Proposition 1.

Extension of Liquidation for Water Rights Data Modernization. The budget adds Item 3940-490 to extend the period of liquidation from June 30, 2026, to June 30, 2028, for $43.75 million California Emergency Relief Fund appropriated in the 2021 Budget for water rights data modernization.

Sunset Boulevard Recycled Water Irrigation Improvement Project. The budget reappropriates $1 million General Fund for the City and County of San Francisco project, Sunset Boulevard Recycled Water Irrigation Improvement.

City of Sanger Water Line Relocation. The budget appropriates $1.05 million General Fund to the City of Sanger to address aging infrastructure and water line relocation.

Community and Water Infrastructure Resilience. The budget appropriates $1.5 million General Fund to the City of Delano for community and water infrastructure improvements, including development of Martin Luther King Jr. Park and improvements to drinking water supply, reliability, and related infrastructure.

Armona Water Supply Reliability Project. The budget appropriates $750,000 General Fund to Kings County, to be distributed to the Armona Community Services District, for the design and construction of a new water well to ensure reliable access to safe drinking water for the community of Armona.

Clearlake Sewer System Emergency Upgrades. The budget appropriates $2.5 million General Fund to the County of Lake for upgrades to the Southeast Wastewater Collection System in Clearlake, in response to the Robin Lane sewage spill.

Spanish Hills Pump Station Generator Replacement. The budget appropriates $1 million General Fund to the City of Camarillo for the Spanish Hills Pump Station Generator Replacement project.

City of Guadalupe Pioneer Lift Station. The budget appropriates $1 million General Fund to the City of Guadalupe for the Pioneer Lift Station, which is wastewater infrastructure.

City of Grover Beach Well Facility. The budget appropriates $1.5 million General Fund to the City of Grover Beach for well facility improvements.

Nipomo Community Service District. The budget appropriates $300,000 General Fund to the Nipomo Community Service District for the Marina Vista Lift Station Generator Replacement project.

Nipomo Community Service District. The budget appropriates $300,000 General Fund to the Nipomo Community Service District for the Southland Wastewater Treatment Facility influent pump station bypass.

Oceano Community Service District. The budget appropriates $1 million General Fund to the Oceano Community Service District for water quality and operational efficiencies.

San Luis Obispo Storm Infrastructure. The budget appropriates $1.34 million General Fund to the City of San Luis Obispo for storm infrastructure upgrades and repairs.

Woodside Storm Drain. The budget appropriates $500,000 General Fund to the Town of Woodside for storm drain repair and replacement.

Soboba Reservation Stormwater Infrastructure. The budget appropriates $2 million General Fund to the Soboba Band of Luiseno Indians for construction of stormwater infrastructure to protect existing residences and enable the development of new housing units on the Soboba Reservation.

Hesperia Park District Storm Damage. The budget appropriates $150,000 General Fund to the City of Hesperia for stormwater infrastructure improvements.

San Mateo County Integrated Green Stormwater Infrastructure. The budget appropriates $1.38 million General Fund to San Mateo County for the Integrated Green Stormwater Infrastructure Streets Program.

Cesar Chavez Community Park Drainage. The budget appropriates $1.6 million General Fund to the City of Salinas for stormwater drainage improvements within and/or near the park known, as of August 2026, as the Cesar Chavez Community Park.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

Hazardous Waste Management Program Statewide Planning Division. The budget adds eight permanent positions and appropriates $1.9 million Hazardous Waste Control Account (HWCA) in 2026-27 and 13 permanent positions and $2.8 million HWCA in 2027-28 and ongoing to restructure the Office of Policy as the Statewide Planning Division within the Hazardous Waste Management Program. These resources are used for evaluating and pursuing long-term, transformative improvements to generator reporting and hazardous waste management requirements as well as to provide local support to hazardous waste generators and CUPAs.

Cost Recovery Enforcement Unit. The budget adds six permanent positions and appropriates $1.1 million ($990,000 TSCA and $110,000 from the Lead Acid Battery Cleanup Fund (LABCF)) in 2026-27 and 2027-28, and $959,000 ($863,000 TSCA and $96,000 LABCF) in 2028-29 and ongoing to perform cost recovery enforcement work and to do Potentially Responsible Party (PRP) and real property title searches to locate entities responsible for historical hazardous substance releases throughout California.

Exide: Continued Funding for Residential Cleanup. The budget includes $70 million ($20 million LABCF and $50 million to be loaned from General Fund to TSCA) in 2026-27 and $70 million ($20 million LABCF and $50 million to be loaned from General Fund to the TSCA) in 2027-28 to clean up an additional ~1,000 residential properties, with a lead concentration level above 80 parts per million (ppm), surrounding the former Exide Technologies facility in the City of Vernon.

Implementation and Enforcement of Product Bans. The budget includes $3.1 million ($582,000 TSCA, $1.8 million from the PFAS Enforcement Fund (PEF), and $728,000 from the TAMPON Act Fund (TAF)) and nine permanent positions in 2026-27 and $2.5 million ($458,000 TSCA, $1.4 million PEF, and $573,000 TAF) in 2027-28 and ongoing in order for the Safer Consumer Products (SCP) Program to comply with mandates established by:

- AB 347 (Ting), Chapter 932, Statutes of 2024;
- AB 2515 (Papan) Chapter 1008, Statutes of 2024; and,
- SB 1266 (Limón), Chapter 790, Statutes of 2024.

This action includes the development of new regulations, product testing, and compliance and enforcement activities. The proposal includes loans in the amount of $1.8 million from TSCA to PEF and $728,000 from TSCA to TAF in 2026-27, $1.4 million from TSCA to PEF and $573,000 from TSCA to TAF in 2027-28 for the initial implementation of the new PEF and TAF funds identified in AB 347 and AB 2515 until the registration fees and penalties generate sufficient revenues to sustain the funds and repay the loans.

Lab Equipment for Analytical Testing. The budget appropriates $2 million ($1 million HWCA and $1 million TSCA) in 2026-27 and ongoing to replace obsolete or broken instruments and related equipment used for sample preparation and chemical analysis.

Lead-Acid Battery Recycling Facility Investigation and Cleanup: Berg Metals. The budget appropriates $3.5 million LABCF in 2026-27 and $2.5 million LABCF in 2027-28 to conduct investigations of approximately 330 residential properties and other sensitive properties (residential properties, schools, daycare centers, and recreational properties) within the Berg Metals Reasonable Certainty Designation Area in Los Angeles. This action includes the purchase of the necessary equipment to build capability and capacity within DTSC's laboratories to investigate and confirm the sources of metals contamination for lead-acid battery recycling facilities to support potential enforcement actions against responsible parties.

National Priorities List and State Orphan Sites. The budget includes a transfer of $40.2 million from TSCA to the Site Remediation Account (SRA) and $40.2 million expenditure authority from SRA in 2026-27 to fund the state's National Priorities List obligations and state orphan sites with Priorities 1A, 1B, 2, and 3, and statewide service contracts.

Pacific Gas & Electric (PG&E) Topock Compressor Station. The budget includes an increase in expenditure authority from HWCA of $450,000 in 2026-2027, $500,000 in 2027-2028, $550,000 in 2028-2029, $600,000 in 2029-2030, and $166,000 in 2029-2030 and ongoing for travel to conduct field oversight of groundwater remedy construction and ensure proper protection of cultural and ecological resources during all site activities. The funding pays for a total of about 50 trips each year, including 30 field oversight trips, quarterly public Stakeholder meetings with Tribes, monthly tribal and public participation meetings, two DTSC management meetings with Tribal Leadership, and bi-annual Topock Orientations for leadership and project members to interact. The number of staff that would participate in these oversight visits and meetings ranges from three to 12 personnel.

Responsible Battery Recycling Act of 2022. The budget includes one permanent position and $216,000 Covered Battery Recycling Fund in 2026-27 and ongoing for administration of the Responsible Battery Recycling Act of 2022 (AB 2440 (Irwin), Chapter 351, Statutes of 2022), including overseeing stewardship program plan submissions to DTSC and ensuring compliance with Hazardous Waste Control Law (HWCL). Additionally, this action includes a one-time loan from TSCA of $216,000 in 2026-27 for the initial implementation and administration costs of AB 2440. These resources are necessary to execute DTSC's responsibilities pursuant to the Covered Battery Act once CalRecycle's regulations are implemented. These resources support DTSC's oversight of proper battery management and compliance with HWCLs and regulations, as well as facilitate efforts to reduce the risk of environmental contamination and fire hazards.

Generation and Handling (G&H) Fee Cleanup. The budget includes statutory language in SB 166 (Committee on Budget and Fiscal Review), Chapter 62, Statutes of 2026, which, among other things, does the following:

- Authorizes DTSC and CDTFA tax to continue to administer and collect the fee if it was due and payable on or before September 30, 2022, rather than on or before June 30, 2022.

- Makes various changes to the Hazardous Substances Tax Law. Among other things this trailer bill language specifies that provisions that apply to the returns and payments of the G&H fee also apply to specified G&H fees for specified projects. (Current law imposes a different G&H fee for specified projects.)

- For imposing a penalty, the trailer bill language changes the standard of proof from "willfully or knowingly" (intentional and conscious act) to "preponderance of the evidence" (more likely than not) of a feepayer who provides incorrect information or withholds information that results in a deficient payment or nonpayment.

- Makes technical changes.

Exide: 2014 Enforcement Order Program Continued Oversight. The budget includes four permanent positions and $1.1 million Lead-Acid Battery Cleanup Fund in 2026-27 and ongoing to continue supporting activities to oversee and implement the ongoing corrective action or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) cleanup work associated with the February 2002 Corrective Action Consent Order, subsequent Interim Measures Orders and Imminent and Substantial Endangerment Determination Order against Exide Technologies, LLC (Exide). DTSC has transitioned from Resource Conservation and Recovery Act (RCRA) to CERCLA cleanup following the completion of the facility closure in April 2025.

Realignment of Metal Shredder Facilities Resources. The budget includes an ongoing reduction of $1.9 million and 4.9 positions to align DTSC's resources for oversight of metal shredding facilities to operational needs, consistent with AB 2851 (Bonta), Chapter 743, Statutes of 2024. This includes a net-zero ongoing technical shift of $2.2 million and five positions from HWCA to the newly established Metal Shredder Facilities Account (MSFA). AB 2851 mandated DTSC to require metal shredding facilities to monitor hazardous waste constituents, report on the results of that monitoring, and implement facility-wide fence-line hazardous waste constituent monitoring requirements.

Realignment of Hazardous Waste Facilities Resources. The budget decreases Item 3960-001-0014 by $7.83 million ongoing and adds Item 3960-001-1033 in the amount of $7.83 million ongoing to shift existing resources from HWCA into the Hazardous Waste Facilities Account.

General Fund Solution: Ongoing Fund Shift for State Operations. The budget decreases Item 3960-001-0001 by $4.3 million ongoing and increases Item 3960-001-0557 by $4.3 million ongoing to shift resources for emergency response activities from the General Fund to TSCA.

3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CalRecycle)

Minimum Standards for Compostable Materials (SB 279). The budget adds two permanent positions and $327,000 Integrated Waste Management Account (IWMA) in 2026-27 and ongoing to perform lead duties associated with the implementation of SB 279 (McNerney), Chapter 651, Statutes of 2025, and regulatory development of the Compostable Material Handling Facilities & Operations and technical assistance for Local Enforcement Agencies. The proposed additional resources help with the revision and implementation of regulations pursuant to the changes in statute.

New Dealer Registration and Dealer Cooperative Resources. The budget includes seven permanent positions and $1 million Beverage Container Recycling Fund (BCRF) in 2026-27 and ongoing, to perform compliance and enforcement tasks associated with the Beverage Container Recycling and Litter Reduction Program (BCRP) new dealer requirements and dealer cooperatives authorized pursuant to SB 1013 (Atkins), Chapter 610, Statutes of 2022. Additional special investigators are needed to investigate the increased state-wide potentially fraudulent activity with increased dealer redemption obligations and new dealer cooperative redemption contractors, and additional inspection staff are required to ensure

compliance with the Act and regulations associated with these changes from SB 1013.

Short-Lived Climate Pollutants (AB 1046). The budget includes one permanent position and $188,000 in 2026-27 and ongoing from IWMA to implement AB 1046 (Bains), Chapter 719, Statutes of 2025, requiring CalRecycle to complete the full Administrative Procedure Act process for regulations on statewide mandatory organic waste collection, pursuant to SB 1383 (Lara), Chapter 395, Statutes 2016. CalRecycle requires additional staff to handle the workload to implement AB 1046, which includes the following:

- Revising the regulations associated with SB 1383;
- Developing and providing technical assistance to agricultural crop preparation services;
- Developing and delivering education and outreach for jurisdictions to verify accuracy in documents submitted to CalRecycle;
- Monitoring the exemptions and providing proper notice to impacted agricultural crop preparation services;
- Developing and maintaining data information systems to manage timelines; and,
- Developing a re-application process.

CalRecycle needs extensive outreach to educate the regulated entities on these new requirements. This includes ongoing communication, responding to technical questions, and conducting follow-up as required. Outreach also involves webinars, meetings, and correspondence with regulated entities.

Large Volume Transfer Processor Facility Based Material Characterization Study. The budget includes one-time resources of $500,000 ($200,000 IWMA and a $300,000 loan from BCRF to the California Circular Economy Fund (CCEF)) to fund two studies: (1) a statewide large volume transfer processor (LVTP) facility-based material characterization study; and, (2) a contracted Reclaimer study to characterize the reclaimers' entities that receive material from California LVTPs.

Statewide Disposal Facility-Based Material Characterization Study. The budget includes one-time funding of $1 million ($700,000 loan from BCRF to the California Circular Economy Fund (CCEF) and $300,000 from IWMA) in 2026-27 for a statewide disposal facility-based materials and waste characterization study. This study should satisfy the statutory requirement to perform a materials and waste characterization study of covered material pursuant to SB 54 (Allen), Chapter 75, Statutes 2022, provide estimates of statewide waste amounts to track progress towards SB 1383 (Lara), Chapter 395, Statutes of 2016, targets, and measure and track materials disposed of in California landfills. The one-time appropriation of $1 million to conduct the disposal facility-based material characterization study includes two components: (1) $700,000 to perform the materials and waste characterization study with costs directly related to the implementation of SB 54; and (2) $300,000, for materials outside of those required in SB 54.

Plastic Market Development Payment Program. The budget includes trailer bill language in SB 166, which extends the Plastic Market Development Payment Program from July 1, 2027, to July 1, 2029, and increases the maximum payment rate per ton from $150 to $250; appropriates $90 million BCRF over three years: $45 million in 2026-27, $30 million in 2027-28, and $25 million in 2028-89; also includes $5 million BCRF annually in 2026-27 through 2028-29 for a plastic reclaimers and manufacturers grant program to support investments in recycling infrastructure; includes associated trailer bill language.

Beverage Container Quality Infrastructure Grant Program. The budget appropriates $100 million one-time from the BCRF to support grants for the Beverage Container Quality Infrastructure Grant Program to improve California processors' capacity to sort California Redemption Value (CRV) materials and produce cleaner, higher-quality material streams.
investments in recycling infrastructure.

Rural Recycling Incentive Payments. The budget includes $282,000 and two positions ongoing and $50 million one-time in 2026-27 from BCRF for allocations to support up to 40 rural local governments over five years to establish CRV redemption locations.

BKK Landfill Gas Collection System. The budget includes one-time expenditure authority for $3.33 million Integrated Waste Management Account (IWMA) to fund the replacement of the landfill gas monitoring system at the BKK Sanitary Landfill to protect public health and safety and the environment.

Establish Environmental Scientist Positions in the Waste Tire Enforcement Section. The budget includes $2.39 million and six positions in 2026-27, and $893,000 in 2027-28 and ongoing, from the California Tire Recycling Management Fund to support waste tire compliance and statutory enforcement responsibilities.

Tijuana River Litter Cleanup. The budget includes $2.15 million in 2026-27 and $154,000 in 2027-28 in one-time funding from the California Tire Recycling Management Fund to be available for CalEPA to support the waste tire cleanup efforts along the California-Mexico border region.

BCRF Reversions. The budget includes Item 3970-495 to revert specified amounts from Item 3970-101-0133 of the 2022 Budget Act, as follows:

- Up to $30 million in Item 3970-101-0133, Budget Act of 2022 for the Beverage Container Loan Program.
- Up to $865,000 in Item 3970-101-0133, Budget Act of 2022 for the Workforce Development Program.
- Up to $1.23 in Item 3970-101-0133, Budget Act of 2022 for the Beverage Container Quality Infrastructure Grant Program.
- Up to $18 million in Item 3970-101-0133 for the Reusable Beverage Containers Infrastructure Grant Program.

BCRF Funding for Local Conservation Corps. The budget includes trailer bill language in SB 178 (Committee on Budget and Fiscal Review), Chapter 254, Statutes of 2026, which provides $60 million one-time from BCRF to support Local Conservation Corps activities.

San Gabriel Valley Regional Food Recovery Program. The budget appropriates $2 million General Fund to the San Gabriel Valley Council of Governments to expand food recovery infrastructure, cold storage and transportation capacity, and strengthen regional recovery hubs.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

Protecting Californians from Acrolein and Ethylene Oxide (EtO): Cancer Causing Air Toxics. The budget appropriates $300,000 Air Pollution Control Fund for one-time contracting to help address the high cancer risk from the air toxics, acrolein and ethylene oxide. This action carries out foundational science and research needed to support actions to reduce the high risk from EtO and acrolein. OEHHA funding would support the scientific analysis to inform the Scientific Review Panel to finalize IURs for EtO and acrolein as quickly as possible so that risk reduction efforts can begin.

Natural Resources and Environmental Protection Budget Bills and Trailer Bills

1. *Budget Act of 2026 – SB 111 (Laird), Chapter 21, Statutes of 2026*
2. *Budget Acts of 2022, 2023, 2024, and 2025 — AB 112 (Gabriel), Chapter 22, Statutes of 2026*
3. *Budget Act of 2026 – AB 113 (Gabriel), Chapter 248, Statutes of 2026*
4. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026*
5. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 166 (Committee on Budget and Fiscal Review), Chapter 62, Statutes of 2026*
6. *Public Resources and Environmental Protection: Omnibus Resources budget trailer bill – SB 178 (Committee on Budget and Fiscal Review), Chapter 254, Statutes of 2026*

ENERGY, AIR QUALITY, AND UTILITIES

3355 OFFICE OF ENERGY INFRASTRUCTURE SAFETY (OEIS)

Information Technology Workload. The budget includes nine positions and $2.5 million ($2 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) and $510,000 Safe Energy Infrastructure and Excavation Fund (SEIEF)) ongoing to address information technology baseline gap resources and support workload currently being supported by limited-term resources that will expire in 2026-27.

Utility Vegetation Management Inspection Workload. The budget includes four positions funded from existing related contracting funding ongoing, to increase the department's utility vegetation management inspection rate of wildfire mitigation plans completed by the investor-owned utilities.

Accounting Workload. The budget includes one position and $148,000 ($118,000 Public Utilities Commission PUCURA and $30,000 SEIEF) in 2026-27 and ongoing to coordinate internal accounting functions with the contracted fiscal services provider, process travel expense claims and invoices, review month-end reconciliations, monthly travel reconciliations, and validate financial records.

Underground Safety Board Workload. The budget includes $1.4 million SEIEF and eight permanent positions in 2026-27 and ongoing, to implement new Underground Safety Board-related ongoing requirements with the passage of SB 254 (Becker), Chapter 119, Statutes of 2025.

3360 CALIFORNIA ENERGY COMMISSION (CEC)

Demand Side Grid Support (DSGS) Program. The budget requires the California Energy Commission to transfer approximately $22 million in appropriated, unused state General Fund and special fund monies from the Distributed Electricity Back-up Assets (DEBA) program to the Demand Side Grid Support (DSGS) program.

California Schools Healthy Air, Plumbing, and Efficiency Program. The budget extends the encumbrance and liquidation periods for previously committed funds from the California Schools Healthy Air, Plumbing, and Efficiency Program (CalSHAPE).

Distributed Electricity Backup Assets Program. The budget includes $20 million ($10 million General Fund and $10 million Proposition 4 Climate Bond funds) for the Distributed Electricity Backup Assets Program for new clean microgrids, or new non-residential or aggregated residential distributed clean energy and storage projects.

High Road Jobs. The budget includes $2 million General Fund for incentive funding for heat pumps to support high-road jobs in the heating ventilation and air conditioning, decarbonization, and electrification sectors at the California Energy Commission.

Commission Member Salaries. The budget specifies the vice chair of the California Energy Commission shall receive an annual salary that is the midpoint between the annual salary of the other commission members and that of the chairperson, starting July 1, 2027.

Local Electric Vehicle Charging. The budget includes $250,000 General Fund to support electric vehicle charging infrastructure in the Antelope Valley.

Electric Program Investment Charge Program. The budget includes an increase in the administrative overhead of the Electric Program Investment Charge Program to 15 percent with a net-zero shift of $1.9 million from its local assistance to state operations as approved by the California Public Utilities Commission in Decision 21.11.028.

State Operations Workload. The budget includes $1.1 million from the Energy Resource Programs Account and seven positions ongoing for accounting and human resources.

SB 59 (Skinner) Implementation. The budget includes $963,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund for the implementation of SB 59 (Skinner), Chapter 765, Statutes of 2024.

SB 1350 (McNerney) Implementation. The budget includes $1.3 million Energy Resource Programs Account (ERPA) and five permanent positions in 2026-27 and 2027-28, and $1.1 million ERPA in 2028-29 and ongoing for CEC to implement SB 1350 (McNerney), Chapter 35, Statutes of 2026.

(AB X2 1) Implementation. The budget includes $1.7 million ongoing for seven positions and contract resources for implementation of Chapter 1, Statutes of 2024 (AB X2-1) and $173,000 ongoing to convert one temporary position to a permanent, full-time position to support analysis of data sets utilized for the Division of Petroleum Market Oversight, funded from the Energy Resources Program Account.

Renewables Portfolio Standard Program Workload. The budget includes $176,000 from the Energy Resources Program Account in 2026-27 and ongoing and one position to address staffing needs to continue implementation of the state Renewables Portfolio Standard program.

SB 237 (Grayson) Implementation. The budget includes $660,000 in 2026-27 from the Energy Resources Programs Account to implement SB 237 (Grayson, 2025).

AB 368 (Ward) Implementation. The budget includes $342,000 in 2026-27 and 2027-28 from the Energy Resources Programs Account to implement AB 368 (Ward, 2025).

SB 767 (Richardson) Implementation. The budget includes $205,000 for 1.0 ongoing position from the Energy Resources Programs Account, and $191,000 in 2026-27 and 2027-28 for a limited-term position to implement SB 767 (Richardson), Chapter 657, Statutes of 2025.

SB 254 (Becker) Implementation. The budget includes $2 million Energy Resources Programs Account annually for four years to support four positions and consultant support resources to implement the requirements of SB 254 (Becker), Chapter 119, Statutes of 2025, specific to the preparation of one or more program environmental impact report(s) (PEIR) for clean infrastructure projects to accelerate the review of clean and renewable energy project and includes ongoing funding for 10 positions funded through the California Transmission Accelerator Revolving Fund ($10.3 million in 2026-27, $4.1 million in 2027-28, $4.2 million in 2028-29, $3.5 million in 2029-30, and $3.5 million in 2030-31 and ongoing).

Research Project Funding. The budget extends the liquidation period for Electric Program Investment Charge funds from the 2018 and 2019 Budget Acts until June 30, 2030, to reestablish a four-year liquidation period to close out research projects and makes other technical changes.

Federal Fund Adjustments. The budget extends the encumbrance period until June 30, 2028, and the liquidation period until June 30, 2032, for various federal fund items from the 2016 and 2018 Budget Acts to allow the CEC to receive and process federal American Reinvestment and Recovery Act loan repayments.

Reappropriations. The budget reappropriates the balances of the following appropriations:

- 2021 Budget Act General Fund appropriation for state administration and staffing costs for the Clean Energy Program and the Emergency Planning Program and local assistance project funding for the Distributed Energy Backup Assets program.

- 2022 Budget Act General Fund appropriation for state administration and staffing costs for the Energy Modeling Support program. o 2023 Budget Act General Fund appropriation for state administration and staffing costs for the Building Energy Benchmarking and Federal Tax Credit Technical Assistance programs.

- Various Budget Act local assistance appropriations for the Electric Program Investment Charge program to reestablish a four-year liquidation period to close out research projects.

- 2017 Budget Act Greenhouse Gas Reduction Fund (GGRF) appropriation for the Food Production Incentive Program (FPIP) to make new awards due to remaining unspent funds from previous projects that were completed under budget.

- 2018 Budget Act GGRF state operations and local assistance appropriations for FPIP staffing costs and new FPIP awards due to project cancellations.

- 2022 Budget Act GGRF state operations appropriations for Equitable Building Decarbonization (EBD), California Schools Healthy Air, Plumbing, and Efficiency Program, and the Industrial Decarbonization and Improvement of Grid Operations (INDIGO). Extended availability is necessary to continue to manage active projects agreements, and close out the programs.

- 2022 Budget Act GGRF local assistance appropriations for INDIGO and EBD to make new awards due to project cancellations.

- 2023 Budget Act GGRF appropriations for state administration and staffing costs for EBD, as well as FPIP and Long Duration Energy Storage local assistance dollars to make new awards due to project cancellations.

3900 STATE AIR RESOURCES BOARD (CARB)

Transport Refrigeration Unit Workload. The budget shifts funding for the Transport Refrigeration Unit regulatory program workload from the Certification and Compliance Fund to the Air Pollution Control Fund.

Zero Emission Vehicle Infrastructure Funding. The budget specifies that $40 million in Greenhouse Gas Reduction Funds for zero emission vehicle infrastructure can be used for refueling and charging stations as well as for medium- and heavy-duty vehicles.

Light-Duty Zero-Emission Vehicle Incentives. The budget includes $135.5 million ($20.5 million from the Air Pollution Control Fund and $115 million from the Greenhouse Gas Reduction Fund) for light-duty zero-emission vehicle incentives. Accompanying budget trailer bill language establishes a new light-duty zero-emission electric vehicle incentive program for first-time zero-emission electric vehicle buyers, with specific parameters on vehicle price, weight, and in-state use.

Hybrid and Zero-Emission Truck and Bus Voucher Project. The budget includes $135.5 million from the Air Pollution Control Fund for medium- and heavy-duty zero-emission vehicle incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Project.

Clean Cars 4 All Program. The budget includes $17 million from the Enhanced Fleet Modernization Subaccount annually for five years for the districts participating in the Clean Cars 4 All program.

Community Air Protection Program. The budget includes $150 million from the General Fund for the Community Air Protection Program.

Cap and Invest Program Workload. The budget includes $2.8 million Cost of Implementation Account (COIA) funds and 10 permanent positions ongoing to implement the updated regulations and program requirements for the reauthorized Cap-and Invest program, consistent with AB 1207 (Irwin), Chapter 117, Statutes of 2025 and SB 840 (Limon), Chapter 121, Statutes of 2025.

Air Improvement Relief Effort Program Workload. The budget includes $1 million General Fund to the San Diego Air Pollution Control District for the Air Improvement Relief Effort (AIRE) Program via the California Air Resources Board.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

California Lifeline Program. The budget includes $579.9 million from the Universal Lifeline Telephone Service Trust Administrative Committee Fund ($545.2 million for local assistance and $34 million for state operations) for the California Lifeline Program. This appropriation can be adjusted up to $664.9 million if enrollment reaches 1,950,000.

Safe Energy Infrastructure and Excavation Fund. The budget shifts $1.1 million of previously approved spending from the Public Utilities Commission Utilities Reimbursement Account to the Safe Energy Infrastructure and Excavation Fund at the Office of Energy Infrastructure Safety.

Aliso Canyon Recovery Fund's Equity and Access Grant Program. The budget includes trailer bill language that directs the Public Utilities Commission to use any balance from the Aliso Canyon Recovery Fund's Equity and Access Grant Program left unawarded by August 31, 2026, for a third round of funding from the Program, with eligibility narrowed to organizations headquartered within ZIP Code 91326 that have not already received funding under this program.

Broadband Last Mile Infrastructure Grants. The budget reappropriates $68 million General Fund from the 2021 Budget Act to continue funding Broadband Last Mile infrastructure grants and extends the liquidation period of federal Capital Projects funds from December 31, 2026, to April 30, 2027, consistent U.S. Treasury guidance.

Undergrounding Plan Program Workload. The budget includes $1.9 million Public Utilities Commission Utilities Reimbursement Account and eight positions ongoing to oversee the expedited review of 10-year undergrounding plan program requirements developed in response to SB 884 (McGuire), Chapter 819, Statutes of 2022.

Independent System Operator Regional Operator Workload. The budget includes $1.2 million from the Public Utilities Commission Public Advocates Account and five positions in 2026-27 and ongoing for the Public Advocate's Office to implement AB 825 (Petrie-Norris), Chapter 116, Statutes of 2025.

Various Workload. The budget includes $437,000 from the Public Utilities Commission Public Advocates Office Account and two positions ongoing for the Public Advocates Office to meet increased workload resulting from changes in risk assessment, General Rate Cases and updates to the Electric Undergrounding Program.

Data Center Growth Impact Workload. The budget includes $218,000 from the Public Utilities Commission Public Advocates Office Account and one position ongoing for the Public Advocates Office to meet increasing workload associated with data center growth and the impacts on the energy sector.

Renewables Portfolio Standard Database and Website Maintenance Workload. The budget includes $469,000 from the Public Utilities Commission Utilities Reimbursement Account ongoing for annual maintenance and operations costs for the Renewables Portfolio Standard (RPS) Database and RPS Data Public Website, which are newly developed platforms used to intake and analyze RPS data from California RPS retail sellers and allow the public to access non-confidential RPS data.

Broadband Last-Mile Infrastructure Projects CEQA Review Workload. The budget includes $870,000 from the Public Utilities Commission Utilities Reimbursement Fund Account and 2 positions ongoing to carry out timely and compliant California Energy Quality Act (CEQA) reviews of Broadband last-mile infrastructure projects.

Legal Services. The budget includes $3 million one-time Public Utilities Commission Utilities Reimbursement Account in 2026-27 for an active legal services contract to provide advice and representation on corporate and utility restructuring, finance, securitization, and bankruptcy matters.

AB 1167 (Berman), Chapter 634, Statutes of 2025 Implementation. The budget includes $952,000 ongoing from the Public Utilities Commission Utilities Reimbursement Fund Account for four positions to implement AB 1167.

SB 57 (Padilla), Chapter 647, Statutes of 2025 Implementation. The budget includes $668,000 from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) and three permanent positions in 2026-27 to meet the January 2027 legislative reporting requirement, consistent with SB 57,

and $523,000 PUCURA in 2027-28 and ongoing to address increasing analytical, regulatory, and oversight workload associated with new large data center electrical loads.

AB 825 (Petrie-Norris), Chapter 116, Statutes of 2025 Implementation. The budget includes $1.9 million Public Utilities Commission Utilities Reimbursement Account (PUCURA) and eight permanent positions in 2026-27 and ongoing to implement AB 825.

SB 254 (Becker), Chapter 119, Statutes of 2025 Implementation. The budget includes $1.9 million ongoing from the Public Utilities Commission Utilities Reimbursement Fund Account (PUCURA) for eight positions in 2026-27 and ongoing for SB 254. The budget also includes $400,000 to the Public Utilities Commission Public Advocates Office Account and two positions to implement SB 254. These positions are for ongoing audits, securitization, and wildfire safety.

Commission Jurisdictional Water Utilities Workload. The budget includes $436,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA) and conversion of two limited-term positions to permanent in 2026-27 and ongoing to continue critical ongoing enforcement and compliance efforts for Commission jurisdictional water utilities.

Website Workload. The budget includes $142,000 and one position from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) to monitor and evaluate the advice letter legacy website.

Broadband for All Operations Support. The budget reappropriates $8 million General Fund in administrative funds for contracts, licenses, and consultants to continue implementing Broadband for All.

California Distributed Generation Statistics Platform Workload. The budget includes $186,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA) and one permanent position in 2026-27 and ongoing to lead the development, maintenance, and administrative oversight of the California Distributed Generation Statistics (DGStats) Platform.

Electrical Transmission Permitting Workload. The budget includes $216,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2026-27 and ongoing for the conversion of one limited-term Public Utilities Regulatory Analyst (PURA) position to a permanent position to address an increase in electrical transmission permitting tied to SB 319 (McGuire), Chapter 390, Statutes of 2023.

VARIOUS DEPARTMENTS

Greenhouse Gas Reduction Fund (GGRF) Spending Plan. The budget assumes GGRF auction revenues of $2.8 billion, but also increases discretionary spending by $200 million, with $100 million from higher revenues and $100 million from reducing the GGRF to General Fund shift for CalFIRE (which will be repaid in Fiscal Year 2027-28). Changes to GGRF funding includes:

- $1.15 billion for CalFIRE fire protection activities, in alignment with intent language included in the 2025-26 Budget Act.

- Restores $230 million for the SB 125 (Committee on Budget and Fiscal Review), Chapter 54, Statutes of 2023 transit capital and operations programs at the California State Transportation Agency.

- Provides $20 million for the University of California to fund climate research and climate centers.

- Increases funding for geothermal development at the Natural Resources Agency by $10 million.

- Provides $50 million for the Sustainable Agricultural Land Conservation Program at the Governor's Office of Land Use and Climate Innovation, in addition to Tier 3 continuous appropriations.

- Funds $70 million for wildfire prevention programs at CalFIRE, in addition to Tier 3 continuous appropriations.

- Provides $10 million for the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program at California Air Resources Board (CARB).

- Funds $20 million to CARB for community emissions reduction plans via AB 617, in addition to Tier 3 continuous appropriations.

- Provides $40 million to the SAFER (Safe and Affordable Drinking Water Fund), in addition to Tier 3 continuous appropriations.

- Provides $515,000 to the Public Utilities Commission for AB 1207 (2025) implementation for three positions for three years.

- Approves $1.6 million ongoing for 5.2 permanent positions and equipment and contract costs to implement SB 352 (Reyes), Chapter 118, Statutes of 2025 at CARB.

- Adopts $871,000 ongoing for positions to implement SB 1207 (Irwin), Chapter 117, Statutes of 2025 and SB 840 (Limon), Chapter 121, Statutes of 2025 at CARB.

The budget also includes the following trailer bill language changes to GGRF:

- Excludes interest revenue from the tiered bucket allocations for the 2026-27 fiscal year consistent with the Budget Act of 2026, but includes interest revenue for the tiered buckets in future years;

- Allocates the Affordable Housing and Sustainable Communities program funding between housing and transportation/agricultural conservation;

- Provides flexibility for appropriations on wildfire prevention for the respective departments;

- Moves state operations costs to Tier 1, from Tier 3, with reporting requirements and legislative review starting in fiscal year 2027-28; and,

- Authorizes administration costs for program funding.

Transmission Infrastructure Accelerator Financing. The budget includes $322.5 million Proposition 4 Climate Bond funds for the Transmission Accelerator at the California Infrastructure and Economic Development Bank in the Governor's Office of Business and Economic Development (GO-Biz). The budget also includes trailer bill language that extends the program through 2036, shifts financing authority for reviewing and approving projects to the California Infrastructure and Economic Development Bank's (I-Bank) board, applies additional project and contractor labor requirements, restructures the California Transmission Accelerator Revolving Fund to be organized as a public enterprise fund separate from other funds under I-Bank and authorize certain investments, deposits, and other requirements, and makes other technical changes to the program.

Energy Related Budget Bills and Budget Trailer Bills

1. *Budget Act of 2023, 2024, and 2025 – Assembly Bill 107 (Gabriel), Chapter 5, Statutes of 2026.*

2. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*

3. *Budget Act of 2026 – Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*

4. *Budget Act of 2026 – Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*

5. *Budget Act of 2022, 2023, 2024, and 2025 – Senate Bill 114 (Laird) Chapter 249, Statutes of 2026.*

6. *Public Resources Trailer Bill – Senate Bill 168 (Committee on Budget and Fiscal Review), Chapter 81, Statutes of 2026.*

7. *Energy: Transmission Infrastructure Accelerator: Financing – Assembly Bill 192 (Committee on Budget), Chapter 258, Statutes of 2026.*

8. *Greenhouse Gas Reduction Fund Trailer Bill – Senate Bill 193 (Committee on Budget and Fiscal Review), Chapter 259, Statutes of 2026.*

SUBCOMMITTEE 3
ON
HEALTH
AND
HUMAN SERVICES

Senate Committee on Budget and Fiscal Review

Members

Caroline Menjivar, Chair
Shannon Grove
Akilah Weber Pierson, M.D.

Consultants
Scott Ogus
Elizabeth Schmitt

SUBCOMMITTEE NO. 3

HEALTH and HUMAN SERVICES

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HEALTH

0000 MULTIPLE DEPARTMENTS

Fair Share from Big Corporations Act. Legislature approved trailer bill language which requires the Department of Finance (DOF), on or before March 1, 2027, to present to the Legislature one or more options for holding the state's largest corporations accountable for the taxpayer costs of their employees enrolled in the Medi-Cal program, including the following components:

- Data prepared by the Employment Development Department (EDD) and the Department of Health Care Services (DHCS) regarding the number of workers in the state's largest corporations enrolled in Medi-Cal
- Proposed statutory language necessary to implement the presented options
- An analysis of the cost of, and timeline for, implementing the options in the 2027 legislative session.

The budget also includes General Fund expenditure authority of $10,000 for DOF to prepare these options to be presented to the Legislature.

Menopause. The budget includes two positions and expenditure authority from the Managed Care Fund of $407,000 in 2026-27 and $391,000 annually thereafter for the Department of Managed Health Care (DMHC) to implement new health care coverage requirements related to the treatment of menopause. The budget also includes General Fund expenditure authority of $3.4 million in 2026-27 for the University of California Menopause Centers of Excellence to advance statewide communication sciences, the sharing of evidence-based education, rural outreach, addressing care gaps, language access, and professional development and education for providers. The Legislature also approved trailer bill language to implement various statutory changes regarding health care coverage and workforce development related to the treatment of menopause, including:

- Requires a health care service plan or insurer, as well as the Medi-Cal program, to include coverage of treatments approved to treat menopausal symptoms by the United States Food and Drug Administration, including, but not limited to, all of the following:
    - Hormone therapy
    - Low-dose antidepressants
    - Anticonvulsants
    - Medications to prevent or treat osteoporosis
    - Nonhormonal medications for vasomotor-related symptoms

- Requires a health care service plan or insurer to include a program to ensure enrollees have access to current menopause information and covered items and services.

- Imposes requirements to follow certain standards, criteria, and guidelines on health care service plan or insurer when making decisions regarding medical necessity or utilization review.

- Authorizes civil penalties for violation of these provisions by health care service plans or insurers.

- Beginning July 1, 2027, allows qualifying physicians and surgeons, and qualifying osteopathic physicians and surgeons, to receive two hours of continuing medical education credits for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed eight course hours, toward the continuing medical education requirements established by the Medical Board of California.

- Beginning July 1, 2027, allows nurse practitioners who provide care to a patient population composed of adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed six hours, under certain conditions.

- Beginning July 1, 2027, allows physician assistants who provide care to a patient population composed of adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed eight hours, toward physician assistant continuing education requirements.

General Fund Solution – Behavioral Health Services Act (Proposition 1; 2024) and Opioid Settlements Fund Allocations. The budget includes the following allocations from the Behavioral Health Services Fund (BHSF), pursuant to the Behavioral Health Services Act, Proposition 1, approved by voters in 2024, and from the Opioid Settlements Fund:

Proposition 1 Behavioral Health Workforce Programs

- *Children and Youth Behavioral Health Initiative (CYBHI) Workforce - HCAI.* $8.5 million BHSF in 2026-27 offsets General Fund for CYBHI workforce initiatives at the Department of Health Care Access and Information (HCAI).

- *CYBHI Wellness Coach Benefit - DHCS.* $5.1 million BHSF in 2026-27 offsets General Fund for the CYBHI wellness coach benefit in the Medi-Cal program.

- *CYBHI Behavioral Health Services and Supports Platform - DHCS.* $11.9 million BHSF in 2027-28 offsets General Fund to support CalMAP as part of the CYBHI Behavioral Health Services and Supports Platform.

- *Psychiatry Workforce Pipeline Programs - DSH.* $14.1 million BHSF in 2026-27 and $14.4 million in 2027-28 offsets General Fund to support psychiatry workforce pipelines at the Department of State Hospitals (DSH).

- *Mental Health Training and Outreach Coordination Program – CDCR.* $1 million BHSF in 2026-27 and $2.6 million in 2027-28 offsets General Fund to support mental health training and outreach at the California Department of Corrections and Rehabilitation (CDCR).

- *Title IV-E Stipend Program – CDSS.* $22.9 million BHSF in 2026-27 to support the Title IV-E Stipend Program at the California Department of Social Services (CDSS).

- *BHSF Remaining for New Workforce Programs at HCAI* - $51 million in 2026-27 and $73.7 million in 2027-28.

Proposition 1 Population-Based Behavioral Health Prevention Programs

- *CYBHI Behavioral Health Services and Supports Platform – DHCS.* $56.8 million BHSF in 2026-27 and $98 million in 2027-28 offsets General Fund to support the CYBHI Behavioral Health Services and Supports Platform at DHCS.

- *Staff Training Programs – CDCR.* $1.3 million BHSF in 2026-27 and 2027-28 offsets General Fund to support staff training programs at CDCR.

- *Equal Representation in Construction Apprenticeship Grant – DIR.* $3.5 million BHSF in 2026-27 and 2027-28 offsets General Fund to support the Equal Representation in Construction Apprenticeship Grant at the Department of Industrial Relations (DIR).

- *Office of Suicide Prevention – CDPH.* $2.8 million BHSF in 2026-27 and 2027-28 offsets General Fund to support the Office of Suicide Prevention at the California Department of Public Health (CDPH).

- *Overdose Prevention Initiative – CDPH.* $200,000 BHSF in 2026-27 and 2027-28 offsets General Fund to support the Overdose Prevention Initiative at CDPH.

- *Alcohol Harms Prevention Initiative – CDPH.* $800,000 BHSF in 2026-27 and 2027-28 offsets General Fund to support the Alcohol Harms Prevention Initiative at CDPH.

- *Future of Public Health Behavioral Health Program – CDPH.* $1.8 million in 2026-27 and 2027-28 offsets General Fund to support the Future of Public Health Behavioral Health Program at CDPH.

- *BHSF Remaining for New Population-Based Health Programs at CDPH* - $107.6 million in 2026-27 and $66.4 million in 2027-28.

Proposition 1 State-Directed Purposes

- *Drug Medi-Cal Organized Delivery System – DHCS.* $81.6 million BHSF in 2026-27 and $30 million in 2027-28 offsets General Fund to support the non-federal share of expenditures in the Drug Medi-Cal Organized Delivery System.

Opioid Settlements Fund

- *Drug Medi-Cal and Drug Medi-Cal Organized Delivery System – DHCS.* $35.4 million Opioid Settlements Fund (OSF) offsets General Fund to support the non-federal share of expenditures in the Drug Medi-Cal program and the Drug Medi-Cal Organized Delivery System.

988 and the Behavioral Health Crisis Continuum Implementation. The budget includes expenditure authority from the 988 State Suicide and Behavioral Health Crisis Services Fund (988 Fund) of $445,000 in 2026-27 and $439,000 in 2027-28 and 2028-29 for CalHHS to convene the 988 Crisis Policy Advisory Group and produce an annual progress report.

The budget also includes expenditure authority from the 988 Fund of $203,000 in 2026-27 for EMSA to support statewide guidance on behavioral health crisis response for local Emergency Medical Services Agencies.

The budget also includes expenditure authority from the 988 Fund of $5.4 million for CalHHS, $6.8 million for DHCS, and $2.8 million for the California Governor's Office of Emergency Services (CalOES) for various oversight, interoperability, and implementation activities related to the state's 988 suicide prevention and behavioral health crisis system.

The budget also includes expenditure authority from the 988 Fund of $20 million to support 988 Crisis Call Centers and $5 million to support a "Press 3" option for LGBTQ+ suicide prevention resources.

The Legislature also approved trailer bill language to implement various oversight provision and expand service delivery for the state's 988 Suicide and Crisis Lifeline.

University of California, San Diego/Palomar Health Authority. The Legislature approved trailer bill language to implement various authorities to facilitate the transfer of assets from the Palomar Health District to the University of California, San Diego Palomar Health Authority.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CALHHS)

Office of Youth and Community Restoration (OYCR) Ombudsperson. The budget includes $475,000 General Fund in 2026-27 and ongoing for two positions to support the OYCR Ombudsperson Division's statutory responsibilities and increased workload. Additionally, statutory changes in AB 152 (Committee on Budget), Chapter 26, Statutes of 2026, clarify the OYCR Ombudsperson's access to youth and records as well as posting requirements for the Youth Bill of Rights.

Statewide Verification Hub. The budget includes $831,000 in California Health and Human Services Automation Fund and four positions to be transferred from the California Department of Social Services (CDSS) to the CalHHS Office of Technology and Solutions Integration (OTSI) for the Statewide Verification Hub initiative.

Early Childhood Policy Council and Whole Child Initiative Reappropriation. The budget includes reappropriation of General Fund expenditure authority originally authorized in the 2019 Budget Act, until June 30, 2028, for the Early Childhood Policy Council and Whole Child Initiative.

Increased Resources for Administrative Support. The budget includes General Fund expenditure authority of $730,000 annually to support an interagency agreement with the California Department of Social Services to provide contracted accounting, human resources, legal, information technology, contracts, procurement, and other management and staff services.

Reappropriation for House Resolution 1 Workload Resources. The budget includes reappropriation of General Fund expenditure authority of up to $294,000, previously authorized in the 2025 Budget Act. If approved, these reappropriated resources would support increases in legal workload associated with House Resolution (HR) 1.

Child Mind Institute. The budget includes General Fund expenditure authority of $25 million to support the Child Mind Institute.

Community Assistance, Recovery, and Empowerment (CARE) Act Referral and Petition Pipeline. The budget includes General Fund expenditure authority of $1.5 million for CalHHS to establish a Community Assistance, Recovery and Empowerment (CARE) Court Referral and Petition Pipeline. The budget also includes General Fund expenditure authority of $3.5 million for public defenders related to the CARE Act (please see Judicial Branch section of this report for more details).

House Resolution 1 Research. The budget includes General Fund expenditure authority of $1 million to support research regarding changes in the insured and uninsured populations and health care utilization trends related to implementation of HR 1.

Veterans' Psychedelic Research. The budget includes General Fund expenditure authority of $4.7 million for the California Initiative to Advance Precision Medicine for veterans' psychedelic research.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CALHHS)
4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)

Data Exchange Framework and Office of the Patient Advocate Shift from CalHHS to HCAI. The budget includes the transfer of 16 positions and expenditure authority of $11.2 million ($8.8 million California Health Data and Planning Fund and $2.4 million Health Plan Improvement Trust Fund) from CalHHS to HCAI to reflect the transition of administration of the Data Exchange Framework and the Office of the Patient Advocate from the agency to the department. The Legislature also approved trailer bill language to implement the transition of these two programs. The use of California Health Data and Planning Fund for this purpose replaces $8.8 million General Fund resources previously supporting the Data Exchange Framework at CalHHS.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)

Disaster Response Vehicle Replacement. The budget includes General Fund expenditure authority of $500,000, available for expenditure and encumbrance until June 30, 2028, to support replacement of disaster response vehicles utilized for statewide medical operations.

Human Resources, Enforcement and Legal Workload. The budget includes four positions and General Fund expenditure authority of $1.4 million to support workload increases in EMSA's Human Resources Branch, Enforcement Branch, and Legal Division.

Enterprise Services Data Management Solution. The budget includes General Fund expenditure authority of $4.3 million in 2026-27 and $4.4 million in 2027-28 to support operationalization of the Enterprise Services Data Management (ESDM) System.

Emergency Medical Transportation Rate Reporting (AB 716). The budget includes General Fund expenditure authority of $521,000 in 2026-27 to support reporting of allowable maximum rates by county for ground emergency medical transportation, pursuant to the requirements of AB 716 (Boerner), Chapter 454, Statutes of 2023.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)

Distressed Hospital Grants. The budget includes General Fund expenditure authority of $25 million in 2025-26 and $90 in 2026-27 to support grants to hospitals in immediate and significant financial distress to prevent closure of those hospitals. The Legislature also approved budget bill language authorizing the Department of Finance to augment the grant program by up to $50 million.

Health Care Access Stability Unit. The budget includes General Fund expenditure authority of $10 million in 2026-27, available for encumbrance or expenditure until June 30, 2030, to establish a health care access stability unit to evaluate hospitals' strategic importance to their communities, assist in planning for maintaining critical services in the event of a hospital's financial distress, and provide technical assistance.

Health Care Workforce Programs. The budget includes expenditure authority of $711,000 ($353,000 federal funds and $358,000 special funds) to support mental health practitioner and nursing workforce programs.

Healthcare Payments Data Program. The budget includes expenditure authority of $22.5 million ($17.5 million Health Care Payments Data Fund and $5 million reimbursements) in 2026-27 and $23.6 million ($18.6 million Health Care Payments Data Fund and $5 million reimbursements) annually thereafter to support operation of the Health Care Payments Data (HPD) Program. The Legislature also approved trailer bill language to authorize transfer of funds from various special fund and revenue sources to the Health Care Payments Data Fund to support the HPD Program.

Data Exchange Framework (SB 660). The budget includes expenditure authority from the California Health Data and Planning Fund of $1.5 million in 2026-27 and 2027-28 to support administration of the Data Exchange Framework Program by HCAI, pursuant to the provisions of SB 660 (Menjivar), Chapter 325, Statutes of 2025.

Long-Term Care Final Rule Extension. The budget includes three positions and expenditure authority from the California Health Data and Planning Fund of $597,000 annually to support implementation of a new healthcare data reporting requirement related to the federal Long-Term Care Final Rule.

Employee Health Care Coverage Reporting (AB 1418). The budget includes one position and expenditure authority from the California Health Data and Planning Fund of $178,000 annually to support implementation of new reporting requirements for health care workers' coverage waiting periods, pursuant to the requirements of AB 1418 (Schiavo), Chapter 398, Statutes of 2025.

Hospital Pricing (AB 1312). The budget includes eight positions and expenditure authority from the California Health Data and Planning Fund of $1.6 million annually to support review of hospital charity care and discount payment policies, pursuant to the requirements of AB 1312 (Schiavo), Chapter 450, Statutes of 2025. The Legislature also approved trailer bill language to establish the Hospital Fair Pricing Penalties Fund to collect administrative penalty revenue collected pursuant to AB 1312 and authorize its use to implement the provisions of the bill and related regulations.

CalRx Biosimilar Insulin Initiative Reappropriation. The budget includes reappropriation of General Fund expenditure authority of up to $18.4 million, originally authorized in the 2022 Budget Act, to support continued development of low-cost, interchangeable biosimilar insulin products.

CalRx Epinephrine Pens and Tuberculosis Drugs. The budget includes General Fund expenditure authority of $15.5 million for CalRx to contract for affordable access to epinephrine pens and tuberculosis drugs.

CalRx Partnerships for Glucagon Like Peptide 1 (GLP-1) Agonists. The budget includes General Fund expenditure authority of $2 million for HCAI to enter into partnerships to offer glucagon-like peptide 1 (GLP-1) agonists, pursuant to the adoption of legislation.

Rural Health Transformation Program Implementation. The budget includes federal fund expenditure authority of $126.7 million in 2026-27 to support the Rural Health Transformation Program, developed under provisions of HR 1. The Legislature also approved budget bill language to provide a two-year exemption from the Public Contract Code for the program and authorize the use of a third-party administrator.

Diaper Access Initiative. The Legislature approved budget bill language to provide a two-year exemption from the Public Contract Code for the Diaper Access Initiative and require contracting for the direct-to-consumer portal to include access to both diapers and wipes.

Opioid Settlements Fund Reversion. The budget includes reversion of expenditure authority from the Opioid Settlements Fund of $19.6 million, originally authorized in the 2023 Budget Act, to be redirected to DHCS to support the non-federal share of Drug Medi-Cal and Drug Medi-Cal Organized Delivery System (DMC-ODS) costs in the Medi-Cal program.

Physician Access and Workforce Development. The budget includes General Fund expenditure authority of $5 million to support the Physician Access Workforce Program, which will provide grants for medical school loan repayment in San Luis Obispo, Monterey, Santa Cruz, and San Benito Counties to address physician retention and access challenges, complete a study of physician access and need in the Central Coast Region, and support hiring and retaining of providers for community-based behavioral health services.

University of the Pacific Medical School. The budget includes General Fund expenditure authority of $2 million for the University of the Pacific to support development of a new medical school.

Uncompensated Care Program. The budget includes General Fund expenditure authority of $30 million to support the Uncompensated Care Program to protect access to abortion and gender affirming care services for Californians. The budget also includes General Fund expenditure authority of $10 million to protect access to gender affirming care for Medi-Cal members denied coverage for these

services because of new federal rules. The Legislature also approved trailer bill language to expand the availability of funding to support gender affirming care.

Gender Affirming Care Provider Stabilization. The budget includes General Fund expenditure authority of $10 million in 2026-27 and $8 million in 2027-28 and 2028-29 to stabilize provider networks in California for gender affirming care services.

Abortion Practical Support Program. The budget includes General Fund expenditure authority of $10 million to support the Abortion Practical Support Program.

Midwifery Education and Training (AB 836). The budget includes General Fund expenditure authority of $750,000 to support a study of midwifery education and training in California, pursuant to the requirements of AB 836 (Stefani), Chapter 597, Statutes of 2025.

Promotora Workforce Training. The budget includes General Fund expenditure authority of $15 million for Vision y Compromiso to support training for promotores and community health workers.

San Francisco Campus for Jewish Living. The budget includes General Fund expenditure authority of $2 million for the San Francisco Campus for Jewish Living to support building renovations and infrastructure upgrades to campus communication and life safety systems.

Long Beach West Health Facility. The budget includes General Fund expenditure authority of $1 million for the City of Long Beach to support facility, security, and safety improvements for the West Health Facility.

4150 DEPARTMENT OF MANAGED HEALTH CARE (DMHC)

Pharmacy Benefit Manager Licensure and Data Requirements. The budget includes eight positions and expenditure authority from the Pharmacy Benefit Manager Fund of $5.6 million in 2026-27, nine positions and expenditure authority of $4.3 million in 2027-28, and ten positions and $4.4 million annually thereafter, to support implementation of new licensing requirements on pharmacy benefit managers established pursuant to SB 116 (Committee on Budget and Fiscal Review), Chapter 21, Statutes of 2025.

Pharmacy Benefit Managers (SB 41). The budget includes seven positions and expenditure authority from the Pharmacy Benefit Manager Fund of $1.7 million in 2026-27, nine positions and $2.2 million in 2027-28, and $2.2 million annually thereafter, to support implementation of new licensure and oversight requirements on pharmacy benefit managers, pursuant to the requirements of SB 41 (Wiener), Chapter 605, Statutes of 2025.

Prior Authorization Reporting (SB 306). The budget includes four positions and expenditure authority from the Managed Care Fund of $1.4 million in 2026-27, eight positions and $1.6 million in 2027-28, and $1.8 million annually thereafter, to support implementation of new data collection efforts regarding health plan prior authorizations, pursuant to the requirements of SB 306 (Becker), Chapter 408, Statutes of 2025.

Health Care Provider Credentials (AB 1041). The budget includes four positions and expenditure authority from the Managed Care Fund of $1.7 million in 2026-27, $1.2 million in 2027-28, five

positions and $1.4 million in 2028-29, and $1.4 million annually thereafter, to support implementation of new health plan requirements for provider credentialing, pursuant to the provisions of AB 1041 (Bennett), Chapter 630, Statutes of 2025.

California Managed Care Complaint System Resources and Project Implementation. The budget includes expenditure authority from the Managed Care Fund of $3.3 million in 2026-27 to support health plan member and provider complaints through the California Managed Care Complaint System in the DMHC Help Center.

Electronic Filing/Analysis of Claims Settlement Data Project Implementation (AB 3275). The budget includes expenditure authority from the Managed Care Fund of $2.4 million in 2026-27 and $2 million in 2027-28 to support implementation of an Electronic Filing and Analysis of Claims (eFACS) data solution to meet the requirements of AB 3275 (Soria), Chapter 763, Statutes of 2024.

4260 DEPARTMENT OF HEALTH CARE SERVICES (DHCS)

Medi-Cal Local Assistance Funding. The budget includes $194.4 billion ($48.6 billion General Fund, $117 billion federal funds, and $28.8 billion special funds and reimbursements) in 2025-26 and $219.7 billion ($46.9 billion General Fund, $133.5 billion federal funds, and $39.2 billion special funds and reimbursements) in 2026-27 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.** $186.9 billion ($46 billion General Fund, $112.2 billion federal funds, and $28.7 billion special funds and reimbursements) in 2025-26 and $210.7 billion ($44.9 billion General Fund, $126.7 billion federal funds, and $39 billion special funds and reimbursements) in 2026-27 for the provision of health care benefits to Medi-Cal beneficiaries.

- **County and Other Local Assistance Administration**. $7.5 billion ($2.6 billion General Fund, $4.8 billion federal funds, and $119.9 million special funds and reimbursements) in 2025-26 and $9 billion ($2 billion General Fund, $6 billion federal funds, and $239.7 million special funds and reimbursements) in 2026-27 for eligibility determinations and other administrative activities performed by counties.

Medi-Cal caseload is estimated to be 14.4 million in 2025-26 and 13.9 million in 2026-27.

Family Health Programs Local Assistance Funding. The budget includes $292.8 million ($264.8 million General Fund, $5.5 million federal funds, and $22.6 million special funds and reimbursements) in 2025-26 and $307 million ($280.9 million General Fund, $5.7 million federal funds, and $20.3 million special funds and reimbursements) in 2026-27 for state-only health care programs, as follows:

- **California Children's Services (CCS) Program.** $95.6 million ($86.5 million General Fund and $9.1 million special funds and reimbursements) in 2025-26 and $94.2 million ($87 million General Fund and $7.2 million special funds and reimbursements) in 2026-27. Counties will contribute an additional $95.1 million in 2025-26 and $93.8 million in 2026-27 for state-only services in the CCS Program. The CCS Medi-Cal caseload is estimated to be 171,737 in 2025-26 and 172,670 in 2026-27, and the CCS State-Only caseload is estimated to be 12,166 in 2025-26 and 12,265 in 2026-27.

- **Genetically Handicapped Persons Program (GHPP).** $180.1 million ($179 million General Fund and $1.1 million special funds and reimbursements) in 2025-26 and $190 million ($188.1 million General Fund and $1.9 million special funds and reimbursements) in 2026-27. The GHPP Medi-Cal caseload is estimated to be 554 in 2025-26 and 611 in 2026-27, and the GHPP State-Only caseload is estimated to be 517 in 2025-26 and 519 in 2026-27.

- **Every Woman Counts (EWC) Program.** $17 million ($5.5 million federal funds and $11.5 million special funds) in 2025-26 and $13.7 million ($6.3 million federal funds and $7.4 million special funds) in 2026-27. The EWC caseload is estimated to be 6,770 in 2025-26 and 6,526 in 2026-27.

General Fund Solution (Delayed) – Elimination of Prospective Payment System for UIS Medi-Cal Members in Community Clinics. The budget includes General Fund expenditure authority of $1 billion and the Legislature approved trailer bill language to delay, until July 1, 2027, the elimination of the prospective payment system reimbursement of community clinics for services provided to Medi-Cal members with unsatisfactory immigration status (UIS). The budget also includes General Fund expenditure authority of $300,000 for DHCS to support this transition.

General Fund Solution (Delayed) – Elimination of Dental Benefits for UIS Adults. The budget includes General Fund expenditure authority of $360.8 million and the Legislature approved trailer bill language to delay, until July 1, 2027, the elimination of dental benefits for UIS Medi-Cal members age 19 and older.

General Fund Solution (Delayed) – Elimination of Dental Supplemental Payments. The budget includes General Fund expenditure authority of $258.2 million and the Legislature approved trailer bill to delay, until July 1, 2027, the elimination of Proposition 56 supplemental payments for dental services in the Medi-Cal program.

General Fund Solution (Delayed) – Transition of Qualified Non-Citizens to Restricted Scope Medi-Cal. The budget includes General Fund expenditure authority of $303.2 million in 2026-27 to delay from October 1, 2026 until July 1, 2027, the transition of qualified non-citizens from full scope Medi-Cal to restricted scope Medi-Cal, maintaining full scope coverage on a state only basis and backfilling the federal matching funds lost due to provisions of HR 1. The Legislature also approved trailer bill language to delay the transition to restricted scope Medi-Cal until July 1, 2027. The budget estimates General Fund savings of $276.9 million in 2027-28, $285.2 million in 2028-29, and $293.8 million annually thereafter from the transition to restricted scope Medi-Cal for this population.

General Fund Solution – Managed Care Organization Tax Reauthorization. The budget estimates General Fund savings of $575 million in 2026-27, $2.3 billion in 2027-28 and 2028-29, and $1.7 billion in 2029-30, as a result of the reauthorization of a new, federally compliant tax on managed care organizations.

General Fund Solution – Transition of UIS Individuals from Managed Care to Fee-for-Service. The budget includes estimated General Fund savings of $606.8 million in 2026-27 and $1.3 billion annually thereafter, and the Legislature approved trailer bill language to transition Medi-Cal members with unsatisfactory immigration status (UIS) from the managed care delivery system to the fee-for-service delivery system, no sooner than January 1, 2027. The budget also includes General Fund

expenditure authority of $39 million to support coordination services for UIS individuals as they transition to the fee-for-service delivery system.

General Fund Solution – CalAIM Reforms. The budget includes estimated General Fund savings of $41.4 million in 2026-27 and $99.2 million annually thereafter for reforms to the enhanced care management benefit through California Advancing and Innovating Medi-Cal (CalAIM) initiative. The budget also includes estimated General Fund savings of $26.9 million in 2026-27 and $51 million annually thereafter for reforms to community supports services offered through CalAIM.

General Fund Solution – Medi-Cal Asset Limit. The budget includes estimated General Fund savings of $235.6 million in 2026-27 and $257 million annually thereafter, and the Legislature approved trailer bill language to, beginning July 1, 2027, revise the asset limit for determining Medi-Cal eligibility for seniors and persons with disabilities from $130,000 per individual and $65,000 for each additional household member, to $21,000 per individual, $31,000 per couple, and $1,550 for each additional household member.

General Fund Solution – Medi-Cal Premiums for UIS Members. The Legislature approved trailer bill language to require the Governor to, in the 2027-28 May Revision, set the level of monthly premiums imposed on Medi-Cal members with unsatisfactory immigration status (UIS), between $30 and $50, beginning in July 1, 2027.

House Resolution (HR) 1 Planning and Implementation. The budget includes expenditure authority of $33 million ($15.5 million General Fund and $17.5 million federal funds) in 2026-27, $11.3 million ($5.7 million General Fund and $5.7 million federal funds) in 2027-28, and $3.3 million ($1.6 million General Fund and $1.6 million federal funds) in 2028-29 and 2029-30 to support implementation of eligibility and other changes related to HR 1. The Legislature also approved trailer bill language to implement certain requirements on DHCS related to implementation of HR 1.

County Administration Workload. The budget includes total General Fund expenditure authority of $196.9 million to support county administration of Medi-Cal eligibility workload. Of these amounts, $32.2 million is a cost-of-doing-business adjustment for the 2026-27 and 2027-28 fiscal years. The Legislature also approved trailer bill to implement these provisions.

Managed Care Final Rule Implementation and Operations. The budget includes expenditure authority of $12.3 million ($6 million General Fund and $6.3 million federal funds) in 2026-27 and $10.5 million ($5.2 million General Fund and $5.2 million federal funds) in 2027-28 through 2029-30 to support implementation and operations of federal requirements pursuant to the Managed Care Final Rule.

Managed Care Operations. The budget includes four positions and expenditure authority of $607,000 ($236,000 General Fund and $371,000 federal funds) annually to support implementation, monitoring, and enforcement of federal and state requirements for Medi-Cal managed care plans, including network adequacy and access.

Medi-Cal Provider Enrollment and Revalidation. The budget includes expenditure authority of $10.4 million ($5.2 million General Fund and $5.2 million federal funds) to support enrollment and revalidation of Medi-Cal providers.

Medi-Cal Provider Integrity Provision. The Legislature approved trailer bill language to suspend, until July 1, 2027, statutory provisions that automatically grant provisional enrollment status as a provider in the Medi-Cal program if certain application determination deadlines are not met, expand DHCS authority to deny or suspend provider enrollment in the Medi-Cal program if the provider discloses and affiliation the department determines poses an undue risk of fraud, waste, or abuse, and make other changes to provider integrity provisions.

Federal Funds Overpayments. The budget includes General Fund expenditure authority of $30 million for repayment of federal funds claimed as overpayments and clarifies that DHCS will not make recoveries from managed care plans, nor will plans make recoveries from providers.

2027 Medi-Cal CalAIM Waiver Planning and Implementation. The budget includes ten positions and expenditure authority of $17.5 million ($8.8 million General Fund and $8.8 million federal funds) in 2026-27 to support planning and ongoing implementation of the California Advancing and Innovating Medi-Cal (CalAIM) waivers, which expire on December 31, 2026. The Legislature also approved trailer bill language to authorize DHCS to apply to the federal government for renewal of the CalAIM waiver, and authorizes DHCS to implement employment supports and BridgeCare as CalAIM initiative components.

General Fund Solution – Medical Loss Ratio Remittances. The Legislature approved trailer bill to authorize redirection of medical loss ratio remittances from Medi-Cal managed care plans from the Medi-Cal Loan Repayment Program Special Fund to the General Fund.

Ensuring Access to Medicaid Services. The budget includes one-year limited-term resources equivalent to seven positions, four-year limited-term resources equivalent to 15 positions, and expenditure authority of $7.3 million ($1.8 million General Fund and $5.5 million federal funds) in 2026-27, and $5.3 million ($1.5 million General Fund and $3.8 million federal funds) in 2027-28 through 2029-30 to support compliance with federal and state requirements related to the Ensuring Access to Medicaid Services Final Rule. The budget also includes four-year limited-term funding for 15 positions approved in the 2025 Budget Act for this purpose.

Support for Public Hospitals. The budget includes General Fund expenditure authority of $250 million to support grants to designated public hospitals.

Value Strategy for Hospital Payments in Medi-Cal Managed Care. The budget includes 23 positions and expenditure authority of $10.7 million ($5.3 million reimbursements and $5.3 million federal funds) in 2026-27, $9.8 million ($4.9 million reimbursements and $4.9 million federal funds) in 2027-28 and 2028-29, and $6.8 million ($3.4 million reimbursements and $3.4 million federal funds) annually thereafter to support development, implementation, and maintenance of a comprehensive value strategy for payments for hospital services in the Medi-Cal managed care delivery system.

Medi-Cal Graduate Medical Education Payments (SB 246). The budget includes one position and expenditure authority of $165,000 ($83,000 reimbursements and $82,000 federal funds) in 2026-27 and $156,000 ($78,000 reimbursements and $78,000 federal funds) annually thereafter to allow district and municipal hospitals to draw down federal funding for graduate medical education, pursuant to the requirements of SB 246 (Grove), Chapter 308, Statutes of 2025.

Emergency Dialysis. The budget includes expenditure authority from the Health Care Affordability Reserve Fund of $8 million and the Legislature approved trailer bill language for DHCS to support outpatient maintenance dialysis services for individuals on restricted scope Medi-Cal.

Long-Term Care Payment Transparency Final Rule. The budget includes eight positions and expenditure authority of $2.5 million ($1.2 million Long-Term Care Quality Assurance Fund or LTC-QAF, and $1.3 million federal funds) in 2026-27 and $1.3 million ($604,000 LTC-QAF and $726,000 federal funds) annually thereafter to support implementation of the Medicaid Institutional Payment Transparency Reporting provisions of the federal Long-Term Care Final Rule.

California Community Transitions (CCT) Federally Funded Limited-Term Position. The budget includes limited-term resources equivalent to one position and federal fund expenditure authority of $165,000 in 2026-27 and $90,000 in 2027-28 to support operations of the California Community Transitions Program.

Waiver Personal Care Services (WPCS) Backlog. The budget includes expenditure authority of $901,000 ($451,000 General Fund and $450,000 federal funds in 2026-27 and $740,000 ($370,000 General Fund and $370,000 federal funds) in 2027-28 to support administration of the Waiver Personal Care Services benefit.

Home- and Community-Based Alternatives Waiver. The budget includes General Fund expenditure authority of $1.5 million to enable DHCS to clear the Medi-Cal Home- and Community-Based Alternatives (HCBA) Waiver waitlist and serve all eligible individuals seeking enrollment in the waiver.

Program of All-Inclusive Care for the Elderly (PACE) Beneficiary Applicant Assistance. The budget includes four positions and expenditure authority of $800,000 ($400,000 General Fund and $400,000 federal funds) in 2026-27 to support additional nursing staff to evaluate the applications of frail, older Californians enrolling in PACE.

Congregate Living Health Facilities. The budget includes General Fund expenditure authority of $7.7 million to support Medi-Cal payment increases for congregate living health facilities for dates of service prior to the transition of services into the managed care delivery system.

Private Duty Nursing. The budget includes General Fund expenditure authority of $30 million to support Medi-Cal payment increases for private duty nursing services for dates of service no sooner than January 1, 2027.

Behavioral Health Services Act Ongoing Implementation, Oversight, and Monitoring. The budget includes ten positions and expenditure authority of $41.8 million ($25.9 million Behavioral Health Services Fund or BHSF and $16 million federal funds) in 2026-27, $1.8 million ($920,000 BHSF and $919,000 federal funds) in 2027-28 through 2029-30, and $1.7 million ($868,000 BHSF and $868,000 federal funds) annually thereafter to support continued implementation, operations, monitoring, and oversight activities related to the Behavioral Health Services Act, Proposition 1, approved by voters in 2024.

988 and the Behavioral Health Crisis Continuum Supports. The budget includes eight positions and expenditure authority from the 988 Fund of $25.9 million in 2026-27, $25.8 million in 2027-28 through 2029-30, and $4.4 million annually thereafter to support increased workload related to 988 and to support

988 Crisis Centers. The Legislature also approved trailer bill language to establish a process and standard criteria for entities to apply for approval as designated 988 centers, quality standards designated 988 centers must meet to maintain designation, and comprehensive monitoring and oversight of designated 988 centers.

Community-Based Mobile Crisis Services. The budget includes expenditure authority of $62.3 million ($42.2 million General Fund and $20.1 million BHSF) to continue the community-based mobile crisis services benefit in Medi-Cal until July 1, 2027.

Behavioral Health Services Fund Revenue Stability. The Legislature approved trailer bill language to reform county expenditure and reserves of Behavioral Health Services Fund (BHSF) resources, pursuant to the requirements of SB 326 (Eggman), Chapter 790, Statutes of 2023.

Proposition 36 Funding. The budget includes General Fund expenditure authority of $20 million in 2026-27 to support non-competitive grants to county behavioral health departments to support implementation of Proposition 36, approved by voters in 2024.

General Fund Solution – Opioid Settlements Fund Support for Drug Medi-Cal and DMC-ODS. The budget includes expenditure authority from the opioid settlements fund of $35.4 million to replace General Fund resources to support the non-federal share of expenditures in Drug Medi-Cal and the Drug Medi-Cal Organized Delivery System (DMC-ODS).

Narcotic Treatment Program (NTP) and Driving Under the Influence (DUI) Program Licensing Trust Fund. The budget includes expenditure authority of $2 million ($1 million NTP Licensing Trust Fund and $1 million DUI Licensing Trust Fund) in 2026-27 to support existing licensing and compliance monitoring activities of the NTP and DUI programs.

Aligning Evidence-Based Standards for Substance Use Disorder Treatment. The Legislature approved trailer bill language to align state standards for substance use disorder treatment facilities licensed or certified by DHCS with current, evidence-based standards of care, and update outdated clinical terminology.

Naloxone Distribution Project Reappropriation. The budget includes reappropriation of General Fund expenditure authority of up to $1.4 million, previously approved in the 2023 Budget Act, to support the Naloxone Distribution Project.

Federal Behavioral Health Grants. The budget includes federal funds expenditure authority of $1.2 million for state operations and $105.6 million for local assistance related to the implementation of the State Opioid Response Grant, and $6 million for local assistance related to expenditure of the Substance Abuse Prevention and Treatment Block Grant.

Medi-Cal Field Medicine (AB 543). The budget includes four positions and expenditure authority of $698,000 ($349,000 General Fund and $349,000 federal funds) in 2026-27 and $662,000 ($331,000 General Fund and $331,000 federal funds) annually thereafter to support implementation of new provisions governing the delivery of health care services to individuals experiencing homelessness, pursuant to the requirements of AB 543 (Gonzalez), Chapter 374, Statutes of 2025.

Treatment for Severe Schizophrenia Pilot Program. The budget includes General Fund expenditure authority of $5 million for CenCal Health to establish a behavioral health pilot program on the treatment of severe schizophrenia, or anosognosia, in the plan's service region.

Allcove Youth Drop-In Centers. The budget includes General Fund expenditure authority of $5 million to support Allcove youth mental health drop-in centers.

Children and Youth Behavioral Health Initiative Implementation. The budget includes General Fund expenditure authority of $2 million to support implementation of the Children and Youth Behavioral Health Initiative.

Shatterproof Atlas. The budget includes General Fund expenditure authority of $500,000 to extend the current DHCS contract with Shatterproof through September 30, 2027, in support of the Atlas treatment platform.

Human Resources Plus Modernization. The budget includes three positions and expenditure authority of $4.5 million ($2.3 million General Fund and $2.3 million federal funds) in 2026-27, $2 million ($1 million General Fund and $1 million federal funds) in 2027-28, $312,000 ($156,000 General Fund and $156,000 federal funds) in 2028-29, and a reduction of expenditure authority of $1.7 million ($839,000 General Fund and $838,000 federal funds) annually thereafter to support planning, procurement, and project implementation costs and savings from modernization of the department's human resources and related fiscal systems business technology.

California Health and Human Services Data Exchange Framework (SB 660). The budget includes one position and expenditure authority of $178,000 ($989,000 General Fund and $89,000 federal funds) in 2026-27 and $169,000 ($85,000 General Fund and $84,000 federal funds) annually thereafter to support monitoring of Medi-Cal managed care compliance with Data Exchange Framework requirements, pursuant to SB 660 (Menjivar), Chapter 325, Statutes of 2025.

Healthcare Payments Data Program Long-Term Funding. The budget includes four positions transferred from HCAI and expenditure authority of $829,000 ($207,000 California Health Data and Planning Fund and $622,000 federal funds) in 2026-27 and $793,000 ($198,000 California Health Data and Planning Fund and $595,000 federal funds) annually thereafter to support management and transmission of Medi-Cal data to HCAI and utilization of the Healthcare Payments Database (HPD) to support management of the Medi-Cal program.

Yurok Tribe of California. The budget includes General Fund expenditure authority of $2 million to support health programs for the Yurok Tribe of California. The budget also includes General Fund expenditure authority of $7.1 million for the Yurok Tribe of California to support an Allcove youth mental health center.

Westminster Free Clinic. The budget includes General Fund expenditure authority of $6 million to support infrastructure development at the Westminster Free Clinic.

San Gabriel Valley Chinatown Service Center. The budget includes General Fund expenditure authority of $2.5 million for the Chinatown Service Center in the San Gabriel Valley to support the San Gabriel Behavioral Health and Youth Wellness Center and the Healthcare Workforce Development and Simulation Training Center in Monterey Park.

Martin Luther King Jr. Community Hospital. The budget includes General Fund expenditure authority of $8 million for operational support of the Martin Luther King Jr. Community Hospital.

Los Angeles County Mobile Clinics. The budget includes General Fund expenditure authority of $1 million for Los Angeles County to support mobile clinics for respiratory illnesses.

Santa Clara Valley Healthcare Behavioral Health. The budget includes General Fund expenditure authority of $2 million for Santa Clara Valley Healthcare to expand behavioral health treatment modalities.

Luminarias Institute. The budget includes General Fund expenditure authority of $500,000 for the Luminarias Institute to support the Behavioral Health Capacity Preservation Program.

Kern Medical. The budget includes General Fund expenditure authority of $2 million for Kern Medical to support the design, construction, staffing, and deployment of a purpose-built mobile dental unit with two dental chairs and on-board X-ray capability.

Kern County Cancer Prevention. The budget includes General Fund expenditure authority of $88,000 for Kern County to expand cancer prevention, early detection, screening, and patient navigation resources for residents of rural and disadvantaged communities.

Watsonville Community Hospital. The budget includes General Fund expenditure authority of $325,000 to support hospital upgrades at Watsonville Community Hospital.

Loma Linda Children's Hospital. The budget includes General Fund expenditure authority of $1 million for the Loma Linda Children's Hospital to support the Resiliency Institute for Childhood Adversity.

Santa Barbara County Mobile Dental. The budget includes General Fund expenditure authority of $1.3 million for Santa Barbara County to support a three-chair mobile dental vehicle to provide oral health services to county residents.

Planned Parenthood Central Coast. The budget includes General Fund expenditure authority of $1 million for Planned Parenthood to support postpartum programs on the Central Coast.

United Way Capital Region. The budget includes General Fund expenditure authority of $300,000 for United Way Capital Region to develop a permanent, trauma-informed center for the Sacramento region.

State Operations Support. The budget includes 12 positions and expenditure authority of $8.8 million ($4.4 million General Fund and $4.4 million federal funds) for state operations to support administration of various General Fund solutions and legislative priorities adopted in the 2026 Budget Act.

4265 CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH)

AIDS Drug Assistance Program (ADAP) Program Estimate. The budget includes expenditure authority of $436.4 million ($333 million ADAP Rebate Fund and $103.4 million federal funds) in 2025-25 and $511 million ($407.6 million ADAP Rebate Fund and $103.4 million federal funds) in 2026-27 to support medication and health care coverage for individuals living with HIV/AIDS in ADAP.

ADAP Rebate Fund Expenditure Plan. The budget authorizes expenditures from the ADAP Rebate Fund of $600.4 million over four years ($153.4 million in 2026-27, $154.1 million in 2027-28, $145.2 million in 2028-29, and $148.7 million in 2029-30) and the Legislature approved trailer bill language to support programs to reduce transmission of HIV/AIDS and other sexually transmitted infections (STIs), and provide other related services, including the following:

For the 2026-27 fiscal year:

- $33.8 million, available over four years, for pre-exposure and post-exposure prophylaxis initiation and retention projects.
- $14.5 million, available over four years, for rapid antiretroviral therapy projects.
- $14.1 million, available over four years, for HIV and aging projects.
- $30 million, available over three years, for emergency department syndemic screening projects.
- $550,000 to fund Hepatitis C testing training.
- $25 million to provide housing support for individuals living with HIV.
- $640,000 annually for four years, to support state operations personnel to implement these programs.
- $16.3 million annually for four years to support the California Overdose Prevention and Harm Reduction Initiative (COPHRI).

For the 2027-28 fiscal year:

- $30 million, available over six years, for the Syphilis and Congenital Syphilis Outbreak Strategy.
- $10 million annually for three years for the Harm Reduction Supply Clearinghouse.
- $5 million annually for three years for the Two-Spirit, Transgender, Gender Nonconforming, and Intersex (2TGI) Wellness and Equity Fund.
- $3.4 million, available over five years, to implement strategies to maintain HIV viral suppression among state prison inmates released to the community.
- $200,000 annually for three years for the TakeMeHome program to allow the program to offer delivery of home test kits for HIV, STIs and Hepatitis C through delivery services in addition to the mail.
- $19 million to provide housing support for individuals living with HIV.

- $25 million annually for three years to supplement federal HIV Prevention funding for CDPH and local health departments, with portions of these funds set aside for efforts to conduct outreach to migrant farmworkers.

- $25 million annually for three years to supplement Ryan White HIV/AIDS Program funding.

For the 2028-29 fiscal year:

- $18 million, available over two years, to provide housing support for individuals living with HIV.

- $10 million, available over five years, to support investments to end the epidemic of Hepatitis C.

- $8 million, available over five years, for demonstration projects to improve health and well-being of Californians living with, or at risk for, Hepatitis B.

- $8.5 million to make internal and external condoms available, aimed at preventing the transmission of HIV and STIs.

For the 2029-30 fiscal year:

- $30 million, available over three years, for the Emergency Department Syphilis/HIV/Hepatitis C Virus Screening Program.

ADAP Federal Funds Backfill. The budget authorizes expenditures from the ADAP Rebate Fund of $50 million in 2026-27 and the Legislature approved trailer bill language to support state or local agencies, or community-based organizations providing federally funded Ryan White HIV/AIDS Program Part A and federal Centers for Disease Control and Prevention high-impact HIV prevention and surveillance services and programs for which federal funding has been delayed, reduced, canceled, or eliminated as a result of federal policy actions.

Public Health Information Technology Systems. The budget includes expenditure authority of $113.3 million ($96.3 million General Fund and $17 million special funds) in 2026-27 to support maintenance and operations of four public health information technology systems: 1) Surveillance and Public Health Information Reporting and Exchange (SaPHIRE), 2) California Confidential Network for Contact Tracing (CalCONNECT), 3) California Immunization Registry 3 (CAIR3) Project, 4) California Vaccine Management System (myCAvax), and 5) Future Disease Surveillance System (FDSS).

Public Health Network Information Exchange (PHNIX). The budget includes General Fund expenditure authority of $5 million for CDPH to support the Public Health Network Information Exchange (PHNIX) to advance public health benefit innovation.

Vectorborne Disease Program. The budget includes expenditure authority from the Vectorborne Disease Account of $50,000 annually to support program operations in the Vectorborne Disease Section in the CDPH Center for Infectious Diseases.

Lesbian, Bisexual, and Queer Women's Health Program Operational Support. The budget includes a shift of General Fund expenditure authority of $2.5 million from local assistance to state operations to support activities that address lesbian, bisexual, and queer women's health disparities.

LGBTQ+ Community Centers. The budget includes General Fund expenditure authority of $10 million to support Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) Community Centers.

Genetic Disease Screening Program Estimate. The budget includes expenditure authority from the Genetic Disease Screening Fund of $166.7 million ($37.1 million state operations and $129.6 million local assistance) in 2025-26, and $172.1 million ($36.7 million state operations and $135.3 million local assistance) in 2026-27 to support newborn and prenatal screening in the Genetic Disease Screening Program.

Laboratory Licensing Resources. The budget includes nine positions and expenditure authority from the Clinical Laboratory Improvement Fund of $3.8 million in 2026-27 and 18 positions and $4.3 million annually thereafter to support growing demand for laboratory license processing.

Women, Infants, and Children (WIC) Program Estimate. The budget includes expenditure authority of $1.4 billion ($1.2 billion federal funds and $165.6 million WIC Manufacturer Rebate Fund) in 2025-26 and $1.4 billion ($1.2 billion federal funds and $147.5 million WIC Manufacturer Rebate Fund) in 2026-27 to support food and nutrition programs through the WIC program. The federal funds include state operations costs of $71.1 million in 2025-26 and 2026-27.

Real Food, Healthy Kids Act (AB 1264). The budget includes General Fund expenditure authority of $3.6 million in 2026-27, and $2.6 million in 2027-28 and 2028-29 to support adoption of regulations to address ultraprocessed foods in schools, pursuant to the requirements of AB 1264 (Gabriel), Chapter 467, Statutes of 2025. The Legislature also approved budget bill language allowing augmentation of this amount by $1 million in 2026-27 for implementation and consulting contract costs available upon approval of Stage 4 of the Department of Technology's Project Approval Lifecycle.

Prenatal Multivitamins (SB 646). The budget includes one position and General Fund expenditure authority of $173,000 annually to support inspection work, compliance, and enforcement activities, and engage with stakeholders and industry regarding technical questions, related to prenatal multivitamins, pursuant to the requirements of SB 646 (Weber Pierson), Chapter 602, Statutes of 2025.

Food and Beverage Products (AB 660). The budget includes two positions and expenditure authority from the Food and Safety Fund of $369,000 annually to support food labeling regarding quality and safety, pursuant to the requirements of AB 660 (Irwin), Chapter 911, Statutes of 2024.

Radiologic Health Program. The budget includes expenditure authority from the Radiation Control Fund of $4.6 million annually to support increased program costs in the Radiologic Health Program.

Radiologic Technologists and Venipuncture Supervision (AB 460). The budget includes one position and expenditure authority from the Radiation Control Fund of $296,000 in 2026-27 and $201,000 annually thereafter to implement remote supervision of radiologic technologists, pursuant to the requirements of AB 460 (Chen), Chapter 435, Statutes of 2025.

Silicosis Surveillance, Outreach, Education, and Technical Assistance (SB 20). The budget includes four positions and General Fund expenditure authority of $912,000 annually to support occupational safety activities related to silicosis, pursuant to the requirements of SB 20 (Menjivar), Chapter 734, Statutes of 2025.

Childhood Lead Poisoning Prevention Program Resources. The budget includes expenditure authority from the Childhood Lead Poisoning Prevention Fund of $1.8 million in 2026-27, 2027-28, and 2028-29 to support local health jurisdictions to provide services to children with blood lead levels that meet or exceed the Centers for Disease Control and Prevention's Blood Lead Reference Value.

BabyBIG Infant Botulism Treatment and Prevention Program. The budget includes expenditure authority from the Infant Botulism Treatment and Prevention Fund of $3.6 million to support increased BabyBIG manufacturing and stability testing costs.

Sickle Cell Centers for Excellence. The budget includes General Fund expenditure authority of $6 million annually for five years to support continued funding for Sickle Cell Disease Centers for Excellence.

Amyotrophic Lateral Sclerosis (ALS) Wrap Around Services. The budget includes General Fund expenditure authority of $3.5 million in 2026-27 for the ALS Network to provide a wraparound model of care for individuals diagnosed with ALS and their caregivers.

Governor's Advisory Council for Physical Fitness and Mental Well-Being. The budget includes General Fund expenditure authority of $12 million in 2026-27 to support the Governor's Advisory Council for Physical Fitness and Mental Well-Being.

Foundation for a Better Life. The budget includes General Fund expenditure authority of $3.2 million in 2026-27 to support the Foundation for a Better Life.

Youth Sports for All Act. The budget includes General Fund expenditure authority of $3 million in 2026-27 to support the Youth Sports for All Act.

Healthy Foods. The budget includes General Fund expenditure authority of $750,000 in 2026-27 to support healthy foods, subject to approval of legislation.

Women's Health Outcomes. The budget includes General Fund expenditure authority of $3 million for CDPH to improve women's health outcomes across reproductive health, maternal health, menopause, behavioral health, heart health, and chronic conditions.

Behavioral Health Services Act Population-Based Prevention Programs. The budget includes 28 positions and expenditure authority from the Behavioral Health Services Fund of $174.8 million to support implementation of population-based prevention programs, pursuant to the Behavioral Health Services Act, Proposition 1, approved by voters in 2024.

All Children Thrive Reappropriation. The budget includes reappropriation of General Fund expenditure authority, originally approved in the 2021 Budget Act, to support All Children Thrive.

Hospital Bed Capacity System. The budget includes expenditure authority of $2.4 million ($1.2 million Licensing and Certification Fund and $1.2 million Internal Departmental Quality Improvement Account or IDQIA) in 2026-27 and 2027-28, and $2.5 million ($1.2 million Licensing and Certification Fund and $1.2 million IDQIA) annually thereafter to support the Hospital Bed Capacity System to allow near real-time monitoring of hospital bed capacity.

Acute Psychiatric Hospitals. The Legislature approved trailer bill language to exempt acute psychiatric hospitals from administrative penalties related to staffing levels if the fluctuation in staffing levels was unpredictable and uncontrollable, prompt efforts were made to maintain required staffing levels, and the hospital immediately used and exhausted its on-call list of nurses and the charge nurse.

Patient Safety Reporting Systems Reappropriation (AB 3161). The budget includes reappropriation of expenditure authority from the Licensing and Certification Fund of $1.1 million, previously approved in the 2025 Budget Act, to support a Stage 2 Alternatives Analysis of Project Delegation Request approval from the Department of Technology for Patient Safety Reporting Systems.

Skilled Nursing Facility Financing Extension. The Legislature approved trailer bill language to extend the skilled nursing facility quality assurance fee and associated reimbursement provisions until December 31, 2027.

Los Angeles County Contract Extension. The budget includes expenditure authority from the Licensing and Certification Fund of $24.2 million annually to support extension and augmentation of the Los Angeles County Department of Public Health contract for updated indirect cost and employee benefit rates, personnel costs, and lease costs.

Center for Health Care Quality Field Operations Strike Team. The budget includes six positions and expenditure authority from the Licensing and Certification Fund of $1.1 million annually to support a dedicated strike team to address priority survey and investigation workload for the Center for Health Care Quality's Licensing and Certification Program.

Centralized Application Branch License Renewal Certification Expansion. The budget includes seven positions and expenditure authority of $986,000 ($493,000 Licensing and Certification Fund and $493,000 reimbursements) annually to support expansion of the Center for Health Care Quality's License Renewal Certification Branch, including a Provider Certification Section and a second Provider Certification Unit.

Facilitating Projects to Benefit Nursing Home Residents. The budget includes expenditure authority from the Federal Health Facilities Citation Penalties Account of $5 million in 2026-27, 2027-28, and 2028-29 to support projects to benefit nursing home residents.

Nursing Home Staff Recruitment Campaign. The budget includes expenditure authority from the Federal Health Facilities Citation Penalties Account of $7.4 million in 2026-27 to support a Centers for Medicare and Medicaid Services (CMS) nursing Home Staffing Campaign.

Composite Distinct Part Skilled Nursing Facilities. The Legislature approved trailer bill language to establish licensing requirements on general acute care hospitals seeking to obtain licensure for composite distinct part skilled nursing facilities that are part of a hospital's campus.

Center for Health Care Quality Internal Department Quality Improvement Projects. The budget includes expenditure authority from the IDQIA of $5.9 million in 2026-27 to support planning and implementation costs for the Centralized Application Branch Online Licensing Application Project. The budget also includes expenditure authority of $2.2 million ($450,000 Licensing and Certification Fund and $1.8 million IDQIA) in 2026-27 and $74,000 IDQIA annually thereafter to support expenditures for a Skilled Nursing Facility Surveillance Pilot Program, the Litmos Learning Management System, Program Flex Waiver Software, and Health Application Licensing Migration.

Home Health Agencies Moratorium. The Legislature approved trailer bill language to impose a moratorium on the licensure of new home health agencies until 90 days following the effective date of revised regulations and imposes other requirements on such agencies.

Standby Perinatal Services Pilot Program (SB 669). The budget includes expenditure authority from the Licensing and Certification Fund of $515,000 in 2026-27 to establish a ten year pilot project to allow up to five critical access hospitals to provide standby perinatal services to patients transferred from an alternative birth center or who present with an urgent or emergent obstetric issue, pursuant to the requirements of SB 669 (McGuire), Chapter 603, Statutes of 2025. The Legislature also approved trailer bill language to clarify the responsibilities of participating providers.

Revalidation of High-Risk Facilities. The budget includes expenditure authority from the Licensing and Certification Fund of $3.6 million for CDPH to revalidate high-risk facilities.

Birth Certificates (SB 313). The budget includes one position and expenditure authority from the Health Statistics Special Fund of $258,000 in 2026-27 and $163,000 annually thereafter to support listing of parents' birthplace fields in the confidential section of birth certificates, pursuant to the requirements of SB 313 (Cervantes), Chapter 669, Statutes of 2025.

Special Deposit Fund Transfers to Special Funds. The budget includes transfer of funding from obsolete special deposit funds to newly created special funds established in the 2025 Budget Act, including the Internal Departmental Quality Improvement Account, the State Health Facilities Citation Penalties Account, and the Federal Health Facilities Citation Penalties Account.

Delano Mosquito Abatement District. The budget includes General Fund expenditure authority of $150,000 for the Delano Mosquito Abatement District for renovation and modernization of its regional public health laboratory.

Los Angeles County Department of Public Health Environmental Recovery. The budget includes General Fund expenditure authority of $3 million for the Los Angeles County Department of Public Health for environmental recovery.

4440 DEPARTMENT OF STATE HOSPITALS

The budget includes $3.2 billion ($3.0 billion General Fund) in 2026-27 for the Department of State Hospitals (DSH). Major budget adjustments are outlined below.

Estimate. The budget reflects program updates related to enrollment, caseload, and population as outlined in the Governor's Budget and May Revision Estimates. These include:

- **Patient-Driven Operating Expenses and Equipment.** The budget includes an additional $19 million in 2025-26 and $19.6 million in 2026-27 and ongoing to support patient-related operating expenses in the areas of utilities, pharmaceuticals, food, and outside medical.

- **Conditional Release Program (CONREP) Non-Sexually Violent Predators (SVP).** The budget reflects one-time savings of $4.5 million in 2025-26 and $1.7 million in 2026-27 in CONREP Non-SVP due to the closure of a facility in Sacramento and the delayed activation of another facility. The budget redirects these savings to provide $2.9 million in 2025-26 and $1.7 million in 2026-27 to address increasing costs for CONREP providers, including for labor, housing, and medical services. The budget also redirects $1.6 million in 2025-26, and provides an additional $2.1 million in 2026-27 and ongoing, to support increased contract costs reflecting rate increases and the addition of a full-time psychiatrist for a program operated by Golden Legacy.

- **Incompetent to Stand Trial (IST) Solutions.** The budget includes one-time savings of $55 million in 2023-24 from the reversion of IST infrastructure grant funding. The proposed budget also includes savings of $128.8 million in 2025-26 and $102.2 million in 2026-27, reflecting delayed activations and lower population levels for diversion and community-based restoration programs.

- **County Bed Billing Reimbursement Authority**. The budget includes a decrease in reimbursements by $12.4 million in 2025-26, and $5.8 million in 2026-27 and ongoing to reflect a delay in the implementation of a new bed billing allocation methodology for the treatment of Lanterman-Petris-Short patients.

- **Workforce Development**. The budget includes a shift of $10.3 million from General Fund to Behavioral Health Services Act (BHSA) Behavioral Health Workforce Initiative reimbursement in 2026-27, and $10.9 million in 2027-28 and ongoing, to support its existing workforce development programs. The budget also includes $3.8 million in 2026-27 and $3.5 million in 2027-28 and ongoing in BHSA reimbursement for an additional Psychiatric Technician Apprenticeship.

CONREP - Independent Placement Panels. Statutory changes included in SB 164 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2026, remove the June 30, 2026, sunset date for the Independent Placement Panel (IPP) program, and make other technical and conforming changes. IPP was established in the 2022 budget package to facilitate placements in CONREPs and increase the availability of DSH beds for IST placements (SB 184 [Committee on Budget and Fiscal Review], Chapter 47, Statutes of 2022). Through the IPP program, a panel of independent evaluators help identify and evaluate placements for individuals at appropriate CONREPs throughout the state.

Transitional Housing (SB 380). The budget includes $469,000 one-time General Fund and two limited-term positions in 2026-27 to conduct an analysis and report to the Legislature on the feasibility of establishing transitional housing facilities for the CONREP-SVP program, pursuant to SB 380 (Jones), Chapter 581, Statutes of 2025.

Dental Care Initiative. The budget includes four permanent positions and $3.9 million General Fund in 2026-27 and $1.1 million General Fund in 2027-28 and ongoing to support dental health services for patients at DSH-Metropolitan and DSH-Patton.

Continuum Electronic Health Record System. The budget includes $27.6 million one-time General Fund in 2026-27, a reappropriation of up to $6.3 million from the 2024 Budget Act, and provisional language allowing the funding to be augmented under specific circumstances, to support the Continuum Electronic Health Record System project.

Metropolitan: Central Utility Plant Replacement - Revert and Fund New Construction. The budget includes a reversion of $50.4 million and a new appropriation of $58.1 million one-time Public Buildings Construction Fund for the construction phase of the Central Utility Plant Replacement Project at DSH-Metropolitan, for a net increase of $7.7 million. The increase is due to the addition of a new roof and the relocation of the control room.

Patton: Electrical Infrastructure Upgrade. The budget includes $1.8 million General Fund for the preliminary plans phase of the DSH-Patton's Electrical Infrastructure Upgrade project.

Limited Public Contract Code Exemption Authority Provisional Language. The budget includes provisional language to provide DSH with limited Public Contract Code exemption authority for two years for contracts associated with online services and subscriptions providing health care or pharmaceutical information.

Reversion of Unspent Funds. The budget reverts $20 million unspent General Fund from the 2024 Budget Act.

4560 COMMISSION ON BEHAVIORAL HEALTH (CBH)

Allcove Youth Drop-In Centers Extension. The budget includes reappropriation of expenditure authority from the Behavioral Health Services Fund of up to $4.1 million to continue to support youth drop-in centers.

Behavioral Health Services Act Innovation Partnership Grant Program. The budget includes expenditure authority from the Behavioral Health Services Act Innovation Partnership Fund of $20 million to support innovative programs to support behavioral health, pursuant to the Behavioral Health Services Act, Proposition 1, approved by voters in 2024.

4800 CALIFORNIA HEALTH BENEFITS EXCHANGE (COVERED CALIFORNIA)

State Premium Subsidy Augmentation. The budget includes expenditure authority from the Health Care Affordability Reserve Fund of $300 million annually to support state health care affordability subsidies for consumers in the Covered California health benefit exchange.

Gender Affirming Care and Abortion Services. The budget includes expenditure authority from the Health Care Affordability Reserve Fund of $26.8 million in 2026-27 and $13.4 million in 2027-28 to augment the Gender Affirming Care program, beginning in the 2026 coverage year, to align program funding with projected per-member per-month costs. The budget also includes expenditure authority from the Health Care Affordability Reserve Fund of $20.4 million annually, and a reduction in equivalent

General Fund authority, and the Legislature approved trailer bill language, to support the One Dollar Premium Subsidy Program that provides payments to qualified health plan issuers for abortion services.

Health-Related Budget Bills and Trailer Bills

1. *Budget Act of 2026 – AB 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026 – SB 111 (Laird), Chapter 21, Statutes of 2026.*
3. *Budget Act of 2025 — SB 106 (Laird), Chapter 4, Statutes of 2026.*
4. *Budget Acts of 2023, 2024, and 2025 – AB 107 (Gabriel), Chapter 5, Statutes of 2026.*
5. *Budget Act of 2025 – AB 108 (Gabriel), Chapter 8, Statutes of 2026.*
6. *Budget Acts of 2022, 2023, 2024, and 2025 – AB 112 (Gabriel), Chapter 22, Statutes of 2026.*
7. *Budget Act of 2026 – AB 113 (Gabriel), Chapter 248, Statutes of 2026.*
8. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026.*
9. *Health Trailer Bill – SB 164 (Committee on Budget and Fiscal Review), Chapter 27, Statutes of 2026.*
10. *Managed Care Organization (MCO) Tax – SB 125 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2026.*
11. *Skilled Nursing Facilities Reimbursement Rates – SB 165 (Committee on Budget and Fiscal Review), Chapter 61, Statutes of 2026.*
12. *Medi-Cal Fair Share Charge – SB 177 (Committee on Budget and Fiscal Review), Chapter 64, Statutes of 2026.*
13. *Health Trailer Bill – AB 173 (Committee on Budget), Chapter 252, Statutes of 2026.*

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 2026 Budget Act includes $18.88 million total funds for SCDD ($8.9 million federal funds, $7.57 million reimbursements, and $2.4 million General Fund). SCDD's budget was approved as budgeted, including the following adjustments:

Administrative Support Resources. The budget includes $730,000 General Fund in 2026-27 and ongoing to support an interagency agreement with the California Department of Social Services (CDSS) to provide accounting, human resources, legal, information technology, and other management and staff services.

Special Education Parent Action Network. The budget includes $2.4 million for the creation of a special education parent action network to provide parent leaders, pupil advocates, and other stakeholders with information and tools to effectively advocate on behalf of students in special education.

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 2026 Budget Act includes $457.22 million total funds for CDA ($183.42 million General Fund, $235.72 million federal funds, and $38.1 million special funds and reimbursements). CDA's budget includes the following changes:

Health Insurance Counseling and Advocacy Program. The budget includes $3.49 million Health Insurance Counseling and Advocacy Program (HICAP) special fund in 2026-27 and $5.52 million ongoing to make permanent existing state and local resources included in the 2021 Budget Act, hire additional HICAP counselor positions, and standardize statewide HICAP training.

CDA Chaptered Legislation. The budget includes $152,000 General Fund in 2026-27 and ongoing to support one position for increased oversight responsibilities for CDA under the Older Americans Act Title III-C Nutrition Program pursuant to AB 1476 (Wallis), Chapter 302, Statutes of 2025.

Multipurpose Senior Services Program Case Management Software and Support. The budget includes a technical adjustment that reverts $51,000 General Fund in 2025-26 and reduces $196,000 General Fund in 2026-27 and $16,000 in 2027-28 from the Multipurpose Senior Services Program Case Management Software and Support appropriated in the 2025 Budget Act.

Interstate Funding Formula. Trailer bill language moves forward the statutory deadline for adoption of the Interstate Funding Formula for local Area Agencies on Aging (AAAs) to September 1, 2027.

Community-Based Adult Services (CBAS). The budget appropriates $900,000 to CDA to collaborate with CBAS providers, the Department of Health Care Services, and applicable Medi-Cal managed care plans to address options for mitigating CBAS center closures including administrative efficiencies.

Disadvantaged Seniors. The budget appropriates $20 million General Fund one-time to CDA for supporting disadvantaged seniors, subject to enactment of future statute governing the use of those funds.

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 2026 Budget Act includes $1.07 million for the Commission on Aging ($964,000 federal funds, $62,000 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 2026 Budget Act includes $415,000 for the California Senior Legislature ($300,000 General Fund and $115,000 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 2026 Budget Act includes $21.57 billion for DDS ($13.48 billion General Fund, $8.03 billion reimbursements, and $61.5 million federal and other special funds.) DDS's budget includes the following changes:

Federal Access Rule. The budget appropriates $3.5 million ($3 million General Fund) to support the DDS and regional centers to comply with new federal Home and Community-Based Services Access Rule requirements. Statutory language adopted in SB 163 (Committee on Budget and Fiscal Review), Chapter 80, Statutes of 2026, establishes a new grievance process for this purpose and incorporates existing rights complaints processes into a single grievance process overseen by DDS, as specified.

Life Outcomes Improvement System. The budget appropriates $14.6 million ($5.7 million General Fund) for DDS to continue the Life Outcomes Improvement System (LOIS) project. This includes one-year limited term resources equivalent to 20 positions along with contract costs and resources for regional center positions related to data analysis, migration, and governance workload needed to continue the planning phase of the project. Trailer bill language in SB 163 codifies requirements for regional centers to facilitate the transition from existing information technology systems to LOIS and establishes legislative reporting requirements.

Regional Center Board Governance and Oversight. Trailer bill language in SB 163 makes various changes to regional center board governance requirements, including changing governing board

composition and professional and other standards, including training, that regional center boards must meet, as specified.

Regional Center Performance Measures. Trailer bill language in SB 163 consolidates various regional center performance measures and contracts between regional centers and the state and modifies accountability measures, as specified.

Regional Center Vendor Flexibilities. Trailer bill language in SB 163 adds flexibilities for regional center vendors by eliminating the courtesy vendorization process and removing physical location requirements.

Remote Service Delivery. Trailer bill language in SB 163 authorizes remote delivery for specified developmental services through December 31, 2028 and establishes data and reporting requirements to the Legislature regarding the remote delivery of services to individuals with intellectual and developmental disabilities.

Service Provider Rate Reform and Quality Incentive Program. Trailer bill language extends the contract exemption authorized in the annual budget act for rate reform and the Quality Incentive Program to December 30, 2030 and extends the timeline to finalize rate reform regulations from June 30, 2028 to December 31, 2030.

Early Intervention Programs Oversight. Trailer bill language in SB 163 establishes time-limited authority for DDS to issue directives to local educational agencies and regional centers operating early intervention programs and reflects the transfer of oversight of certain early intervention program services under the federal Individuals with Disabilities Education Act Part C from the California Department of Education (CDE) to DDS.

Fiscal Allocation Letter Authority. Trailer bill language in SB 163 streamlines the ways in which DDS adjusts contracts with regional centers through fiscal allocation letters.

Self-Determination Program Administrative Costs. The budget reappropriates unspent funds from prior years to support Local Volunteer Advisory Committees in the DDS Self-Determination Program. Trailer bill language in SB 163 modifies the use of federal financial participation funds generated by former participants of the self-determination pilot projects and establishes $1 million in ongoing funding dedicated to Local Volunteer Advisory Committees for the development and delivery of training and local community resource fairs that provide standardized information about the Self-Determination Program.

Employment Access Alignment. Trailer bill language in SB 163 establishes a dual provider system via an interagency agreement between DDS and the Department of Rehabilitation (DOR) to streamline access to employment services for individuals with intellectual or developmental disabilities. SB 163 also removes a requirement that employment providers must be accredited by the Commission on Accreditation of Rehabilitation Facilities.

Supported Living Services. Trailer bill language in SB 163 codifies existing overtime pay requirements for hourly workers who provide Supported Living Services to provide parity with In-Home Supportive Services (IHSS) overtime requirements.

Standardized Strengths and Needs Assessment. The budget appropriates $4.75 million for the development of a standardized strengths and needs assessment for regional center services.

Center-Based Early Intervention Services. The budget appropriates $15 million ($12.4 million General Fund) for DDS to update the rate model for center-based early intervention services.

Capital Outlay: Porterville Developmental Center. The budget appropriates $7.9 million General Fund for DDS to continue the Fire Sprinkler System and Residences Rehabilitation projects at Porterville Developmental Center.

General Fund Loan Authority. The budget increases DDS's General Fund loan authority from $1.48 billion to $1.59 billion to reflect revised federal reimbursement estimates.

State-Operated Facility Purchases. Trailer bill language in SB 163 streamlines purchases of essential goods and services for facilities operated directly by DDS.

Rate Model Updates. Trailer bill language in SB 163 allows tailored day services to occur on the same day as employment services and allows tailored day services to occur on the same day as employment services.

Community Resource Development Plan. Trailer bill language in AB 175 (Committee on Budget), Chapter 253, Statutes of 2026, consolidates the Community Placement Plan (CPP) and the Community Resource Development Plan (CRDP) into one unified program to streamline the development of service options for individuals in or diverted from restrictive settings.

Sunset Outdated Reporting. Trailer bill language sunsets various outdated reporting requirements.

DDS Local Appropriations. The budget includes local appropriations under DDS as follows: $1 million to the City of Long Beach to provide people with disabilities access to adaptive technology and digital skills training.

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 2026 Budget Act includes $355.73 million for CSD ($344.44 million federal funds and $11.05 million reimbursements). CSD's budget includes the following changes:

Proposition 4: Low-Income Weatherization Program Farmworker Housing Component. The budget appropriates $9.5 million for CSD to administer the Low-Income Weatherization Program (LIWP) Farmworker Housing component as part of the Climate Bond (Proposition 4) Expenditure Plan. The budget exempts these local assistance funds from state contracting requirements, as specified. (See the Natural Resources section for more information on the Proposition 4 2026-27 Spending Plan.)

Low-Income Weatherization Program Re-appropriations. The budget reappropriates unexpended Greenhouse Gas Reduction Fund resources allocated in fiscal years 2021-22, 2022-23, and 2023-24 to

administer and support both the Farmworker Housing and Multifamily Housing components of the Low-Income Weatherization Program (LIWP) through 2026-27 and 2027-28, respectively.

Increased Reimbursement Authority. The budget increases reimbursement authority for CSD by approximately $5 million ongoing to support an existing interagency agreement with the Franchise Tax Board to provide outreach regarding the California Earned Income Tax Credit, among other programs and services.

General Fund Cash Flow Loan. The budget increases CSD"s General Fund loan authority from $3 million to $5 million for state operations, and from $40 million to $305 million for local assistance, to assist in program cash flow needs related to unanticipated delays in the receipt of federal funds.

State Operations Costs. The budget includes provisional language that allows the Department of Finance to increase CSD's budget by up to $5 million to cover state operations costs not covered under the department's annual federal awards, with notification to the Joint Legislative Budget Committee.

CSD Local Appropriations. The budget includes local appropriations under CSD as follows: $1 million to Saint John's Program for real change, and $2 million for the Potrero Hill Neighborhood House.

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 2026 Budget Act includes $580.94 million ($477.84 million federal funds, $84.7 million General Fund, and $18.4 million special funds and reimbursements). DOR's budget includes the following changes:

Order of Selection Delay. The budget increases DOR's budget by $66 million General Fund to address cash and expenditure challenges at DOR driven by federal inaction to approve DOR's Order of Selection process for the Vocational Rehabilitation program. Because the federal government did not timely approve DOR's Order of Selection plan, DOR was unable to slow the rate of new cases entering the program, leading to program expenditures outpacing available resources.

Strengthening Vocational Rehabilitation Program. The budget increases DOR's ongoing federal fund authority by $60 million and 54 permanent positions to meet the increased demand for vocational rehabilitation services.

Technical Cashflow Adjustment. The budget includes technical changes regarding the use of certified time and cash as match for federal vocational rehabilitation funds and adds General Fund loan authority, not to exceed 50 percent of federal appropriations, to assist in program cashflow needs related to delays in the receipt of federal vocational rehabilitation grant funds.

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 2026 Budget Act includes $755,000 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 $1.21 billion for DCSS ($745.09 million federal funds, $378.04 million General Fund, $87.56 million Child Support Collections Recovery Fund, and $173,000 reimbursements). The budget for DCSS was approved as budgeted, including the following changes:

Local Child Support Agency Administrative Funding. The budget includes an increase of $22.28 million total funds for local child support agencies. This increase consists of (1) $17.65 million ($6 million General Fund) to restore a two-year reduction from the 2024 Budget Act for local child support agency administration and (2) an increase of $4.63 million federal funds for a federal performance incentive.

Local Assistance Estimate. The budget includes a decrease of $935,000 federal funds ongoing which reflects a combined decrease of $1.35 million based on updated child support collections data at May Revision and an increase of $410,000 in federal performance basic incentives funding. This includes a corresponding increase of $1.34 million Child Support Collections Recovery Fund ongoing to reflect an estimated increase in collections received for the federal government's share of child support recoupment based on updated child support collections information.

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 2026 Budget Act includes $60.28 billion for CDSS programs ($33.2 billion federal funds and reimbursements, $27.06 billion General Fund, and $56.2 million special funds.) The CDSS budget includes the following changes:

CHILD CARE

Child Care Expansion. The budget appropriates $228 million General Fund for the expansion of 22,770 new child care spaces in 2026-27. Of the 22,770 new child care spaces, 20,700 are voucher spaces and 2,070 are General Child Care spaces. The budget additionally includes $41.4 million General Fund to backfill approximately 3,430 of the approximately 6,800 child care spaces, previously funded with Proposition 64 and federal funds, proposed to be eliminated by the Governor. This brings the ongoing child care expansion to approximately 149,000 new funded child care spaces above 2020-2021 levels.

Child Care Cost-of-Living Adjustment. The budget appropriates $112 million General Fund to enact a 2.01 cost-of-living adjustment to all subsidized child care providers in the form of a percentage increase to monthly per-child rate supplements known as cost of care plus rates. Corresponding statutory language in AB 150 (Committee on Budget), Chapter 25, Statutes of 2026, codifies the cost-of-living adjustment.

Child Care Facilities Impacted by Disasters. The budget allocates $11.8 million one-time Proposition 64 funds to provide infrastructure grants to child care providers impacted by 2025 wildfires. This includes $200,000 to support license-exempt family child care providers. In addition, the budget

allocates $28 million federal funds reflecting a federal disaster relief award to support licensed child care facilities impacted by disasters in 2023 and 2024. The budget includes reimbursement authority from the Cannabis Tax Fund and federal fund authority for 2026-27 through 2028-29 to support five positions dedicated to administering these grants. Corresponding trailer bill language in AB 150 outlines parameters for grants to child care facilities using these Proposition 64 and federal funds. The budget also includes a reappropriation of $1.5 million in child care infrastructure grant funding from the 2025 Budget Act to support close-out activities for the prior New Construction and Major Renovation Infrastructure Grant Program.

Child Care Infrastructure Set-Aside. Budget bill language and trailer bill language in AB 150 allow CDSS to set aside up to 15 percent of funding associated with child care expansion awards for General Child Care and Development programs to fund minor repairs, infrastructure upgrades, and other readiness activities for subsidized child care programs.

Maximizing Child Care Funds. Trailer bill language in AB 150 authorizes CDSS to transfer funding across and within voucher-based child care programs, and separately, to transfer funding across and within direct contract-based child care programs, based on individual assessments of contractor readiness to serve children pursuant to their initial award. Trailer bill further establishes priorities governing the transfer of funds and legislative reporting requirements, as specified.

Child Care Family Fee Deductions. Trailer bill language in AB 150 requires child care contractors to collect any applicable family fees directly and to reimburse subsidized child care providers for the full amount of a voucher to align with federal requirements, beginning on or before January 1, 2027.

Child Care Alternative Methodology Survey. Trailer bill language in AB 150 requires CDSS to conduct a survey to inform child care provider payment rates every three years instead of every two years to align with federal triennial Child Care State Plan requirements, and allows for the use of an alternative methodology instead of a market rate survey for purposes of fulfilling this requirement. In addition, trailer bill language establishes legislative intent that the alternative methodology used to inform child care rate-setting be based on a cost study and cost estimation model that measures the costs of care in California for all child care and preschool programs. This includes the following costs: salaries and wages; geography; type of care setting; regulatory and statutory requirements applicable to each type of care setting; time categories, child age; and costs for delivering inclusion supports.

Licensed Family Child Care Homes Temporary Absences. Trailer bill language in AB 150 and AB 190 (Committee on Budget) Chapter 257, Statutes of 2026, expands flexibilities for family daycare home licensees to be temporarily absent from the facility no more than 20 percent of the facility's operating hours in a calendar month, and makes conforming changes to clarify health and safety training requirements for substitute providers.

Defining Excessive Absences. Trailer bill language in AB 150 defines "excessive unexplained absences" for subsidized child care programs as absences that are not excused and exceed 30 days within a 12-month interval, as specified.

Child Care Administrative Support Cost Structure. The budget specifies that $70 million General Fund available to child care contractors for family support activities and the administration and support costs associated with implementing ongoing provisions of the Memorandum of Understanding with

Child Care Providers United is allocated proportionally based on each program's total contract amount. Budget bill language allows CDSS to provide written directives on the allowable activities associated with this funding.

Reversion of Prospective Pay Funding. The budget reverts all funds previously appropriated in the 2025 Budget Act for implementation of child care prospective pay, including $30.1 million General Fund in 2025-26 and $43.8 million in 2026-27, as this policy is not being implemented due to the recission of a federal rule. Corresponding trailer bill language removes legislative reporting requirements regarding implementation of prospective payment for child care programs.

CalWORKs Child Care. Trailer bill language in AB 150 aligns eligibility for CalWORKs child care with recent changes to expand CalWORKs welfare-to-work, including eligible activities such as education and job readiness.

Child Care Single Rate Structure Age Groupings and Inclusion Framework. Trailer bill language in AB 190 establishes a policy framework for child age categories under the child care single rate structure. This includes an infant rate for children under age 2, a toddler rate for children ages 2-3, a preschool rate for children ages 3-6 who are not yet enrolled in first grade, and a school age rate for children age 5 and older who are enrolled in first grade or higher. Additionally, trailer bill language establishes a policy framework for enhanced inclusion rates under the child care single rate structure. This includes that enhanced inclusion rates will be administered as a per-child amount and specifies the documentation needed for a child care provider to receive an enhanced inclusion rate for a child under the single rate structure.

Child Care Single Rate Structure Remaining Policy Frameworks. Trailer bill language in AB 190 requires the CDSS, after collaborating with the California Department of Education (CDE), to identify the remaining foundational policy frameworks of the child care single rate structure by January 10, 2028. In addition, trailer bill language extends quarterly reporting to the Legislature regarding implementation of child care rate reform to July 1, 2028, and requires the quarterly report issued in July 2027 to include the considerations required to add monthly per-child rate supplements (known as cost of care plus rates) to base child care reimbursement rates, as specified.

Site Safety and Emergency Procedures. Trailer bill language in AB 150 and AB 190 aligns state child care licensing requirements with federal requirements of the Child Care and Development Block Grant. These requirements include standards regarding the administration of medication, pediatric first aid and CPR training, reporting of child abuse and neglect, and emergency and disaster plans. Requirements for all staff to complete 15 hours of specified health and safety training, including 12 hours of continuing health and safety education, are effective October 1, 2027.

Child Care Program Oversight. Trailer bill language in AB 150 clarifies and updates provisions related to program integrity and overpayment prevention in subsidized child care programs to reflect the transition of those programs from the California Department of Education (CDE) to CDSS.

Early Appropriation of Cost of Care Plus Payments. The budget appropriates $145 million General Fund to advance two months of child care provider monthly per-child supplements known as cost of care plus rates scheduled to be paid in 2027-28 in the 2026-27 budget.

Early Childhood Policy Council Carryover and Reappropriation. The budget reappropriates $617,000 General Fund to use for the Early Childhood Policy Council.

Child Care and Development Division Staffing and Support. The budget appropriates $2.3 million federal Child Care and Development Fund (CCDF) in 2026-27 and $2.2 million federal CCDF in 2027-28 and ongoing to support 11 positions within the Child Care and Development Division to support overall growth in child care programs and improve fiscal operations.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)

CalWORKs Maximum Aid Payment. The budget includes $59.5 million for an ongoing CalWORKs Maximum Aid Payment increase of 1.8 percent, effective October 1, 2026, funded with revenues in the Child Poverty and Family Supplemental Support Subaccount. Corresponding statutory language in AB 152 (Committee on Budget), Chapter 26, Statutes of 2026, codifies the Maximum Aid Payment increase.

CalWORKs Mental Health and Substance Use. The budget reappropriates up to $20 million in unspent funds from the 2024 Budget Act for CalWORKs Mental Health and Substance Use services into the 2026-27 budget and makes a corresponding reduction of $26 million to this program in 2026-27 to align with recent program expenditures.

Transforming CalWORKs Initiative Training Fund Shift. The budget includes a shift of $500,000 from 2025-26 to 2026-27 for the county staff training associated with the CalWORKs streamlined appraisal tool.

CalWORKs Special Needs Notice of Action. The budget appropriates $605,000 one-time to automate new standardized notices of action in California Statewide Automated Welfare System (CalSAWS) for CalWORKs families requesting special needs payments.

Provisional Language for CalWORKs transfers. The budget includes provisional language allowing the Department of Finance to transfer funds to support costs of the administrative hearing process associated with the CalWORKs program.

County Administrative Funding Reassessments. Trailer bill language shifts timing of In-Home Supportive Services (IHSS) and CalWORKs administrative funding reassessments so that only one CDSS program undergoes a reassessment each year.

CALFRESH AND FOOD PROGRAMS

CalFood. The budget appropriates $110 million above the baseline for the CalFood program to support food bank purchasing, bringing total CalFood funding to $118 million.

CalFresh County Administration. The budget appropriates $223 million General Fund one-time to augment county CalFresh administration to implement the time limit for Able Bodied Adults Without Dependents (ABAWDs) under H.R. 1 and to help eligible people maintain access to CalFresh. Funds allocated pursuant to this provision are available for encumbrance or expenditure through June 30, 2029.

CalFresh County Match. Trailer bill language in AB 152 caps the amount of a county's required share of the nonfederal costs for administration of the CalFresh program at the amount the county expended in 2024-25, through 2028-29, to provide fiscal relief to counties created by the federal cost shift to states under H.R. 1.

CalFresh Outreach. The budget appropriates $14 million General Fund one-time for the CalFresh Outreach Program.

CalFresh State Administrative Expense Target. The budget includes $52.9 million ($37 million General Fund) in 2025-26 and $43.7 million ($30.6 million General Fund) in 2026-27 for cash flow purposes to maintain CalFresh operations while the state requests additional federal funding above the federal state administrative expense target.

Enterprise Data Project. The budget appropriates $2.67 million ($1.9 million General Fund) in 2026-27 and $2.6 million ($1.85 million General Fund, $756,000 Federal Fund) in 2027-28 and ongoing for the CDSS Enterprise Data project, including 11 positions, to maintain CDSS data and support efficient state and federal data reporting.

CalFresh Fruits and Vegetables. The budget appropriates $20 million General Fund one-time for the CalFresh Fruits and Vegetables Pilot Program and includes corresponding trailer bill language in AB 152 to extend the operative date of the pilot program through June 30, 2028. The budget additionally reappropriates $4.8 million General Fund from 2025-26 to 2026-27 for close-out activities associated with the CalFresh Fruits and Vegetables funding from the 2025 Budget Act.

Resources to Respond to Federal Changes. The budget appropriates $2.73 million ($1.73 million General Fund) in 2026-27 and $2.67 million ($1.7 million General Fund) in 2027-28 for CDSS state operations, including five positions and data security software to respond to federal policy changes.

CalFresh Enhanced Monitoring. The budget appropriates $4.81 million ($3.3 million General Fund) in 2026-27 and $4.7 million ($3.45 million General Fund) in 2027-28 for CDSS to support increased compliance monitoring and implementation of CalFresh work requirements from the federal Administration.

CalFresh Staffing for H.R. 1 and Federal Changes. The budget appropriates $6.19 million General Fund in 2026-27 and $8.15 million General Fund in 2027-28 and ongoing to maintain existing CalFresh staff due to the higher H.R. 1 state administrative cost sharing ratio, and to add six limited-term positions for two years.

CalFresh Elderly Simplified Application Project. The budget appropriates $267,000 General Fund and $467,000 federal funds for automation to comply with federal law changes related to the CalFresh Elderly Simplified Application Project population redefinition from age 60 and above to age 65 and above.

Consecutive Recovery of Food Benefits. Trailer bill language in AB 152 makes a technical change to establish consecutive recovery of CalFresh and California Food Assistance Program (CFAP) over-issuance claims for households containing both CalFresh and CFAP members.

CalFresh Employment & Training Workers' Compensation Account. The budget includes authority for CDSS to deposit funds set aside for 2023-24, 2024-25, and ongoing into the CalFresh Employment & Training Workers' Compensation Fund.

CalFresh Accuracy Improvement Initiative. The budget reappropriates unspent funds for the CalFresh Accuracy Improvement Initiative from the 2025 Budget Act to 2026-27. The 2025 Budget Act included $39.9 million ($20.1 million General Fund) for CDSS to reduce benefit errors and position the state to manage anticipated federal cost sharing requirements through system enhancements, automation, staff training, and outreach.

SUN Bucks Reappropriation. The budget reappropriates up to $419,000 General Fund and up to $420,000 federal funds from the Budget Act of 2025 for the Summer EBT for Children (SUN Bucks) program and additionally shifts funds from local assistance to state operations for this program.

H.R. 1 State Hearings Division Impact. The budget allows the Department of Finance to approve expenditures in excess of the amounts appropriated for the CDSS State Hearings Division for increased fair hearing requests due to policy changes from H.R. 1.

Child and Adult Care Food Program. The budget reflects an update to the Child and Adult Care Food Program meal reimbursement rate due to the statutorily required cost of living adjustment and an update to the state match portion of the child nutrition program.

EBT Administrative Authority. Trailer bill language in AB 152 extends CDSS's statutory authority to issue guidance related to electronic food benefit theft until formal regulations are adopted.

FOSTER CARE AND CHILD WELFARE

Child Welfare Services – Automated Response and Engagement System (CWS-CARES) Project. The budget appropriates $357.3 million ($179.8 million General Fund) for continued development and implementation of the CWS-CARES project. The budget additionally reappropriates up to $4.29 million from the 2025 Budget Act and up to $1.31 million from the 2024 Budget Act for CWS-CARES to automate the Foster Care Tiered Rate Structure.

Title IV-E Social Work Stipend Program. The budget appropriates $22.9 million Behavioral Health Services Act (BHSA) Behavioral Health Workforce Initiative funds redirected from the Department of Health Care Access and Informational (HCAI) workforce initiative to allow the Title IV-E Bachelor of Social Work/Master of Social Work stipend program to continue for current and admitted students.

Child Welfare Emergency Response. The budget appropriates $20 million General Fund for Child Protective Services Emergency Response enhancement funding for county child welfare agencies to maintain and increase the number of child welfare social workers in emergency response services.

Adoption Assistance Program. Trailer bill language in AB 152 authorizes Adoption Assistance Program (AAP) payments for Wraparound Services and defines eligibility criteria for Wraparound Services and in-state out-of-home placements paid for with AAP payments, as specified. AB 152 also requires CDSS to ensure that transition support services are made available to adoptive families whose children have returned from out-of-state facilities, as specified, and requires CDSS to report to the

Legislature regarding outcomes for this transition. AB 152 additionally requires CDSS to engage specified stakeholders to identify the services, supports, and any gaps that exist to support adoptive families connecting to resources. The budget reappropriates up to $6.1 million from the Budget Act of 2022 and appropriates an additional $392,000 General Fund one-time for child welfare child-specific funding to support enhanced care planning and service navigation to access care in the least restrictive setting for adoptive children and their families and to prevent reentry into the foster care system.

Flexible Family Supports. The budget extends the spending period for child welfare Flexible Family Supports funding through June 30, 2028.

Tribal Foster Care Prevention. The budget appropriates $2.4 million for a tribal foster care prevention program. Trailer bill language establishes the Tribal Foster Care Prevention Initiative to assist federally recognized Indian tribes in California with services aimed at preserving families and preventing the entry of children into foster care.

CDSS HOUSING AND HOMELESSNESS PROGRAMS

Bringing Families Home. The budget appropriates $15 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. These funds are available for encumbrance or expenditure until June 30, 2028.

Home Safe. The budget appropriates $50 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. These funds are available for encumbrance or expenditure until June 30, 2028.

Housing and Disability Advocacy Program (HDAP). The budget appropriates $25 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. These funds are available for encumbrance or expenditure until June 30, 2028.

CalWORKs Housing Support Program (CalWORKs HSP). The budget appropriates $10 million on a one-time basis for the CalWORKs Housing Support Program, which provides comprehensive housing support to families in the CalWORKs program. These funds are available for encumbrance or expenditure until June 30, 2028.

Permanent Position Authority for CDSS Housing and Homelessness Programs. The budget makes 11 existing positions permanent for oversight of housing and homelessness programs for individuals and families at risk of or experiencing homelessness.

Reappropriation of Tribal Funds. The budget reappropriates tribal program funds for Bringing Families Home (BFH), Home Safe, and HDAP from the 2021 Budget Act to a liquidation deadline of June 30, 2030. The budget additionally extends the encumbrance or expenditure deadline for funds from the 2022 Budget Act for these programs through June 30, 2028. The total amount of funding extended includes up to $4.1 million each for BFH and Home Safe, and $7.4 million for HDAP.

IN-HOME SUPPORTIVE SERVICES (IHSS)

IHSS Collective Bargaining. Trailer bill language in AB 152 establishes enforcement provisions related to In-Home Supportive Services (IHSS) provider wages and benefits by requiring a county that has not entered an agreement by July 1, 2026 to reach an agreement with the employee organization within 90 days.

Ensuring Access to Medicaid Services. The budget includes $2.82 million ($374,000 General Fund) in 2026-27 and $5.34 million ($1.44 million General Fund) in 2027-28 and ongoing, and 27 permanent positions to manage the workload associated with implementing the Centers for Medicare and Medicaid Services Ensuring Access to Medicaid Services Final Rule.

IHSS Impacts of Medi-Cal Asset Limit. The CDSS budget conforms to action under the Medi-Cal budget to reinstate the Medi-Cal Asset Test at $21,000 on July 1, 2027. This generates estimated General Fund savings within the IHSS program of $112.9 million General Fund in 2027-28, $150 million General Fund in 2028-29, and $152.7 million General Fund in 2029-30 and ongoing.

IHSS Impacts of Restricted Scope Medi-Cal for Immigrant Populations. The CDSS budget conforms to action under the Medi-Cal budget to delay, and then adopt on July 1, 2027, the elimination of full-scope Medi-Cal for asylees, human trafficking victims, domestic violence victims, and other qualified immigrants. This generates costs within the IHSS program of $25.48 million General Fund in 2026-27 and generates savings within the IHSS program of $26.77 million in 2027-28.

CDSS IMMIGRANT AND REFUGEE PROGRAMS

One California Program Immigration Legal Services. The budget includes an additional $84 million General Fund one-time for immigration legal services programs administered by CDSS, augmenting the existing $75 million General Fund ongoing baseline for CDSS immigration legal services programs, commonly known as the One California program. This brings total 2026-27 CDSS immigration legal services funding to $161 million. Of the $84 million in additional one-time General Fund appropriations: $39.5 million is to augment the base immigration legal services/removal defense program, $15 million is for the Children's Holistic Immigration Representation Program, which provides integrated social and legal services to unaccompanied minors; $5 million is for the Access to Counsel Pilot Project, which will provide services at immigration courts through an attorney of the day model; $7.5 million is for the Immigration Legal Fellowship Program over three years, $5 million is for the Black Immigrant and Refugee Equity Project, and $12 million is for the Enhanced Services for Asylees and Vulnerable Non-Citizens Program. The budget additionally includes several appropriations to specific organizations for immigration legal services, described under CDSS local appropriations.

Youth Legal Services Programs. Trailer bill language in AB 152 allows the Youth Legal Services program to include social services support.

Trafficking and Crime Victim Assistance Program. The budget appropriates $410,000 ($205,000 General Fund) for one-time automation costs tied to the Trafficking and Crime Victim Assistance Program (TCVAP) eligibility extension. In July, the federal Office of Refugee Resettlement extended eligibility for Refugee Cash Assistance and Refugee Medical Assistance from four to eight months, which has a corresponding fiscal impact on state TCVAP.

OTHER CDSS PROGRAMS

Diaper Banks. The budget appropriates $16.5 million General Fund one-time for diaper and wipe distribution to low-income families with infants and toddlers.

Stop the Hate Program. The budget appropriates $30 million General Fund one-time for the Stop the Hate Program and reappropriates the remaining balance of funds for the Stop the Hate Program appropriation from the 2023 Budget Act.

Holocaust Survivors Assistance Program. The budget appropriates $12 million General Fund each year for three years to support the Holocaust Survivors Assistance Program.

Facility Management System. The budget appropriates $16 million General Fund one-time to support the implementation of the Facility Management System. This includes funding for one existing permanent and 16 limited-term positions to facilitate project completion.

Home Care Services Branch. The budget appropriates $1.48 million General Fund and $2.5 million Home Care Fund, including three permanent positions in 2026-27 and ongoing to support the solvency of the Home Care Fund. The budget additionally includes $5.68 million General Fund loan forgiveness which reflected the outstanding General Fund loan balance for the Home Care Fund. Provisional language and corresponding trailer bill language in AB 152 allow General Fund to be appropriated to support the Home Care Fund and extend the deadline for CDSS to adopt regulations requiring biennial inspections of home care organizations from 2026 to 2028. Trailer bill language in AB 152 changes the Home Care Organization licensing process from a two-year license to an annual license effective January 1, 2029, and establishes various administrative fees as well as authority to use interim licensing standards related to violations until regulations are adopted.

State Supplemental Grant Program. The budget reappropriates $10 million from the 2025 Budget Act to 2026-27 and reverts the remaining $65 million from the 2025 Budget Act due to lower than expected claims for the State Supplemental Grant Program caused by a backlog of insurance adjustment claims.

Guardian Background Check System. The budget appropriates $858,000 General Fund in 2026-27 and $1.22 million General Fund in 2027-28 to support the Guardian Background Check System and development of an interface with the Facility Management System.

General Fund Loan Authority. Provisional budget bill language increases CDSS's General Fund loan authority to 20 percent of federal appropriations for various programs.

California Guaranteed Income Pilot Program Extension. Trailer bill language in AB 152 extends the California Guaranteed Income Pilot Program through January 1, 2029 to accommodate the anticipated release of data necessary for the program evaluation.

Community Care Licensing Electronic Signatures. Trailer bill language in AB 152 permits the use of electronic signatures and electronic payments for activities related to CDSS licensing programs.

Children's Savings Accounts. The budget appropriates $1 million for automation associated with Federal Children's Savings Accounts.

Sexual Assault Prevention. The budget includes $15 million General Fund one-time to support sexual assault prevention practices, contingent upon the future enactment of budget legislation detailing the use of these funds.

CDSS Chaptered Legislation. The budget includes funding for CDSS to implement chaptered legislation as follows:

- ***AB 563 (Jackson), Chapter 268, Statutes of 2025.*** $185,000 General Fund in 2026-27 and $181,000 in 2027-28 and ongoing for one position to implement this legislation, which adds responsibilities to the Early Childhood Policy Council.

- ***AB 79 (Arambula), Chapter 607, Statutes of 2025.*** $219,000 ($161,000 General Fund) in 2026-27 and$213,000 ($156,000 General Fund) in 2027-28 and ongoing for one permanent position to implement this legislation, which requires CDSS to facilitate trainings for higher education institutions on topics such as CalFresh eligibility.

- ***AB 777 (Celeste Rodriguez), Chapter 709, Statutes of 2025.*** $248,000 ($168,000 General Fund) in 2026-27 and $242,000 ($179,000 General Fund) in 2027-28 and ongoing for one position to analyze and report aggregate data for Disaster Supplemental Nutrition Assistance Program (D-SNAP) to support timely, automated mass benefit replacements in response to a declared disaster.

- ***AB 896 (Elhawary) Chapter 564, Statutes of 2025.*** $300,000 General Fund one-time in 2026-27 to update, print, and distribute the Foster Youth Bill of Rights to reflect children and youth rights related to transition planning.

- ***SB 450 (Menjivar) Chapter 757, Statutes of 2025.*** Two-year limited-term funding of $355,000 General Fund in 2026-27 and $326,000 General Fund in 2027-28 to support two positions to implement this legislation regarding independent adoptions.

- ***SB 582 (Stern), Chapter 546, Statutes of 2025.*** $939,000 General Fund in 2026-27, $919,000 General Fund in 2027-28 for five positions, and $195,000 General Fund in 2028-29 and ongoing to support one position to implement this legislation regarding licensing during emergencies.

- ***AB 495 (Celeste Rodriguez), Chapter 664, Statutes of 2025.*** $2.96 million General Fund in 2026-27 and $2.89 million General Fund in 2027-28 for 15 positions for two years to implement the Family Preparedness Plan Act.

- ***AB 1172 (Nguyen), Chapter 448, Statutes of 2025.*** Two-year funding of $777,000 General Fund in 2026-27 and $757,000 General Fund in 2027-28 for four positions to address the increased workload for training and enforcement related to the implementation of the Seizure Emergency Response Act.

CDSS Local Appropriations. The budget includes local appropriations under CDSS as follows:

- $12 million General Fund one-time to the Coalition for Humane Immigrant Rights (CHIRLA) for immigration legal resources and to support the Immigrant Welcome and Empowerment

Center. $2 million of this amount is for CHIRLA to expand its immigration legal services in the San Fernando Valley.

- $4.5 million General Fund one-time to Feeding San Diego.
- $1.5 million General Fund one-time for Every Day Action for infrastructure, vehicles, and operations.
- $1.33 million General Fund one-time to Jacobs and Cushman San Diego Food Bank.
- $3 million General Fund one-time to Centro La Familia for immigrant support services.
- $10 million General Fund one-time to the Mixteco/Indigena Community Organization Project (MICOP) as lead administrator for the Southern Central Cost Regional Network Hub for Immigrant Families.
- $2 million General Fund one-time for Catholic Charities Diocese of Monterey for immigrant support services.
- $500,000 General Fund one-time to Services, Immigrant Rights & Education Network (SIREN) for immigration services.
- $3 million General Fund one-time for Inland Coalition for Immigrant Justice.
- $1 million General Fund one-time to Catholic Charities of San Diego.
- $500,000 General Fund one-time to the California Rural Legal Assistance Foundation.
- $550,000 General Fund one-time to West Marin Community Services.
- $1.6 million General Fund one-time to Compass Family Services.
- $2 million General Fund one-time to Crowell Family YMCA in South Pasadena.
- $3 million General Fund one-time to the California Food Bank Delivery Alliance, which includes Second Harvest Food Bank Santa Cruz, Second Harvest of Silicon Valley, the Foodbank of Santa Barbara County, Emergency Food Bank of Stockton/San Joaquin, and the Los Angeles Regional Food Bank.
- $3 million General Fund one-time to Crenshaw Family YMCA.
- $2.5 million General Fund one-time to Our Big Kitchen LA.
- $1.855 million General Fund one-time to the SOVA Community Food and Resource Program.
- $2.5 million General Fund one-time to Mid Valley YMCA.

- $4.5 million General Fund one-time to YMCA of Metropolitan Los Angeles to sustain and expand critical community safety-net services including food assistance and youth support programs, with expenditure beginning January 1, 2027.

- $1 million General Fund one-time to Mission Neighborhood Center for facility acquisitions, improvements, expansion, and operations.

- $500,000 General Fund one-time to the City and County of San Francisco Department of Early Childhood for one-time capital and facility improvements to Kai Ming, Inc.

- $1 million General Fund one-time to Simi Valley YMCA for facility expansion.

- $2 million General Fund one-time to Low Family YMCA.

- $2 million General Fund one-time to the Boys & Girls Clubs of Metro Los Angeles' programs in the City of Inglewood.

- $1.5 million General Fund one-time to Kolar Family YMCA in Downey, California.

- $5 million General Fund one-time to the Family Assistance Program in San Bernardino County.

- $2 million General Fund one-time to Big Brothers Big Sisters Orange County.

- $1.5 million General Fund one-time to Fresno Economic Opportunities Commission Food Distribution Program to support senior meals in rural communities.

- $88,000 General Fund one-time to Laura's House in the city of Aliso Viejo for transportation services for survivors of domestic violence.

- $750,000 General Fund one-time to Ashes to Beauty for outreach and assistance to immigrant families.

- $750,000 General Fund one-time to the Immigrant Action Network to expand the community defense program serving immigrants at the Concord Immigration Court through the SAFE Center.

- $750,000 General Fund one-time to Families Empowered and Transformed to support community-based services for families including parenting programming and teen mentoring.

- $600,000 General Fund one-time to Food for Thought Food Bank to expand kitchen facilities.

- $576,000 General Fund one-time to San Bernardino Community Services Center for immigrant legal services, community outreach, and education.

- $750,000 General Fund one-time to Family Assistance Program of San Bernardino County to expand crisis intervention and stabilization services to homeless minors and transition age youth.

- $1 million General Fund one-time to the Orangewood Foundation for the Youth Emergency Services and Homeless Youth Emergency Services pilot program.
- $1 million General Fund one-time to United Across Borders Foundation to expand capacity for food distribution.
- $1 million General Fund one-time to the City of Fremont to transition to a year-round shelter program.
- $1 million General Fund one-time to Mission Economic Development Agency for cradle-to-career services for the Mission Promise Neighborhood.
- $500,000 General Fund one-time to Mission Neighborhood Center, Inc. for capital projects to expand family and early care services.
- $2 million General Fund one-time to Goleta Community Center to upgrade childcare and preschool facilities.
- $68,000 General Fund one-time to Many Mansions in Ventura County for resident assistance funds.
- $200,000 General Fund one-time to Skye's The Limit Institute of Wellness to support community-based services for residents of Kern County.
- $47,000 General Fund one-time to Home on the Green Pastures in the City of Tustin for services for survivors of domestic violence.
- $2 million General Fund one-time to Riverside County.
- $200,000 General Fund one-time to the Family Rescue Center for facilities expansion and improvement.
- $3.6 million General Fund one-time to support the California Parent & Youth Helpline.
- $1.5 million General Fund one-time to support Promise Neighborhoods.

Human Services Budget Bills and Trailer Bills

1. *Budget Act of 2026 – AB 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026 – SB 111(Laird), Chapter 21, Statutes of 2026.*
3. *Budget Act of 2026 – AB 113 (Gabriel) Chapter 248, Statutes of 2026.*
4. *Early Learning and Childcare – AB 150 (Committee on Budget), Chapter 25, Statutes of 2026.*

5. *Human Services – AB 152 (Committee on Budget) Chapter 26, Statutes of 2026.*

6. *Developmental Services – SB 163 (Committee on Budget and Fiscal Review) Chapter 80, Statutes of 2026.*

7. *Developmental Services – AB 175 (Committee on Budget) Chapter 253, Statutes of 2026.*

8. *Early Learning and Childcare – AB 190 (Committee on Budget), Chapter 257, Statutes of 2026.*

SUBCOMMITTEE 4

ON

STATE ADMINISTRATION

AND

GENERAL GOVERNMENT

Senate Committee on Budget and Fiscal Review

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

Consultants
Timothy Griffiths
Jessica Uzarski
Elisa Wynne

SUBCOMMITTEE NO. 4

STATE ADMINISTRATION and GENERAL GOVERNMENT

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STATE ADMINISTRATION

O511 GOVERNMENT OPERATIONS AGENCY

Office of the California Education Interagency Council. The budget establishes the Office of the California Education Interagency Council by authorizing four positions in 2025-26, and ongoing. Funding was previously appropriated for these positions in the Budget Act of 2025.

California Education Learning Lab. The budget includes $4 million General Fund in 2026-27 and ongoing for the California Education Learning Lab. The budget also includes trailer bill language codifying and transferring the Learning Lab from the Governor's Office of Land Use and Climate Innovation to the Government Operations Agency.

Office of Civil Rights. The budget includes $3.68 million General Fund in 2026-27, and $2.8 million General Fund in 2027-28, and ongoing, to implement AB 715 (Zbur), Chapter 428, Statutes of 2025 and SB 48 (Gonzalez), Chapter 429, Statutes of 2025. The budget also includes language which states that, contingent upon the passage and chaptering of SB 998 (Gonzalez), Chapter 670, Statutes of 2026, and no later than January 10, 2027, the Director of the Department of Finance shall appropriate funding sufficient to implement the provisions of SB 998.

Workforce Pell Grant Funding. The budget includes $1.34 million General Fund in 2026-27, contingent upon the Department of Finance's approval of an expenditure plan, for establishing new workforce and earnings data linkages pursuant to the Workforce Pell Grant program. See the Higher Education Section for information on the trailer bill language.

Data Sharing Trailer Bill Language. The budget includes language on data sharing related to the Cradle-to-Career Data System.

0840 STATE CONTROLLER (SCO)

Integrated Database Management System Software Licensing Costs. The Governor's budget includes $9.61 million ($5.86 million General Fund and $3.75 million and Central Service Cost Recovery Fund) in 2026-27 for the contracted costs for Broadcom Inc.'s Integrated Database Management System software.

Preliminary Funding and Budget Bill Language for California State Payroll System (CSPS). The budget includes 14 permanent positions and $96.94 million ($59.13 million General Fund and $37.8 million Central Service Cost Recovery Fund) for 2027-28 and $2.58 million ($1.58 million General Fund and $1.01 million Central Service Cost Recovery Fund) ongoing for resources for the CSPS Project.

Annual Comprehensive Financial Report Engagement Team. The budget includes $2.36 million ($1.44 million General Fund and $918,000 Central Service Cost Recovery Fund) to provide Generally Accepted Accounting Principles (GAAP) financial reporting assistance to various state departments.

SCO FI$Cal Book of Record (BOR) Post Go-Live Support and Stabilization. The budget includes $11.61 million ($7.08 million General Fund and $4.53 million Central Services Cost Recovery Fund) in 2026-27 for consulting services to support the SCO FI$Cal Book of Record (BOR) and includes reappropriation of $1.06 million General Fund of unencumbered balance of funding appropriated in the 2023 Budget Act.

Unclaimed Property Digital Financial Assets Reconciliation, Sales, and Claims – SB 822 (Becker) Chapter 660, Statutes of 2025. The budget includes $325,000 one-time from the Unclaimed Property Fund to upgrade the existing unclaimed property system and includes budget bill language increasing Unclaimed Property Public Awareness Funding by $3 million, with a corresponding adjustment of the current public awareness spending cap.

Controller Auditor and Executive Staff. The budget includes authority to augment the Controller's budget to establish three executive positions to support the Controller's initiatives to strengthen fiscal accountability and to enhance risk management capabilities throughout the department.

Adjustment and Budget Bill Language for California State Payroll System. The budget includes a $72 million General Fund decrease in 2026-27 and a Central Service Cost Recovery Fund decreased of $45 million in 2026-27 to reconcile the final amount needed for project development.

Property Tax Postponement. The budget includes trailer bill language relating to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

0845 DEPARTMENT OF INSURANCE

Home Hardening. The budget includes a reappropriation of $11.5 million General Fund from the Budget Act of 2025, to continue the implementation of the Home Hardening Oversight and Wildfire Risk Mitigation Grant programs.

0855 GAMBLING CONTROL COMMISSION

Information Technology Program Support. The budget includes authority for two positions and $467,000 special fund in 2026-27, and $462,000 in 2027-28 and ongoing, to address increased technical workload and to support recommendations.

Tribal Nation Grant Fund - AB 221 (Ramos and Valencia), Chapter 129, Statutes of 2025. The budget includes an increase in the Tribal Nation Grant Fund expenditure authority of $117 million in 2026-27 and $40 million in 2027-28 and ongoing in accordance with AB 221.

0890 SECRETARY OF STATE

Business Programs Division Workload Increase. The budget includes a permanent augmentation of $3.8 million from the Business Fees Fund beginning in 2026-27 to support the ongoing needs of the Business Programs Division. This request includes: (1) $3.6 million to permanently fund 37 existing positions that are limited-term funded through June 30, 2026, and (2) $268,000 to provide ongoing support for 33 positions that were reclassified in 2023-24.

Bizfile Online Maintenance and Operation Funding. The budget includes authority to transfer $1 million of the maintenance and operations costs from the Business Fees Fund to the Business Programs Modernization Fund, in 2026-27 and annually thereafter for the Bizfile Online program.

Safe at Home Expanded Access AB 82 (Ward), Chapter 679, Statutes of 2025. The budget includes two positions and $341,000 General Fund in 2026-27 and $263,000 General Fund annually thereafter to implement the provisions of AB 82, which expands Safe at Home eligibility to designated health care providers, employees, volunteers, and patients, and their family members.

Help America Vote – Vote Cal. The budget includes $10.3 million Federal Trust Fund authority in 2026-27 to cover the maintenance and operations vendor, Election Management System Vendor, Election Management Systems support contractor, data lines, and off-premises cloud costs for the VoteCal statewide voter registration system.

Help America Vote – Spending Plan. The budget includes $4.5 million Federal Trust Fund in 2026-27 to continue implementation of the statewide mandates of the Help America Vote Act of 2002. The budget also includes authority to accept and extend the grant award of $1.93 million Federal Trust Fund in 2026-27 and $386,000 General Fund in 2026-27 to meet the 20 percent state match requirement.

Implementation and Oversight of Mandated Disclosure Requirements, Political Reform Act. The budget includes $187,000 General Fund in 2026-27 and $182,000 in 2027-28 and annually thereafter for one permanent position to provide comprehensive supervisory, management, and oversight of the complex areas of Campaign, Lobbying and Customer Support operations within the Political Reform Division and implement requirements of multiple changes to Government Code.

Elected Official and Candidate Confidential Voter Registration AB 1392, (Sharp-Collins), Chapter 300, Statutes of 2025. The budget includes a one-time augmentation in the amount of $660,000 General Fund in 2026-27 to implement confidential voter registration requirements as prescribed by AB 1392.

CAL-ACCESS Replacement System (CARS) Project. The budget includes $11.8 million General Fund in 2026-27 to support the CARS Project and replace the outdated 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.

Election Law Enforcement - SB 851 (Cervantes, Pellerin), Chapter 238, Statutes of 2025. The budget includes $1.1 million General Fund in 2026-27 and $807,000 General Fund annually thereafter to support four permanent positions and litigation tracking software licensing costs necessary to implement and administer the statutory requirements prescribed by SB 851.

Notary Automation Program Replacement Project (NAP 2.0). The budget includes $9.8 million Business Fees Fund in 2026-27 for the continuation of the Notary Automation Replacement Project 2.0 (NAP 2.0).

Secretary of State Building Security Improvements. The budget includes a one-time augmentation of $5.96 million ($2.2 million General Fund and $3.78 million Business Fees Fund) for the completion of a multi-phased security improvement project, being implemented at the March Fong Eu Secretary of State Building Complex.

California State Payroll System Reimbursement Authority. The budget includes an increase in reimbursement authority of $55,000 General Fund and $96,000 special fund in 2026-27 and ongoing to receive payments from the State Controller's Office to implement the California State Payroll System.

Election Awareness Campaign. The budget includes $29 million General Fund for increased staffing, technology and equipment upgrades and purchases for counties to speed up counting and increase capacity, $5 million General Fund for voter outreach and education at the county level to help inform Californians know resources and tools available in their community, $5 million General Fund for voter outreach and education at the statewide level via the office of Secretary of State, and $750,000 General Fund to support statewide efforts to combat mis- and disinformation and ensure the state is prepared to guard against federal interference.

0950 STATE TREASURER

Electronic Resources Augmentation. The budget includes an ongoing augmentation in reimbursements to meet the increasing cost of electronic services necessary to safely and prudently invest state money for the Pooled Money Investment Account (PMIA) according to Government Code section 16430.

Investment Portfolio Tracking System. The budget includes ongoing reimbursement funding for a third-party vendor to provide a modern portfolio tracking system platform.

Canceled Bond Sales Contingency Authority. The budget includes an increase in contingency authority from $1.7 million to $8 million General Fund, allowing the Department of Finance, upon certification by the Treasurer, to cover additional expenses for canceled general obligation bond, lease-revenue bond, and revenue anticipation note sales from the General Fund.

Cal-Account Reappropriation. The budget includes reappropriation of up to $360,000 of the $1 million General Fund that was appropriated in the 2025 Budget Act to continue evaluating the feasibility of CalAccounts.

California Investment and Innovation Program. The budget includes $6.4 million General Fund for the California Investment and Innovation Program.

Victims of Corporate Fraud Compensation Fund. The budget includes trailer bill language relating to the winding down of the Victims of Corporate Fraud Compensation Fund due to insolvency.

Bond Authority Extinguishment. The budget includes trailer bill language allowing for the extinguishment of bonds which exist despite having no additional programs or projects which can feasibly be funded.

1045 CANNABIS CONTROL APPEALS PANEL

Establish Ongoing Resources for the Cannabis Control Appeals Panel. The budget includes an increase in expenditure authority of $3.4 million Cannabis Control Fund in 2026-27 and ongoing to support 12 existing positions and operational expenses. This proposal also requests $57,000 in reimbursement authority in 2026-27, $59,000 in 2027-28, and $61,000 in 2028-29, $63,000 in 2029-30, and $65,000 in 2030-31 for facility costs shared with the Alcoholic Beverage Control Appeals Board.

1111 DEPARTMENT OF CONSUMER AFFAIRS

California State Athletic Commission - Expenditure Authority. The budget includes $162,000 Athletic Commission Fund in 2026-27 and ongoing for personal service and travel costs and an increase in authority for $300,000 to support increased athletic inspector pay, training costs, and Attorney General expenses. The budget also includes statutory changes regarding fee increases.

Board of Pharmacy – Chief of Licensing. The budget includes $251,000 Pharmacy Board Contingent Fund, Professions and Vocations Fund in 2026-27 and $243,000 in 2027-28 for one Career Executive Assignment, to serve as the Chief of Licensing overseeing the Board's licensing program.

Board of Pharmacy - Business Modernization. The budget includes a one-time increase in expenditure authority of $1.73 million Pharmacy Board Contingent Fund, Professions and Vocations Fund and 1.1 positions in 2026-27, and four positions in 2027-28 and ongoing to support the Board's business modernization activities.

CA Veterinary Medical Board – Enforcement. The budget includes an increase in expenditure authority of $876,000 Veterinary Medical Board Contingent Fund in 2026-27 and ongoing to continue funding for four existing Analyst IIs and one Supervisor II, to address investigation and complaint workload in the Enforcement Unit.

Osteopathic Medical Board – Enforcement. The budget includes an increase in expenditure authority of $338,000 Osteopathic Medical Board of California Contingent Fund in 2026-27 and

ongoing to support investigative services provided by the Division of Investigation's Health Quality Investigation Unit.

Physician Assistant Board – Enforcement. The budget includes an increase in expenditure authority of $836,000 Physician Assistant Fund in 2026-27 and $828,000 in 2027-28 and ongoing and one Special Investigator to support the Board's enforcement operations, increased Attorney General costs, and investigative services provided by the Division of Investigation's Health Quality Investigation Unit.

Contractors State License Board - Expenditure Authority for Information Technology. The budget includes an increase in expenditure authority of $2 million Contractors License Fund in 2026-27 and ongoing authority to address an Information Technology funding shortfall.

Board of Registered Nursing - Investigations. The budget includes $1.43 million Board of Registered Nursing Fund, Professions and Vocations Fund in 2026-27 and $1.36 million in 2027-28 and ongoing to support eight Special Investigators within its Investigations Division to address increasing complaint workload.

Lincoln Cemetery. The budget includes $3 million General Fund for costs associated with the maintenance, rehabilitation, and caretaking activities of the Lincoln Memorial Park Cemetery located in the City of Carson.

1115 DEPARTMENT OF CANNABIS CONTROL (DCC)

Cannabis Systems Integration (CSI) Project. The budget includes $7.2 million Cannabis Control Fund in 2026-27 for the implementation of the Cannabis Systems Integration project.

Hemp Enforcement and Regulation under Cannabis Framework (AB 8). The budget includes $5.6 million Cannabis Control Fund and 18 positions and $1.7 million Cannabis Tax Fund and four positions in 2026-2027; and $4.1 million Cannabis Control Fund and 18 positions and $852,000 Cannabis Tax Fund and four positions in 2027-28 and ongoing for the enforcement and regulation of hemp.

Enforcement and Legal Affairs Workload Adjustment. The budget includes $6.4 million Cannabis Tax Fund and 12 positions and $1.2 million Cannabis Control Fund and four positions in 2026-27; and $3.9 million Cannabis Tax Fund and 12 positions and $2.1 million Cannabis Control Fund and eight positions in 2027-28 and ongoing to establish a sworn officer presence in Northern California and increase DCC's legal professional staff to combat the illegal cannabis market.

Short Term Loan. The budget allows a short-term cash loan of up to $52 million from the Cannabis Control Fund to the Cannabis Tax Fund – Department of Cannabis Control Fund, which is to be repaid before the end of the fiscal year

1701 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

Continuation of Broker Dealer Investment Adviser Workload. The budget includes two positions and an increase in expenditure authority of $499,000 Financial Protection Fund in 2026-27 and ongoing to continue overseeing continuing education requirements by investment adviser representatives regulated under the Broker-Dealer and Investment Advisor Program.

Continuation of California Consumer Financial Protection Funding. The budget includes an increase of expenditure authority of $15.34 million Financial Protection Fund in 2026-27 through 2029-30 to continue funding for 53 existing positions for the implementation of the California Consumer Financial Protection Law.

Continuation of Debt Collectors Licensing and Regulation. The budget includes an increase in expenditure authority of $13.5 million Financial Protection Fund in 2026-27 through 2029-30 to support 51 existing positions authorized to license, regulate, and examine debt collectors pursuant to SB 908 (Wieckowski), Chapter 163, Statute of 2020, the Debt Collection Licensing Act.

Franchise Brokers Registration System Enhancements (SB 919). The budget includes an increase in expenditure authority of $125,000 Financial Protection Fund in 2026-27 for information technology enhancements to an existing system to implement SB 919 (Umberg), Chapter 518, Statutes of 2024.

1703 PRIVACY PROTECTION AGENCY

Enforcement Resources. The budget includes an increase in expenditure authority of $1.6 million in 2026-27 and $1.5 million in 2027-28 split between the Data Brokers' Registry Fund and the Consumer Privacy Fund for six positions to enforce the provisions of the California Consumer Privacy Act and the Delete Act.

Procurement Support. The budget includes $178,000 General Fund and one position in 2026-27 and $164,000 General Fund in 2027-28 and ongoing to support increased contracts and procurement workload.

Data Broker Deletion Request Opt-Out Platform (DROP) - Post Launch. The budget includes an increase in expenditure authority of $2.2 million Data Brokers' Registry Fund in 2026-27 and two positions to address increased costs and workload from the release of the Delete Request Opt-Out Platform.

1750 CALIFORNIA HORSE RACING BOARD

Fee Relief. The budget allows for transfer of $4 million General Fund to the Horse Racing Fund under the California Horseracing Board for partial fee relief.

2100 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

Palm Desert Office Relocation. The budget allows an increase of expenditure authority of $397,000 Alcohol Beverage Control Fund in 2026-27 and $268,000 in 2027-28 and ongoing to support the relocation of the Palm Desert District Office.

3100 EXPOSITION PARK

California Science Center: Phase III Air and Space Center Facility Operations and Opening. The budget includes $9.33 million General Fund and 31 permanent positions in 2026-27, increasing to $10.61 million in 2030-31 and ongoing, to provide the resources required to open and operate the Phase III Facility.

Exposition Park Utility Replacement and Site Improvements. The budget includes $96.5 million one-time ($76 million General Fund and $20.5 million Exposition Park Improvement Fund) for utility replacement and site improvements at Exposition Park.

Exposition Park Baseline Augmentations for Operational Sustainability and Legal Support. The budget includes $1.7 million Exposition Park Improvement Fund ongoing to support increased baseline public safety and legal services.

World Cup Fan Festival Expenses. The budget includes transfer of $724,000 General Fund one-time in 2026-27 to the Exposition Park Improvement Fund to recover the costs incurred by Exposition Park from hosting the 2026 World Cup Fan Festival.

California African American Museum Reappropriations. The budget includes reappropriations related to the California African American Museum for deferred maintenance, state operations, and legislative investment.

7502 DEPARTMENT OF TECHNOLOGY

CalTABS Modernization. The budget includes $1 million in Technology Services Revolving Fund (TSRF) in 2026-27 and $550,000 in 2027-28 and ongoing to modernize the California Technology Agency Billing System.

California Cybersecurity Integration AB 979 (Irwin), Chapter 285, Statutes of 2025. The budget includes $408,000 General Fund in 2026-27 and $286,000 in 2027-28. Funding will support temporary help that will reside within the Security Risk and Governance Unit.

Statewide Contract Procurement Workload Adjustment. The budget includes $560,000 dollars in Technology Services Revolving Fund to redirect five existing positions to address an increase in statewide technology procurement workload.

Support for Local Government Domain Services. The budget includes $147,000 General Fund in 2026-27 through 2028-29 to manage the increasing workload associated with Local Government Domain Services.

Scale Statewide Digital Identity Program. The budget includes $3 million in Technology Services Revolving Fund budget authority in 2026-27 and ongoing for cost recovery of customer-related expenses.

Artificial Intelligence Models Large Developers SB 53 (Wiener), Chapter 138, Statutes of 2025. The budget includes one Information Technology Manager II and $360,000 for temp help/consultants in 2026-27.

Middle-Mile Broadband Initiative Encumbrance Extension. The budget includes an extension of the encumbrance periods for General Fund appropriations from December 31, 2026, to December 31, 2028.

Control Section 11.94. The budget includes the addition of Control section 11.94 to provide necessary flexibility for administrative adjustments to fully spend the $540.2 million in federal funds allocated from the Coronavirus Capital Projects Fund as authorized by the federal American Rescue Plan Act of 2021 that supports last-mile broadband infrastructure projects.

Middle-Mile Broadband Initiative Reimbursement Authority. The budget includes authority to receive reimbursements of up to $25 million from joint build partners.

Middle-Mile Broadband Initiative Enterprise Fund. The budget includes trailer bill language establishing the Middle-Mile Broadband Initiative Enterprise Fund to receive revenues from operation of the network.

Middle-Mile Broadband Initiative Contingency Funding. The budget allows the Department of Finance to authorize additional expenditures of up to $22 million General Fund to address any shortage of revenues required to operate the Middle-Mile Broadband Network along with reporting requirements.

Middle-Mile Broadband Initiative Contracting Authority. The budget includes trailer bill language relating to Middle Mile Broadband Initiative contracts and creates additional statutorily required notifications to the Joint Legislative Budget Committee.

Office Space Facilities Request. The budget includes appropriations for the following years in amounts as set forth for lease and facility cost increases to consolidate staff in Rancho Cordova: 2026-27: $999,000 ($878,000 Technology Services Revolving, $113,000 General Fund, $8,000 CSCRF); 2027-28: $555,000 ($466,000 Technology Services Revolving, $84,000 General Fund, $5,000 CSCRF).

Poppy: California's Digital Assistant. The budget includes $1 million from the Technology Services Revolving Fund for 2026-27 to support the scale-up and ongoing operation of Poppy, California’s Digital Assistant.

7504 OFFICE OF DATA AND INNOVATION (ODI)

Extended Encumbrance. The budget extends the expenditure and encumbrance period for the Data and Innovation Services Revolving Fund to June 30, 2030, and to authorize Finance to augment the Office of Data and Innovation's Data and Innovation Services Revolving Fund appropriation by the amount of resources available in the fund.

Scaling the State's Innovation Capacity: Building a Centralized Digital Experience Team. The budget includes $1.25 million in reimbursement authority in 2026-27, and ongoing, and five permanent positions to expand ODI's integrated model.

7760 DEPARTMENT OF GENERAL SERVICES (DGS)

Division of the State Architect Construction Oversight Program. The budget includes $1.4 million from the Public-School Planning, Design, and Construction Review Revolving Fund limited term for four years in 2026-27 through 2029-30 and four positions to address the increased workload in the Construction Oversight Program.

Extend Limited Term Maintenance & Repair Cost Expenditure Authority for Fleet Operations. The budget includes an increase and extends limited term authority of $1.2 million to $3.3 million in ongoing expenditure authority from the Service Revolving Fund to cover increased vehicle maintenance and repair expenses.

Extend Limited Term Material Purchase Authority to Ongoing. The budget includes an increase and extends limited-term authority scheduled to end in 2025-26 from $4 million to $5 million from the Service Revolving Fund in 2026-27 and ongoing to support the increased cost of paper and commodities.

Local Jurisdiction Reporting Unit Workload. The budget includes Property Acquisition Law Money Account authority in the amount of $518,000 one-time in 2026-27, and $391,000 in 2027-28 and ongoing to reconcile and maintain the Statewide Property Inventory with county assessors' real property records.

Printer Acquisition. The budget includes $1.5 million Service Revolving Fund in 2026-27 through 2032-33 to acquire two digital inkjet presses.

10th and O Street Reconfiguration. The budget includes $14.35 million Public Buildings Construction Fund (lease revenue bonds) in 2026-27 for the preconstruction phase of the 10th and O Streets Reconfiguration project located at 1021 O Street in Sacramento and $1.29 million from the Public Building Construction Fund (lease revenue bonds) in 2026-27 for the preconstruction phase of the O Street State Parking Garage project with work beginning subject to written agreement as more fully described in the budget act.

Procurement Trailer Bill Language. The budget includes trailer bill language related to procurement and efficiencies.

Lease Revenue Debt Service Transfer Adjustments. The budget includes a decrease of $126.49 million General Fund ongoing to adjust the amount transferred to the Service Revolving Fund for the Department of General Services' lease revenue debt service payments.

Parcel Transfer Authority. The budget includes trailer bill language relating to the transfers of state-owned property.

Governor's Mansion. The budget includes $4 million General Fund for capital outlay and improvements to the Governor's Mansion in Sacramento.

8260 CALIFORNIA ARTS COUNCIL

Watts Towers Cultural Center. The budget includes $5 million General Fund for the Watts Towers Cultural Center for cultural investments for infrastructure improvements and program support.

LA 28 Arts and Culture. The budget includes $5 million General Fund to support LA 28 related arts and cultural programming that showcases California artists and communities.

Protagonist Black. The budget includes $5 million General Fund for the Protagonist Black program.

Local Assistance. The budget includes the following appropriations for local assistance in the following amounts of General Fund:

- $1.8 million for the Actors' Gang Prison Project to provide theater arts programming in prisons and reentry facilities.
- $4 million for the cultural districts program.
- $10 million for general operating support related to grants for arts organizations.
- $1 million for Silicon Valley Community Foundation to support youth engagement, cultural preservation and community revitalization.
- $525,000 for the Watsonville Arts Cultural District to support Watsonville's arts and cultural community.
- $1 million to support the redevelopment of the United Irish Cultural Center.
- $250,000 for the Greek Orthodox Church of the Holy Trinity to support the George and Tula Christopher Center roof repairs.
- $250,000 for the Jing Ying Cantonese Opera Institute to upgrade audio, video, and digital performance equipment.

- $2 million for the City of Santa Ynez to support the development of the Santa Ynez Valley Children's Museum.
- $2 million for the Oxnard Downtown Center for the Art and Performing Arts Center.
- $1 million to support the Marjorie Luke Theater.
- $200,000 for the Zawadi Cultural Collective to support the establishment of a permanent community space to serve communities throughout the San Fernando Valley.
- $1 million for LA Commons to support the Historic South Los Angeles Black Cultural District.
- $1 million for the Long Beach African American Cultural Center to preserve and celebrate African American heritage through youth enrichment, performing arts, educational programming, community engagement, and infrastructure and facility improvements.
- $1 million to support the Chicano Latino Youth Project.
- $3 million for the Juntos Fruitvale Cultural Arts Center to provide space for performances, exhibitions, workshops, neighborhood meetings and cultural celebrations in Oakland's Fruitvale neighborhood.
- $3 million to support ODC Dance.
- $1 million to support the Smuin Contemporary Ballet Company.
- $500,000 to support the Dance Mission Theater.
- $500,000 to support Sean Dorsey Dance.
- $500,000 to support Zaccho Dance Theatre.
- $200,000 to support the Joe Goode Performance Group.
- $100,000 to support the Mannakin Theater & Dance.
- $100,000 to support the PUSH Dance Company.
- $1 million to support the Margaret Jenkins Dance Company.
- $100,000 to support Flyaway Productions.
- $100,000 to support Circo Zero.

- $150,000 to support the Robert Moses Dance Company.
- $100,000 to support the Raw Dance Contemporary Dance Company.
- $25,000 to support Dragon Dance.
- $100,000 to support the Alayo Dance Company.
- $50,000 to support DETOUR Productions.
- $1 million for Creativity Explored to support their partnership with adults and youth with developmental disabilities to create an artistic, studio-based collective.
- $200,000 for The Marsh to support the development of artists and students with an intimate performance venue.
- $400,000 for the SF Mime Troupe to support their capacity to reach additional students.
- $350,000 for the African-American Shakespeare Company to support the production of theater performances.
- $750,000 for the Women's Audio Mission to provide free instruction hours in musical technology to women and girls.
- $1.5 million for The Magic Theatre to support dramatic theater productions.
- $1 million for the San Francisco Gay Men's Chorus.
- $250,000 for Pocket Opera to support the production of opera through accessible, affordable performances.
- $250,000 for Ray of Light Theatre to support the production of musicals.
- $1 million for the San Francisco Girls Chorus.
- $200,000 for Zyzzyva to support their publishing efforts of writers and poets.
- $2.8 million for the Center for the Art of Translation.
- $500,000 for the San Francisco Center for the Book.
- $1 million for the Letterform Archive.
- $1 million for the Mechanic's Institute.

- $1 million for McSweeney's to support their creation of books and magazines.
- $1 million for SF Camerawork to support their operations.
- $750,000 for City Arts and Lectures.

8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)

Dog Importation Certificates of Veterinary Inspection SB 312 (Umberg), Chapter 480, Statutes of 2025. The budget includes $187,000 General Fund in 2026-27 and ongoing and one position to meet the mandates of SB 312 to serve as the central repository for dog Certificates of Veterinary Inspection.

Advancing Farm to School and Local Food Systems. The budget includes $24.6 million General Fund in 2026-27, $24.2 million General Fund in 2027-28, and $25.2 million General Fund in 2028-29 and ongoing and 10 permanent positions for the California Farm to School Incubator Grant Program as well as trailer bill language codifying the program.

Climate Bond (Proposition 4) 2026-27 Expenditure Plan. The budget includes various bond appropriations, reappropriations, and reversions; technical adjustments; reappropriations; and baseline adjustments to continue implementation of previously authorized programs.

Livestock Carcass Disposal – Composting AB 411 (Papan), Chapter 613, Statutes of 2025. The budget includes $228,000 General Fund in 2026-27 to implement the Caring About the Terrain, Livestock, and Ecosystems (CATTLE) Act.

Information Technology Resources. The budget includes $382,000 General Fund, $353,000 Department of Food and Agriculture Fund, and $75,000 Special Funds in 2026-27 and ongoing and four positions to complete crucial Information Technology operational activities.

Agricultural Statistics and Reporting. The budget includes $204,000 General Fund in 2026-27, 2027-28, and 2028-29, and $204,000 Department of Food and Agriculture Fund in 2029-30 and ongoing, and one permanent position to continue the statutorily mandated collection and publication of agricultural statistical reports.

Biological Control Facility Repairs. The budget includes $900,000 General Fund in 2026-27 to perform critical repairs at its Biological Control Facility in Sacramento.

Industrial Hemp Program. The budget includes $8.34 million transfer from the General Fund to the Department of Food and Agriculture Fund in 2026-27, with authority to make transfers until June 30, 2028, to cover the deficit incurred by CDFA in the implementation of the Industrial Hemp Program.

Ongoing Animal Care Program Resources. The budget includes $7.98 million General Fund in 2026-27 and $2.82 million ongoing, which includes a one-time $5.17 million General Fund

transfer to the Department of Food and Agriculture Fund in 2026-27 to repay a loan incurred to establish the Animal Care Program.

Plant Health and Pest Prevention. The budget includes $10.5 million General Fund in 2026-27 and ongoing to maintain mission critical pest detection activities for the Invasive Fruit Fly program.

State Race Track Leasing Commission. The budget includes $189,000 General Fund and one position in 2026-27 and ongoing to provide resources for clerical and administrative duties for the State Race Track Leasing Commission as well as statutory changes to shift clerical and administrative duties from the Department of Finance to the Department of Food and Agriculture.

Administrative Cap Trailer Bill Language. The budget includes trailer bill language related to an increase in the Department of Food and Agriculture's administrative costs cap.

Glassy Winged Sharp-Shooter Emergency Funding. The budget includes authority to provide certain special funds at the Department of Food and Agriculture to county agricultural commissioners for emergency detection, investigation, or eradication of Glassy-Winged Sharpshooter.

California Nutrition Incentive Program. The budget includes $15 million General Fund for the California Nutrition Incentive Program.

Local Food Assistance Purchasing Program. The budget includes $15 million General Fund for the Local Food Assistance Purchasing Program.

Honeybee Health Program. The budget includes $2.5 million General Fund for the Managed Honeybee Health program.

Agricultural Institute of Marin. The budget includes $13.25 million General Fund for the Agricultural Institute of Marin for a permanent farmer's market and food innovation hub.

Enteric Emissions Reappropriation. The budget includes reappropriation of $23 million in General Fund related to Enteric Emissions.

Fairgrounds. The budget includes $900,000 General Fund for the County of Mendocino for improvements to the Anderson Valley Fairgrounds, and $2 million General Fund San Joaquin County Fairgrounds for critical infrastructure improvements.

Urban Tilth. The budget includes $1 million General Fund available for Urban Tilth for capital improvements and operational funds.

Kiss the Ground. The budget includes $250,000 General Fund available for Kiss the Ground to promote regenerative agriculture.

Slow Food USA. The budget includes $2 million General Fund available for Slow Food USA to support its California chapters, which promote California food, farms and local producers through community events.

Organic Transition. The budget includes $15 million General Fund available for direct financial assistance and technical support to farmers, ranchers, and tribes transitioning acreage to organic certification.

Vacancy Efficiency Cuts. The budget maintains 20 full-time equivalents (FTEs) at CDFA that the Administration had proposed to eliminate in 2024.

8620 FAIR POLITICAL PRACTICES COMMISSION

Artificial Intelligence Disclaimer for Campaign Advertisements - AB 2355 (Carrillo, Cervantes), Chapter 260, Statutes of 2024. The budget includes $360,000 General Fund in 2026-2027 and $350,000 in 2027-2028 and ongoing, including $100,000 AI-detection software annual license fee, and one and a half permanent positions for implementation of legislation.

Public Campaign Financing - SB 42 (Umberg), Chapter 245, Statutes of 2025. The budget includes $211,000 General Fund in 2026-2027, $204,000 in 2027-2028 and ongoing, and one permanent position for implementation of legislation.

8880 FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA

Onboarding Deferred Departments. The budget includes trailer bill language which makes technical changes to onboarding language for deferred departments.

8885 COMMISSION ON STATE MANDATES

Property Tax. The budget includes $26.57 million General Fund one-time for the reimbursement of Los Angeles County for costs incurred and adopts trailer bill language removing certain disclosure requirements.

Lease Costs. The budget includes $20,000 General Fund one-time to support the Commission's increased lease costs.

Reimbursement for State Mandates. The budget includes technical adjustments to provide appropriate reimbursement for various state mandates.

8940 MILITARY DEPARTMENT (CMD)

Deferred Maintenance (Facilities and Infrastructure). The budget includes a one-time General Fund appropriation of $2.75 million to complete a state match to address health-life safety issues at various armories.

Utility Baseline and Federal Trust Fund Authority Increase. The budget includes $25 million in additional baseline Federal Trust Fund spending authority for the Facilities Program, as well as a new utility baseline of $2.41 million.

Task Force Rattlesnake Pay Adjustment. The budget includes a budget increase of $30,000 General Fund ongoing to adjust the calculations for annual salary adjustments for existing positions and a reimbursement authority increase of $1 million ongoing to recover costs for expenditures incurred from fire suppression activities.

State Active-Duty Salary and Benefits Adjustment. The budget includes $407,000 ($95,000 General Fund, $303,000 Federal Trust Fund, and $9,000 Behavioral Health Services Fund) ongoing to adjust the calculation for pay, allowances, cost-of-living, and pay-driven benefits for State Active Duty (SAD) servicemembers.

Drug Interdiction Continuation. The budget includes $30 million General Fund ($15 million in 2026-27 and $15 million in 2027-28) to provide support for the CMD's state funded drug interdiction efforts.

Channel Islands Electrical System Repair. The budget includes a one-time augmentation in Federal Trust Fund authority by $4.93 million in 2026-27 to support emergency power generation and immediate electrical system repairs at Channel Islands Air National Guard Station.

Critical Roof Replacement and Exterior Repairs. The budget includes $2.76 million General Fund to complete three critical roof replacement projects.

Los Alamitos: Battalion Headquarters Readiness Center. The budget includes $7.808 million from the Armory Fund for the preliminary plans phase of a project to provide a new readiness center for the 1-160th Infantry Battalion Headquarters and Headquarters Company.

Extended Liquidation Deadline. The budget includes an extension of a liquidation period for $50,000 General Fund.

8955 DEPARTMENT OF VETERANS AFFAIRS (CALVET)

Administrative Services Division Staffing. The budget includes authority for two positions and $303,000 General Fund in 2026-27, and $292,000 General Fund in 2027-28 and ongoing, to meet the increase demands of the Budget Office within the Administrative Services Division.

CalVet Electronic Health Record (CEHR) Project Phase 3 Continued and Maintenance & Operations. The budget includes $1.6 million General Fund in 2026-27 and $590,000 General Fund in 2027-28 and ongoing for the final implementation of Phase 3 of a new long-term care electronic health record system in the Veterans Homes of California and Headquarters. It also includes $2.4 million General Fund in 2026-27 to support the remaining Homes and final implementation of Phase 3 of the California Electronic Health Records Project in the Veterans Homes of California and Headquarters and a reappropriation of $2.3 million in 2026-27 from the

2023 Budget Act to extend the liquidation date until June 30, 2027 to fulfil contractual obligations and pay invoices related to the completion of the CalVet Electronic Health Record Project.

Veterans Home of California, Yountville Skilled Nursing Facility. The budget includes $209.34 million Federal Funds authority to receive a federal grant award for allowable costs for the Veterans Home of California, Yountville: Skilled Nursing Facility project.

Southern California Veterans Cemetery Spending Authority. The budget includes $10 million Spending authority for Project Phases 1 and 2 from the Southern California Veterans Cemetery Master Development Account.

Veterans Support to Self-Reliance Program. The budget includes $7 million General Fund for the Veterans Support to Self-Reliance Program.

Transgender Discharged Service Members Program. The budget includes $2 million General Fund for the Transgender Discharged Service Members Program.

County Veterans Services Offices - State Support. The budget includes $6 million General Fund for County Veterans Services Offices.

Wall of Honor. The budget includes $200,000 General Fund for the Fresno Veteran Home Support Foundation for Phase 2 of the Wall of Honor.

Beyond the Barracks. The budget includes $200,000 General Fund for Beyond the Barracks to support services that promote suicide prevention, family support, and peer-to-peer connection.

American Legion Palmdale. The budget includes $250,000 General Fund for the American Legion Post in the City of Palmdale for building renovations.

VARIOUS DEPARTMENTS

AB 91. The budget includes trailer bill language associated with AB 91 (Harabedian), Chapter 357, Statutes of 2025.

State Leadership Accountability. The budget includes technical trailer bill language associated with the State Leadership Accountability Act.

State Administration Budget and Trailer Bills

1. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026.*

2. *Budget Act of 2026 — AB 109 (Gabriel), Chapter 19, Statutes of 2026.*

3. *Budget Act of 2026 — SB 111 (Laird), Chapter 21, Statutes of 2026.*

4. *Budget Act of 2026— AB 113 (Gabriel), Chapter 248, Statutes of 2026.*

5. *SB 170 Codification of the Governor's Reorganization Plan 1 of 2025 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026.*

6. *SB 172 State Government (Committee on Budget and Fiscal Review), Chapter 84, Statutes of 2026.*

7. *AB 184 State Government (Committee on Budget and Fiscal Review), Chapter 255, Statutes of 2026.*

FINANCIAL MANAGEMENT

0110/0120/0130 STATE LEGISLATURE

The Legislature's budget for 2026-27 was increased to reflect the growth in the state's appropriation limit (SAL). Applying the May Revision SAL rate to the legislative budget resulted in increased funding of $21.6 million for the Senate and Assembly.

0860 BOARD OF EQUALIZATION (BOE)

The budget for the Board of Equalization (BOE) for 2026-27 includes 190.6 positions and $37.8 million General Fund. This includes:

Intergenerational Real Property Transfers. The budget includes $154,000 in one-time General Fund for the BOE to complete workload related to the implementation of Senate Bill 293 (Pérez), Chapter 539, Statutes of 2025.

Information Technology Modernization Project. The budget includes $3.2 million General Fund in 2026-27 and $3.1 million in 2027-28 for the State Board of Equalization (BOE) to implement a cloud-based, fully integrated tax administration system to support BOE workload on valuation, assessment, and allocation of property taxes from state-assessed property.

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 2026-27 includes 4,258.7 positions and $745 million ($384.7 million General Fund). Changes to programs and workload in the budget package include:

Digital Pre-Written Software Tax. The budget includes trailer bill language that applies sales tax to sales of electronically delivered pre-written software, commencing January 1, 2027. Specifically, the language:

- Extends sales and use taxes on "tangible personal property" as defined in law to include digital products, except as provided, prewritten computer software transferred on tangible storage media, transferred electronically, or accessed remotely.

- Prohibits a purchaser or retailer of a digital product that is transferred electronically or accessed remotely from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of any tax revenue resulting from the imposition of a sales and use tax on digital products.

The extension of sales and use tax to pre-written software is estimated to increase General Fund revenues by $450 million in 2026-27 and by $900 million annually thereafter. This policy is also estimated to increase revenues for local jurisdictions by $560 million in 2026-27 (one-half year) and by $1.1 billion per year thereafter.

CDTFA Administrative Costs. The budget includes funding adjustments and positions that reflect CDTFA's administration responsibilities:

- **Operational Savings.** The budget includes an ongoing reduction of $10 million General Fund to CDFTA's operation budget, beginning in 2026-27. This reduction does not impact CDTFA's operations or ability to complete statutorily required workload.

- **AB 3218 Flavored Tobacco Ban Implementation.** The budget includes $3.8 million in 2026-27, $3.7 million in 2027-28, $3.7 million in 2028-29, and $1.2 million in 2029-30 and ongoing from the Cigarette and Tobacco Products Compliance Fund (Compliance Fund) for enforcement of the requirements of AB 3218 and SB 1230.

- **Cannabis Tax Program Compliance and Enforcement**. The budget includes $5.6 million in fiscal year 2026-27 and ongoing from the Cannabis Tax Fund to maintain audit, enforcement, compliance, and appeals activities under the Cannabis Tax Program

- **AB 8 Cannabis: Cannabinoids: Industrial Hemp.** The budget includes $3.3 million of augmentations in 2026-27 and ongoing to address enforcement responsibilities stemming from a new law on hemp-derived cannabinoids AB 8 (Aguiar-Curry), Chapter 248, Statutes of 2025. In 2026-27, $2.8 million of these appropriations are from the Compliance Fund to pay for costs in the Tobacco Licensing Program, while $500,000 million are from the Cannabis Tax Fund to pay for costs in the Cannabis Tax Program. $200,000 million of these costs will shift from the Compliance Fund to the Cannabis Tax Fund starting in 2027-28.

- **Centralized Revenue Opportunity System Reappropriation.** The budget includes a reappropriation of $3.8 million General Fund from 2025-26 to 2026-27 for the Centralized Revenue Opportunity System (CROS) at CDTFA.

- **Digital Pre-Written Software Tax Implementation.** The budget increases General Fund resources for CDTFA by $750,000 one-time ($450,000 General Fund and $300,000 in reimbursements by $300,000 ongoing) to provide resources to administer the new Digital Software Tax.

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 2026-27 includes 6,790.3 positions and $1.19 billion ($1.15 billion General Fund). Changes to programs and workload in the budget package include:

Temporary Business Tax Credit Limitations. The budget includes trailer bill language that extends the current temporary business tax credit cap for three additional years, through the 2029 tax year. Specifically:

- Business tax credits claimed under the Personal Income Tax Law and the Corporate Tax Law may not exceed $5 million for each of taxable years 2024, 2025, and 2026. This bill extends those provisions for an additional three years, through tax year 2029.

- For each of the 2027, 2028, and 2029 taxable years, this bill allows a taxpayer to make an irrevocable annual election to receive a refundable tax credit in the amount of the credit over the $5 million cap.

- Businesses who make the election can claim an annual refundable credit amount, beginning the third taxable year after the election is made, equal to 20 percent of the qualified credits that would have otherwise been available to the taxpayer but for the limitation.

- The temporary business tax credit cap is estimated to increase General Fund revenues by $1 billion in 2026-27, $3.3 billion in 2027-28 and growing to over $4.5 billion through 2029.

Permanent Business Tax Credit Limitations. The budget includes trailer bill language that creates a permanent business tax credit limitation, commencing with the 2030 tax year. Specifically:

- Limits business tax credit usage to $5 million per company per year or 70 percent of a company's tax liability, whichever is greater.

- Refundable credits generated under the limitations in 2024 through 2026 may continue to be claimed in addition to the credit cap and refundable credits generated under the limitations in 2027 through 2029 may be claimed in addition to the credit cap beginning in the 2030 tax year.

Reduction of New Business Tax Credit. The budget includes trailer bill language to reduce the $800 annual tax paid by limited liability companies (LLCs), limited partnerships (LPs), and limited liability partnerships (LLPs) in their first year of existence to $400 for tax years 2027, 2028, and 2029. The reduction of the annual minimum franchise tax is estimated to reduce General Fund revenue by $100 million for each of 2027, 2028, and 2029.

Tax Conformity for New Federal Individual Retirement Accounts. The budget includes trailer bill language to conform state tax treatment of the new individual retirement accounts, established by federal House Resolution (H.R.) 1, with federal law, commencing with tax year 2026. These new accounts are individual retirement accounts for the benefit of children under the age of 18 who are U.S. citizens with a Social Security number. This tax conformity aligns treatment of these accounts with conformity for similar tax-advantaged savings and retirement accounts.

Anti-Weaponization Fund Settlement Tax. The budget includes trailer bill language to establish a 100 percent tax on settlement fund payments received by taxpayers during the taxable years 2026 through 2029 from the Anti-Weaponization Fund established by the federal Department of Justice and other specified funds resulting from legal action as detailed.

California Film and Tax Credit Program. The budget includes trailer bill language that makes changes to the California Film and Tax Credit Program. Specifically:

- Provides that the general $5 million cap on business credit utilization applicable for taxable years beginning on or after January 1, 2024, and before January 1, 2030, and the business credit limitation beginning taxable year 2030 shall not apply to film tax credits allocated to independent films.

- Modifies the Film Tax Credit 2.0 and Film Tax Credit 3.0 to extend the credit carryforward period on all credits earned from 9 to 15 years for active participants in Credit 4.0

- Modifies the Film Tax Credit 4.0 to increase the value of the credit's elective refundability provisions: i) Provides that the "annual refundable amount" means 50% (instead of 20%) of the total refundable amount; ii) Provides that the "refundable period" means the first taxable year that the credit certificate is issued to the qualified taxpayer by the California Film Commission, and the succeeding taxable year, instead of the succeeding four taxable years; and, iii) Provides that the "total refundable amount" means 95%, instead of 90%, of the credit amount that exceeds the taxpayer's tax liability in the first taxable year of the refundable period.

- The revenue impacts of these changes are estimated to be $9.5 million in 2026-27, $60.9 million in 2027-28, $129.8 million in 2028-29 and $167.9 million in 2029-30.

Wildfire Mitigation Grant Program Income Tax Exclusion. The budget includes trailer bill language to adds specified mitigation payments made under the wildfire mitigation grant program to an existing exemption from state personal income tax and corporation tax. The language also updates the definition of mitigation payments, extends the exemption by two years to taxable years beginning before January 1, 2031 and provides $10,000 one-time General Fund to the Office of Emergency Services to implement reporting requirements.

Senior Citizens and Disabled Property Tax Postponement Fund. The budget includes trailer bill language to, commencing July 1, 2026, increase the amount available for manufactured homes property tax disbursements from the Senior Citizens and Disabled Property Tax Postponement Fund to $300,000 per year. The budget also provides $3 million one-time General Fund for the Senior Citizens and Disabled Citizens Property Tax Postponement Fund to support the Property Tax Postponement Program.

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 includes $59.9 million in 2026-27, $24 million in 2027-28, $17.6 million in 2028-29 and ongoing, and the full-time equivalent of 20 permanent positions for the sixth-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan. The resources received from this investment will allow FTB to continue supporting the optimization of business processes throughout the EDR2 life cycle.

- **Mainframe Growth Workload.** The budget includes $13.1 million in 2026-27 and $389,000 in 2027-28 and ongoing, to replace primary and disaster recovery mainframe servers to increase memory and processing capacity, and upgrade software to meet workload growth projections.

- **CalFile Resources Realignment.** The budget includes a reduction of $921,000 General Fund in 2026-27 and 9.9 positions, $2.3 million and 22.8 positions in 2027-28, and $2.7 million and 27 positions in 2028-29 and ongoing to reflect savings from previous investments to link California's CalFile system for free tax filing to the federal Internal Revenue Service's Direct File system. The current federal Administration has ended use of the Direct File system. The FTB retains eight positions (five limited-term positions and three permanent positions) in 2026-27; and three permanent positions in 2027-28 and ongoing to complete CalFile enhancements.

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 2026-27 includes 485.1 positions and $111.3 million ($60.9 million General Fund), including:

Office of State Audits and Evaluations Workload. The budget includes $625,000 one-time General Fund to the Office of State Audits and Evaluations under the Department of Finance for audit workload related to an audit on the effectiveness of administration of the Statewide Imagination Library by the California State Library and Strong Reader Partnership.

9210 LOCAL GOVERNMENT FINANCING

Backfill for Vehicle License Fee Shortfall. The budget provides $80 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono. The budget also included intent language for the Legislature and the Administration or work together with the impacted counties on ongoing solutions for this issue.

VARIOUS

Projected Temporary Surplus Account. The budget includes the elimination of the sunset date of December 31, 2030, for the Projected Temporary Surplus Account, making the account permanent.

Financial Management Budget and Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*

2. *Revenues – Senate Bill 122 (Committee on Budget and Fiscal Review), Chapter 23, Statutes of 2026.*

3. *State Government – Senate Bill 172 (Committee on Budget and Fiscal Review), Chapter 84, Statutes of 2026.*

4. *Taxation – Senate Bill 180 (Committee on Budget and Fiscal Review), Chapter 85, Statutes of 2026.*

5. *Revenues – Senate Bill 186 (Committee on Budget and Fiscal Review), Chapter 344, Statutes of 2026.*

6. *Income Taxes: Exclusions – Senate Bill 195 (Committee on Budget and Fiscal Review), Chapter 261, Statutes of 2026.*

ECONOMIC DEVELOPMENT

0509 GOVERNOR'S OFFICE OF BUSINESS AND DEVELOPMENT (GO-BIZ)

Extension of the CalCompetes Program. Statutory language adopted in SB 180 (Committee on Budget and Fiscal Review), Chapter 85, Statues of 2026, extends the CalCompetes Tax Credit program for an additional five years, through 2032-33, at $180 million in tax credits per year.

Quantum and Deep Space Research Investment. The budget includes $30 million in one-time General Fund for investments in quantum technologies and deep space research conducted in the state.

California Civil Media Program Extension. The budget includes $10 million General Fund in 2026-27 and $10 million General Fund in 2027-28 for two additional rounds of the California Civil Media Program, a public-private partnership grant program funded equally by the State of California and Google, to support the work of California's journalists and strengthen community engagement statewide.

Ethnic Media Outreach Grants. The budget includes $3 million in one-time General Fund to GO-Biz to administer and award ethnic media outreach grants.

Public Media Stabilization Grants. The budget includes $3 million in one-time General Fund to GO-Biz to administer and award public media stabilization grants.

Codification of the California Jobs First Initiative. Statutory language adopted in SB 172 (Committee on Budget and Fiscal Review), Chapter 84, Statutes of 2026, establishes the Office of Regional Economic Development Initiatives within GO-Biz and tasks it with continuing the work of the California Jobs First initiative, including developing, maintaining, and implementing their regional economic development strategies.

Reappropriation of Jobs First Administrative Funding. The budget reappropriates the administrative set asides for the California Job First program through June 30, 2030 to align with lifecycle of the program. The Budget Acts of 2024 and 2025 each appropriated $50 million in General Fund to support the California Jobs First program including a five percent set aside for administrative costs. These appropriations came with encumbrance deadlines of June 30, 2026, and June 30, 2027, respectively. However, administrative activities associated with the program are not scheduled to conclude until summer 2030. The reappropriation extends these deadlines to provide the necessary administrative resources to support the program through to its completion.

Establishment of the CAL-EXPORT Program and Related Resources. The budget establishes the California Export Promotion Program (CAL-EXPORT) within GO-Biz's International Affairs and Trade Unit to provide export promotion and supply chain resiliency support for small businesses as California's flagship trade program. The budget also includes $500,000 in one-time General Fund to support CAL-EXPORT, with the further provision that if GO-Biz receives confirmation that the federal State Trade Expansion Program (STEP) will not award grant funding to California for expenditure during the 2026–27 fiscal year, then after a 30-day notification to the Joint Legislative Budget Committee, the additional amount of $884,000 shall be available to GO-Biz as further support for CAL-EXPORT activities.

Staffing to Support Innovative and Emerging Technology Initiative. The budget provides $400,000 in one-time General Fund and authorizes one permanent position to operationalize and expand GO-Biz's work to attract, retain, and grow innovation and emerging technology sectors in California.

California Brand Campaign Modifications. The budget shifts a $20 million 2025-26 General Fund appropriation from the Tourism Commission specifically to the GO-Biz local assistance account to facilitate a broader range of eligible uses.

Reversion of State Contribution to Semiconductor Facility. The budget returns $25 million back to the General Fund from a 2025 Budget Act appropriation intended for a state contribution to federal investment in the development of the National Semiconductor Technology Center's Design and Collaboration Facility in Sunnyvale, California, as the federal government is no longer funding the project.

Additional Round of the Performing Arts Equitable Payroll Fund. The budget provides $12 million in one-time, 2026-27 General Fund to GO-Biz for another round of Performing Arts Equitable Payroll Fund grants.

Extend Encumbrance Period for California Regional Initiative for Social Enterprise (CA RISE) program. The budget reappropriates $1 million from the 2022 Budget Act for the CA RISE program, thus extending the encumbrance period for these funds through June 30, 2027.

Additional Resource Allocations Through GO-Biz. The budget also includes the following one-time General Fund appropriations, to be administered by GO-Biz:

- $6.5 million for the Black Women's Collective Empowerment Institute.
- $4.2 million to the San Gabriel Valley Council of Governments for regional projects that strengthen economic development, expand educational opportunities, enhance public safety, and preserve and improve parks and open space throughout the San Gabriel Valley.
- $3 million to the Los Angeles Cleantech Incubator to support California-based climate-technology companies in commercializing and deploying solutions through pilots, market access, workforce development, business support, and access to capital.
- $2 million for the Black Freedom Fund California Policy Fellowship.
- $2 million to Contra Costa County for the Green Empowerment Zone to support the region's concentration of highly skilled energy industry workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private-sector investment in the renewable energy sector.
- $2 million to The Nonprofit Partnership - Long Beach to support nonprofit capacity-building through training, technical assistance, leadership development, organizational support, and grant funding for nonprofits serving Long Beach and Lakewood.

- $2 million to support infrastructure and facility modernization at the Urban Business Finance Center.

- $1.5 million for the INDSTRY Workforce Development Initiative.

- $1 million for the California Fringe.

- $1 million for the Black Freedom Fund Trust and Reconciliation Initiative.

0650 GOVERNOR'S OFFICE OF LAND USE AND CLIMATE INNOVATION (GO-LCI)

Supplemental Staffing and Resources for Office Operations. The budget includes $10.5 million in ongoing General Fund for GO-LCI's baseline program, administrative, and information technology operations.

Form Authority for Annual Progress Reports. Statutory language in SB 172 (Committee on Budget and Fiscal Review), Chapter 184, Statutes of 2026 requires local jurisdictions to submit specified portions of their Annual Progress Reports to GO-LCI using standards, forms, and definitions adopted by GO-LCI.

Fee Authority for California Environmental Quality Act Filings. Statutory language in SB 172 (Committee on Budget and Fiscal Review), Chapter 184, Statutes of 2026 authorizes the GO-LCI to charge fees for the submission documents pursuant to the California Environmental Quality Act (CEQA) to offset the cost of operating the CEQA Clearinghouse database. Permits GO-LCI to include additional planning, permitting, funding, and procurement information in the database "for the purposes of facilitating efficient and informed decision-making by public agencies and members of the public."

Resources for Implementation of California Environmental Quality Act (CEQA) Exemptions for Sustainable Transportation Projects. The budget provides $219,000 in General Fund in 2026-27 and 2027-28, respectively, to GO-LCI for implementation of CEQA exemptions for sustainable transportation projects.

Resources and Staffing to Implement Extreme Heat Ranking Legislation. The budget includes $522,000 in ongoing General Fund and authorizes one position for GO-LCI to carry out legislative mandates regarding extreme heat ranking contained in AB 2238 (L. Rivas), Chapter 264, Statutes of 2022.

Resources for Central Coast Community Resilience Hub Accelerator. The budget provides $3 million to GO-LCI for the Central Coast Community Resilience Hub Accelerator.

Distribution of Proposition 4 (Climate Bond) Resources. The budget includes distribution of Proposition 4 funds to programs administered by GO-LCI as follows:

- $137 million to the Transformative Climate Communities (TCC) program.

- $55 million to the Community Resilience Centers (CRC) program.

- $24 million to the Extreme Heat and Community Resilience Program (EHCRP).

Transformative Climate Communities (TCC) Extension. The budget extends the encumbrance or expenditure date for currently unencumbered TCC funds administered by GO-LCI to provide additional time for use of these funds without interruption to program delivery.

Agricultural Land Conservation Resources. The budget provides $50 million in one-time Greenhouse Gas Reduction Fund to the Strategic Growth Council at GO-LCI for acquisition of easements or other approaches and tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl and those of special environmental significance.

Technical Clarification of Regional Resilience Grant Program (RRGP) Administrative Costs Timing. The budget clarifies that funding for the administrative costs associated with administration of the RRGP at GO-LCI is reappropriated for encumbrance or expenditure through June 30, 2028.

Technical Correction to Cross-Reference. The budget fixes an erroneous cross reference to the Fifth Climate Change Assessment instead of the Vulnerable Communities Platform and Cal Adapt Mapping.

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, among others.

The budget includes the following actions in relation to GO-Serve:

City Year Resources. The budget includes $10 million in one-time 2026-27 General Fund to GO-Serve to support the City Year public service program.

California Men's Service Challenge Resources. The budget includes $5 million in one-time 2026-27 General Fund for GO-Serve to operate the California Men's Service Challenge.

Reading and Math Corps Resources. The budget provides $5 million in one-time 2026-27 General Fund for GO-Serve to support the Reading and Math Corps.

California Student Success Coach Grant Program Resources. The budget includes $5 million in one-time 2026-27 General Fund for GO-Serve to operate the California Student Success Coach Grant Program.

College Corps Administrative Funding Technical Correction. The budget adjusts the administrative funding for the California College Corps program to correct technical errors.

Economic Development Budget Bills

1. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026.*
2. *Budget Act of 2026 — AB 109 (Gabriel), Chapter 19, Statutes of 2026.*
3. *Budget Act of 2026 — SB 111 (Laird), Chapter 21, Statutes of 2026.*
4. *Budget Act of 2026— AB 113 (Gabriel), Chapter 248, Statutes of 2026.*
5. *SB 172 (Committee on Budget and Fiscal Review), State Government, Chapter 84, Statutes of 2026.*
6. *SB 180 (Committee on Budget and Fiscal Review), Taxation, Chapter 85, Statutes of 2026.*

HOUSING, HOMELESSNESS, & CIVIL RIGHTS

0515 BUSINESS, CONSUMER SERVICES, AND HOUSING (BCSH)

Dissolution. Statutory language adopted in SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026, codified provisions in the Governor's Reorganization Plan Number One of 2025 that, effective July 1, 2026, dissolved the Business, Consumer Services, and Housing (BCSH) Agency and replaced it with two separate agencies: the California Housing and Homelessness Agency (CHHA) and the Business and Consumer Services Agency (BCSA).

0516 CALIFORNIA HOUSING AND HOMELESSNESS AGENCY

Establishment. Statutory language adopted in SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026, codified provisions in the Governor's Reorganization Plan Number One of 2025 that established the California Housing and Homelessness Agency (CHHA) effective July 1, 2026. The new CHHA encompasses all of the following pre-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 includes a newly established Housing Development and Finance Committee (HDFC). For details about the creation and role of HDFC, please see the section on HDFC below.

Incentives to Limit the Imposition of Development Impact Fees on State-Funded Affordable Housing Projects. Statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, modifies the provision of state affordable housing funding awards to discourage the imposition of local development impact fees on such projects, as follows:

- Requires a state entity within the California Housing and Homelessness Agency, including the Housing Development and Finance Committee, the Department of Housing and Community Development, and the California Housing Finance Agency, to consider quantifiable in-kind local contributions, as specified, when awarding competitive multifamily affordable housing funding for new construction projects, to the extent feasible.

- Requires the awarding agency to reduce the total award amount for the project, as specified, if a city, county, or city and county is a lead applicant for a project in an affordable multifamily rental or ownership housing development administered by a state entity within that agency and it has not committed to waiving any development impact fee, as defined, that it would otherwise impose on the project.

- Applies to any notice of funding opportunity issued after July 1, 2027.

Clarification Regarding Separate Entry Prohibition for Affordable Units. Statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, clarifies that when a development includes both a licensed residential care facility for the elderly and units that are not age restricted, as specified, then specified laws prohibiting separate entryways and amenities for affordable units apply only to nonage-restricted housing units and do not apply to age-restricted units.

Authorization of Building Codes Changes for Health Clinics During Building Code Freeze. Statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, allows the California Department of Health Care Access and Information (HCAI) to make modifications to the building standards for specified health clinics during the broader building code standards freeze enacted by AB 130 (Committee on Budget), Chapter 22, Statutes 2025.

0959 CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC)

New Role in Streamlined State Affordable Housing Funding Award Process. Statutory language adopted in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, streamlines the state's process for awarding affordable housing funding and modifies the role of the California Debt Limit Allocation Committee (CDLAC) accordingly, as follows:

- Requires CDLAC, beginning, January 1, 2027, and until January 1, 2037, to allocate a minimum of 90 percent of the state's annual cap on tax-exempt private activity bonds to qualified residential rental projects. Provides that the amount may be reduced to no less than 80 percent for a one-year period upon unanimous approval of CDLAC.

- Requires CDLAC, beginning January 1, 2027, to reserve at least half of the bonds allocated to qualified residential rental projects for projects awarded funding by the Housing Development and Finance Committee (HDFC). Specifies that this reservation remains in effect until July 1, 2029, unless reauthorized by the Legislature. Provides that if the reservation is not reauthorized by the Legislature, then the reservation percentage decreases from at least half to 40 percent. Provides that if the annual demand survey, as specified, demonstrates demand exceeding the reservation, the reservation shall automatically increase up to 50 percent to meet the demonstrated demand.

- Requires CDLAC, and when applicable, the California Tax Credit Allocation Committee (CTCAC), to make a ministerial allocation of private activity bonds and low-income housing tax credits for a project awarded funding by HDFC, after transmission of the application from HDFC.

- Provides that, until November 1, 2027, projects that have received a multifamily affordable housing program award prior to January 1, 2027, and that are not seeking additional state subsidy shall apply directly to CDLAC, and also to CTCAC when applicable, for an allocation from the reservation. Requires CDLAC to notify HDFC of the recommended allocation awards for approval and requires CDLAC to make an allocation of the private activity bonds from the reservation, provided that the project meets the federal threshold requirements for bonds.

- Allows any unused portion of the HDFC reservation not allocated by November 1 of the 2027 calendar year, to be reallocated by the CDLAC for other purposes for the 2027 calendar year.

- Provides that for the 2028 calendar year, and every year thereafter, any unused portion of the HDFC reservation not allocated by September 1 or any portion determined to be unused by HDFC may be reallocated by CDLAC consistent with federal law.

0968 TAX CREDIT ALLOCATION COMMITTEE (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 2025, 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.

New Role in Streamlined State Affordable Housing Funding Award Process. Statutory language adopted in AB 179 (Committee on Budge), Chapter 68, Statutes of 2026, streamlines the state's process for awarding affordable housing funding and modifies, in some instances, the role of the California Debt Limit Allocation Committee (CDLAC) and TCAC within that process. For details, please see the related heading under CDLAC in this report.

Staffing and Resources for Implementation and Response to Recently Enacted State and Federal Legislation. The budget provides a combined $2 million in ongoing special fund and authorizes 10 positions for the California Tax Credit Allocation Committee (CTCAC) to support implementation of new compliance monitoring requirements from AB 846 (Bonta), Chapter 674, Statutes of 2024, and increased workload resulting from federal legislative changes (H.R. 1).

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:

Staffing and Resources for Implementation of Recently Enacted Legislation. The budget provides between $7 million and $9 million in General Fund to CRD over the next several years, evolving to an ongoing level of $7.5 million, for enforcement of cannabis-related employment laws, enforcement of expanded family medical and bereavement leave laws, operation of the Commission on the State of Hate, operation of the pay data reporting system, demographic data reporting, and operations of the Bureau of Descendants of American Slavery.

Staffing and Resources for Enhanced Investigation and Mediation of Discrimination Claims. The budget includes General Fund appropriations of $838,000 annually in 2026-27, 27-28 and 28-29 and six permanent staff positions to increase CRD's enforcement, investigation, and conciliation capacity with the aim of speeding up civil rights complaint processing and reducing wait times.

Public Counter Security Resources. The budget includes an ongoing annual General Fund appropriation of $502,000 for security guard services at all CRD public counters in response to recent incidents and threats.

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). HHAP provides large cities, counties, continuums of care, and tribal entities with relatively flexible, formula-based funding through which they can address homelessness using a broad variety of strategies and services, provided that they meet outcome-based performance metrics. The 2026 Budget Act includes $890 million General Fund one-time, for a seventh round of the HHAP program. The total includes the $500 million dedicated to HHAP Round 7 in the 2025 Budget Act but not made available until July 1, 2026. In addition, statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, provides the governing framework for HHAP Round 7 administration and makes modifications to operation of the previous HHAP rounds, as follows:

- Specifies that 97 percent of HHAP Round 7 funding shall go to large cities, counties, and continuums of care, as specified, and three percent shall be available to tribal entities.

- Requires HCD to disburse 50 percent of an eligible city, county, or continuum of care's total Round 7 program allocation only upon fulfillment specified prerequisites, as applicable, including, but not limited to: fiscal readiness, as specified; housing element compliance; pro-housing designation; provision of qualified matching funds, as defined; and adoption of ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance.

- Requires HCD to disburse the remaining Round 7 allocation to an eligible city, county, or continuum of care only upon fulfillment of specified additional prerequisites, as applicable, including, but not limited to: improvement on at least half of the region's most recent system performance measures compared to the baseline data from the most recent calendar year; fiscal readiness, as specified; continued housing element compliance; ongoing pro-housing designation; provision of additional qualified matching funds; continued maintenance of ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance and reporting on specified activities and outcomes related to addressing previously identified encampments.

- Establishes a mechanism for HCD to reallocate funds if a grantee fails to meet an expenditure deadline for any prior round of the program, after technical assistance and the opportunity to make corrections. Authorizes HCD to reduce the grantee's future allocation in an amount equal to the amount of funds left unspent at the expenditure deadline and to reallocate these funds to other eligible applicants in the same region unless no such applicant exists, in which case HCD shall reallocate the funds as a bonus among recipients that have achieved a prohousing designation.

- Streamlines and harmonizes system performance measures (SPMs) across all funding rounds.

- Provides flexibility in financial reporting by allowing jurisdictions the option to submit reports on a monthly up to quarterly basis.

Infill Infrastructure Grant Funding Reappropriation. The budget reappropriates Infill Infrastructure Grant (IIG) funding from the 2021 Budget Act to enable the award of $7 million in unused grants.

Capture of Encampment Resolution Fund Administrative Savings. The budget reverts $603,000 in Encampment Resolution Fund (ERF) administrative savings back to the General Fund.

Staffing and Resources Transfer. As part of implementation of the Governor's Reorganization Plan Number One, codified in SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026, the budget includes the transfer of 14 positions and $1.5 million in ongoing General Fund from HCD to the newly formed Housing Development Finance Committee (HDFC) for administration of affordable housing funding programs.

Staffing for Operation of Information Technology Platform. The budget approves seven staff positions at HCD for implementation and support of the HCD Connect information technology platform.

Staff and Budgetary Augmentations to Implement Recently Enacted Legislation. The budget includes $4.7 million General Fund in 2026-27 and $4.2 million General Fund annually after that for HCD to implement recently enacted state legislation including advising Local Education Agencies about workforce housing development, translation of housing-related guidelines, low-impact camping ordinance review, Housing Accountability Unit enforcement of new laws, and collection of new Annual Progress Report data.

Additional Resource Allocations Through HCD. The budget also includes the following one-time General Fund appropriations, to be administered by HCD:

- $17 million to support regional housing finance authorities in San Diego, Bay Area and Los Angeles.

- $15 million to the California Community Foundation to administer the Community Aid for Rebuilding and Equity (CARE) Fund and establish a dedicated Disaster Recovery and Anti-Displacement Implementation Fund for administering CARE activities related to homeowner rebuilding gap financing, community land banking and acquisition activities, nonprofit and Community Land Trust partnerships, and survivor oversight coordination.

- $6 million to the City of Santa Barbara for acquisition and rehabilitation of the historic Casa de la Raza building.

- $5 million to WalkGood, Inc. to advance community healing, resident services, and neighborhood investment through the Nathaniel for a proposed housing development.

- $5 million to the Downtown Revitalization Core in Sacramento for a high-density housing and grocery project in a food desert.

- $3.9 million for the Alliance for Community Empowerment.

- $3 million to Freedom West Homes Corporation to support the Freedom West 2.0 revitalization project.

- $3 million to the City of Oceanside for capital and hard costs associated with an interim housing project on city-owned land for the purpose of addressing street homelessness.

- $3 million to the City of Newark for an Affordable Housing for Families (SAHA) project to provide critically needed homes to extremely low-, very low-, and low-income households and to support a first time homebuyer program.

- $3 million to San Francisco SafeHouse to support permanent supportive housing.

- $2 million to the Bolinas Community Land Trust to support affordable housing.

- $2 million to the City of Vista to fund an additional year of interim and transitional housing through the Buena Creek Navigation Center.

- $2 million to the City of Pittsburg to facilitate and scale the construction of affordable housing units for families in the East Bay in coordination with the Yellow Roof Foundation.

- $2 million to the Coalition for Responsible Community Development to cover construction cost increases at the 803 E. 5th Street affordable housing development in Los Angeles.

- $2 million to the California Farmworker Foundation to develop its Resource Center providing healthcare, mental health, dental, and vision services; workforce development and technical training; legal and immigration assistance; benefits enrollment; after-school and senior programs; and food pantry and financial literacy services in the City of Delano.

- $2 million to the City of Fremont to transition to a year-round emergency shelter program.

- $2 million for Sacramento Tiny Homes to address homelessness in Sacramento.

- $500,000 for the Napa County Housing Authority.

- $500,000 for the Orange County United Way to develop a regional pilot program to build more online awareness about affordable housing opportunities.

2245 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:

Creation of the Disaster Rebuilding Fund. The budget provides $100 million (composed of $56 million in one-time General Fund and $44 million drawn from the National Mortgage Settlement Fund) for CalHFA to establish and operate a Disaster Rebuilding Fund including, but not limited to, a loan loss reserve and interest rate buydown components, to assist homeowners to access and afford private construction loans for rebuilding in the wake of a disaster. In addition, statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, provides the framework for CalHFA administration of the Fund, as follows:

- Authorizes the program to include certain forms of assistance, including programs for construction loan loss guarantees and construction loan rate buydowns, and any additional programs that the agency determines to be appropriate.

- Requires the agency, if it expends more than $10 million on any additional program, to first provide the Department of Finance and the Joint Legislative Budget Committee with the spending plan for the program and an explanation of how the assistance will be provided.

- Requires the agency, upon completion of the initial phase of the program, to conduct an evaluation of the program, as specified, and to report the results to the Legislature and specified committees by January 10, 2027.

- Requires the agency to report to the Legislature on program activities and outcomes, as specified, on or before March 1, 2028, and each year thereafter.

2250 HOUSING DEVELOPMENT FINANCE COMMITTEE (HFDC)

Establishment. Statutory language adopted in SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026, codified provisions in the Governor's Reorganization Plan Number One of 2025 that established the California Housing and Homelessness Agency (CHHA) effective July 1, 2026, and within it, the Housing Development Finance Committee (HDFC), tasked with awarding and streamlining the administration of the majority of the state's affordable housing funding programs, as specified. Statutory language adopted in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, further modified the structure and mandate of the HDFC as follows:

- Adds the State Treasurer or their designee, the Controller or their designee, and specified nonvoting members to the executive committee.

- Requires the executive committee to submit supplemental information regarding its activities to the Joint Legislative Budget Committee and to the relevant budget and policy committees of the Legislature, by April 1 of each year until April 1, 2029.

- Requires the executive committee to evaluate project monitoring fees to support the long-term viability of the programs and the financial sustainability of projects.

Modifications to the Affordable Housing and Sustainable Communities (AHSC) Program. Statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026, and in SB 193 (Committee on Budget and Fiscal Review), Chapter 259, Statutes of 2026, makes changes to the AHSC program including:

- Divides the administration of the Affordable Housing Sustainable Communities (AHSC) Program between the Strategic Growth Council (SGC) and the Housing Development Financing Committee (HDFC) beginning with new funding rounds initiated on or after July 1, 2026.

- Directs 70 percent of future AHSC funds to affordable housing projects and 30 percent to sustainable communities projects.

- Directs HDFC to administer the portion of the AHSC Housing Allocation with a focus on infill housing projects.

- Directs the council to administer the AHSC Sustainable Communities Allocation to support flexible infrastructure and community improvement investments that advance greenhouse gas reduction objectives, support sustainable land use patterns, strengthen communities, and facilitate affordable housing opportunities throughout the state.

- Provides allocation targets and additional consideration to AHSC Housing Allocation applications that are connected to sustainable communities-related investments, as specified.

- Provides allocation targets and additional consideration to AHSC Sustainable Communities Allocation applications that promote development of affordable housing, as specified.

- Specifies that at least one-fifth, but not more than one-third of the AHSC Sustainable Communities Allocation shall be awarded for projects involving the acquisition of easements or other approaches to protecting agricultural lands that are under pressure of being converted to non-agricultural uses.

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 $200 million in one-time General Fund in 2026-27 for MHP.

Technical Modifications to Existing Affordable Housing Programs to Facilitate Streamlined Application and Award Procedures. Statutory language in AB 179 (Committee on Budget), Chapter 68, Statutes of 2026 makes changes to existing state affordable housing funding programs such as the Joe Serna, Jr. Farmworker Housing Grant Program and the Multifamily Housing Program, to facilitate

streamlined processing of housing awards consistent with the intent of the Governor's Reorganization Plan No. 1 of 2025 and the Affordable Housing Finance Workgroup.

2255 CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS (CAL-ICH)

The California Interagency Council on Homelessness coordinates homelessness policy across state government entities, compiles statewide homelessness data, and conducts homelessness research.

The budget includes all of the following in relation to Cal-ICH:

Budgetary Separation. Prior to the 2026 Budget Act, Cal-ICH was treated as part of the former Business, Consumer Services, and Housing Agency for budgetary purposes. In connection with the Governor's Reorganization Plan Number One, codified in SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026, Cal-ICH's budget will be treated separately and with a unique budget code, 2255.

Staffing and Resources Transfers. The budget transfers a total of three positions and $682,000 in ongoing General Fund from Cal-ICH to the California Housing and Homelessness Agency (CHHA) and the Housing Development Finance Committee (HDFC) in connection with implementation of SB 170 (Committee on Budget and Fiscal Review), Chapter 28, Statutes of 2026.

Resources for Implementation of Recently Enacted Legislation. The budget provides Cal-ICH with $339,000 in one-time General Fund in 2026-27 to implement the provisions of AB 678, Chapter 495, Statutes of 2025, which requires Cal-ICH to coordinate with representatives of LGBTQ+ groups to identify best practices, develop recommendations for serving LGBTQ+ people experiencing homelessness, and report back to the Legislature on those recommendations by July 1, 2027.

Housing and Homelessness Budget Bills

1. *Budget Acts of 2022, 2023, 2024, and 2025 – SB 114 (Laird), Chapter 249, Statutes of 2026.*
2. *Budget Act of 2026 — AB 109 (Gabriel), Chapter 19, Statutes of 2026.*
3. *Budget Act of 2026 — SB 111 (Laird), Chapter 21, Statutes of 2026.*
4. *Budget Act of 2026— AB 113 (Gabriel), Chapter 248, Statutes of 2026.*
5. *SB 170 (Committee on Budget and Fiscal Review), Codification of the Governor's Reorganization Plan 1 of 2025, Chapter 28, Statutes of 2026.*
6. *AB 179 Housing (Committee on Budget), Housing, Chapter 68, Statutes of 2026.*
7. *SB 193 (Committee on Budget and Fiscal Review), Public Resources, Chapter 259, Statutes of 2026.*

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

Consultants
Dr. Nora Brackbill
Diego Emilio J. Lopez
Eunice Roh

SUBCOMMITTEE NO. 5

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THE JUDICIARY

0250 JUDICIAL BRANCH

The 2026 Budget Act includes $7.5 billion ($3.8 billion General Fund, $1.7 billion Public Building Construction Fund, and various other special funds) in 2026-27 for the Judicial Branch, of which $3.1 billion is provided to support trial court operations. The budget includes the following adjustments to the Judicial Branch's budget.

Judgeships. The budget includes $100 million one-time in 2026-27 and $44 million in 2027-28 and ongoing General Fund for new judgeships authorized by SB 75 (Roth), Chapter 482, Statutes of 2023, and associated facility projects.

Infrastructure, Facilities, and Maintenance. The budget includes the following resources and changes related to courthouse facilities and maintenance.

- **Courthouse Maintenance Funding**. The budget includes $150 million General Fund for courthouse deferred maintenance.

- **Courthouse Construction**. The budget includes $1.7 billion Public Buildings Construction Fund, $62.1 million General Fund, and reappropriations of $118 million General Fund for specified courthouse construction projects, and language to fund additional courthouses upon appropriation in 2027-28. The projects are funded pursuant to the *Reassessment of Trial Court Capital Outlay Projects* adopted by the Judicial Council on November 14, 2019, as updated in the *Judicial Branch Five-Year Infrastructure Plan for 2026-27*, which was adopted by the Judicial Council on July 18, 2025. This includes the following allocations by project and phase:

    - **Fresno County: New Fresno Courthouse.** The budget includes a reappropriation of $11.2 million General Fund for the acquisition phase and $18.1 million General Fund for the performance criteria phase of the Fresno County New Fresno Courthouse, which has been delayed due to an extended site selection process.

    - **Kern County: New East County Courthouse**. The budget includes $4.8 million General Fund for the acquisition and study phases, $1.6 million for the performance criteria phase, and $64.0 million Public Buildings Construction Fund for the design-build phase.

    - **Lake County: Clearlake Courthouse Renovation**. The budget includes $1.1 million General Fund for the preliminary plans phase, $1.6 million General Fund for the working drawings phase, and $21.8 million Public Buildings Construction Fund for the construction phase.

    - **Los Angeles County: New Santa Clarita Courthouse.** The budget includes a reappropriation of $34.2 million General Fund for the acquisition phase of the New Santa Clarita Courthouse project due to an extended site selection process. The budget also

includes $12.5 million General Fund for the performance criteria phase and $627.0 million Public Buildings Construction Fund for the design-build phase.

- **Nevada County: New Nevada City Courthouse.** The budget includes a reappropriation of $4.6 million General Fund for the acquisition phase of the New Nevada City Courthouse project, which has been delayed due to the execution of the acquisition purchase agreement. The budget also includes $1.5 million General Fund for the performance criteria phase and $195.6 million Public Buildings Construction Fund for the design-build phase.

- **Placer County: Tahoe Courthouse Renovation**. The budget includes $5.4 million General Fund for the acquisition and study phases, $1.1 million General Fund for the performance criteria phase, and $17.5 million Public Buildings Construction Fund for the design-build phase.

- **Plumas County: New Quincy Courthouse.** The budget includes a reappropriation of $1.4 million General Fund for the acquisition phase of the New Quincy Courthouse project, which has been delayed due to an extended site selection process. The budget also includes $2.3 million General Fund for the performance criteria phase and $69.6 million Public Buildings Construction Fund for the design-build phase.

- **San Joaquin County: New Tracy Courthouse.** The budget includes $3.5 million General Fund for the performance criteria phase and $65.9 million Public Buildings Construction Fund for the design-build phase.

- **San Luis Obispo County: New San Luis Obispo Courthouse.** The budget includes a reappropriation of $22.9 million General Fund for the acquisition phase and $7.9 million General Fund for the performance criteria phase of the New San Luis Obispo Courthouse project, which is delayed due to ongoing negotiations with the county. The budget also includes $320.3 million Public Buildings Construction Fund for the design-build phase of the project.

- **Solano County: New Solano Hall of Justice (Fairfield).** The budget includes a reappropriation of $12.1 million General Fund for the acquisition phase and $5.2 million General Fund for the performance criteria phase of the Solano County: New Solano Hall of Justice (Fairfield), which has been delayed due to an extended site selection process. The budget also includes $316.8 million Public Buildings Construction Fund for the design-build phase.

- **Control Section 4.85**. The budget includes Control Section 4.85, which authorizes the use of up to $1.3 billion, upon appropriation, in the Budget Act of 2027 for acquisition, performance criteria, or design-build phases of construction for the new Fresno Courthouse, new Richmond Courthouse, new San Francisco Hall of Justice, new Orange County Collaborative Courthouse, and new Santa Barbara Criminal Courthouse.

- **State Court Facilities and Construction Fund (SCFCF) Backfill**. The budget includes $31 million General Fund in 2026-27 and $46 million General Fund in 2027-28 and ongoing to backfill the SCFCF.
- **Orange Central Justice Center Facility Modification**. The budget includes $36 million General Fund and $3.6 million SCFCF reimbursement authority in 2026-27, and $35 million one-time General Fund and $3.5 million SCFCF reimbursement authority in 2027-28 to complete various fire, life, and safety upgrades at the Central Justice Center in Orange County.

- **Kings, San Joaquin, and Sutter Counties: One New Shelled Courtroom for One New Judgeship in Each County.** The budget includes $20.6 million General Fund for new courtrooms in San Joaquin, Kings, and Sutter counties for their previously approved new judgeships.

- **Los Angeles Spring Street Courthouse Relocation**. The budget includes two proposals to facilitate the relocation of courtrooms from the Spring Street Courthouse in Los Angeles:

    - $6.3 million General Fund to build out six courtrooms and associated space at the Chatsworth Courthouse.

    - $4.6 million General Fund for facility modifications to relocate 17 courtrooms to other existing courthouses within the county.

- **Compton Courthouse.** The budget includes $1 million for deferred maintenance and repairs at the Compton Courthouse.

Proposition 36 (2024) Funding. The budget includes $50 million one-time General Fund, distributed to pretrial services ($20 million), court workload ($10 million), and behavioral health ($20 million), and requires related reporting. The behavioral health portion is administered by the Department of Health Care Services (see the Health Section for more information).

Trial Court Operations Increase. The budget includes an additional $70 million ongoing General Fund for trial court operations.

Language Access. The budget includes $20 million Trial Court Trust Fund per year in 2026-27 and 2027-28 to address rising interpreter costs and provisional reporting language.

Legal Aid. The budget includes various adjustments related to civil legal services under the Judicial Branch and, for immigration services, under the Department of Social Services (see the Human Services Section for more information). For the Judicial Branch, the budget includes the following adjustments related to legal aid:

- $24 million General Fund to augment the Equal Access Fund.

- $6 million General Fund for the legal aid programs at the Access to Justice Commission.

- $1 million for the Public Law Center in the County of Orange to increase the capacity of their Immigration Unit.

- $750,000 for the Inland Empire Latino Lawyers Association to expand free civil legal services for low-income individuals and families throughout the County of Riverside and the County of San Bernardino.

- Increase in the allowable administrative cost cap for the Innovation and Infrastructure Grant Program, administered by the Access to Justice Commission, from 2.5 to 3 percent.

- Reappropriation of up to $7.7 million General Fund from the Budget Act of 2024 for CARE Act legal services until June 30, 2027.

Court Appointed Special Advocates (CASA) Program. The budget includes $20 million one-time General Fund in 2026-27 to support the CASA program.

Community Assistance, Recovery and Empowerment (CARE) Court Referral and Petition Pipeline. The budget includes $3.5 million one-time General Fund for public defenders to increase CARE Act petitions and referrals, and makes technical changes to CARE Court funding under the judicial branch. There is an additional $1.5 million under the California Health and Human Services Agency budget to strengthen the CARE Act referral and petition timeline (see the Health Section for more information).

Supreme Court and Courts of Appeal Court-Appointed Counsel Program. The budget includes $11 million in General Fund ongoing to provide a $25 per hour rate increase for appointed counsel in the Supreme Court Capital Court-Appointed Counsel and the Courts of Appeal Court-Appointed Counsel Programs.

Continuation of Courts of Appeal Workload. The budget includes 18 positions and $5.2 million Appellate Court Trust Fund in 2026-27 and $4.9 million General Fund in 2027-28 and ongoing to extend limited-term funding provided in the 2023 Budget Act to address appellate court workload.

Appellate Court Security. The budget includes $1.6 million Appellate Court Trust Fund in 2026-27 through 2029-30 to extend a pilot approved in 2023 for appellate court security.

Incompetent to Stand Trial Procedures (SB 820). The budget includes $4.25 million General Fund per year from 2026-27 through 2029-30 to support the implementation of SB 820 (Stern), Chapter 330, Statutes of 2025.

Trial Court Employee Benefit Increases. The budget includes an increase of $23.9 million ongoing General Fund for trial court employee health benefits and retirement costs.

Reappropriation: Racial Justice Act. The budget includes a reappropriation of up to $2.1 million from the 2023 Budget Act to provide legal counsel in capital Racial Justice Act cases, of which $750,000 is for the California Appellate Project–San Francisco.

Reappropriation: Firearm Relinquishment Grant. The budget reappropriates $6 million until June 30, 2028, for the continued operation of the Firearms Relinquishment Grant program. The funding was originally provided in the 2022 Budget Act and was reappropriated in 2024.

Extension of Remote Proceedings Authorization. Statutory language in SB 174 (Committee on Budget and Fiscal Review), Chapter 29, Statutes of 2026 includes the following changes related to remote court proceedings:

- Extends the sunset on specified court proceedings, including certain criminal, civil, and juvenile matters, from January 1, 2027, to January 1, 2032.

- Clarifies the standard in which a court may require an in-person appearance at specified civil matters, including a judicial assessment that in-person appearance is necessary to the determination of, or that remote attendance would materially impair the resolution of, the hearing.

- Beginning January 1, 2027, requires courts to provide a reason for requiring an in-person appearance at specified civil matters, and requires the reason to be documented in the record or in an order or form.

Court User Access to Lactation Rooms. SB 174 also extends the deadline for superior courts to provide court users with access to lactation rooms as required by AB 1576 (Committee on Judiciary), Chapter 200, Statutes of 2022 from July 1, 2026, to July 1, 2029. The budget also includes $100,000 one-time General Fund to the Judicial Council for facility modifications related to lactation rooms.

0390 CONTRIBUTIONS TO THE JUDGES' RETIREMENT FUND

State Retirement Contributions to the Judges' Retirement System II. The budget revises the state retirement contributions to the Judges' Retirement System II downward by a total of $9.8 million ongoing based on the contribution rate set by CalPERS.

8140 STATE PUBLIC DEFENDER

The budget includes $29.0 million General Fund and 104 positions to support the Office of the State Public Defender (OSPD) in 2026-27.

Racial Justice for All Act (AB 256) Implementation. The budget includes six positions and $2.1 million General Fund in 2026-27, and $2 million in 2027-28 and ongoing, to continue to address the provisions of AB 256 (Kalra), Chapter 739, Statutes of 2022.

Indigent Defense Pilot. The budget includes $5 million one-time General Fund in 2026-27 to implement an indigent defense pilot in the counties of San Benito, Del Norte, Mariposa, and Mono, chosen due to a lack of an institutional public defenders' office and previous engagement with OSPD.

Courts Budget and Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*

2. *Budget Act of 2026 – Senate Bill 110 (Laird), Chapter 20, Statutes of 2026.*

3. *Budget Act of 2026 – Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*

4. *Budget Acts of 2022, 2023, 2024, and 2025 – Assembly Bill 112 (Gabriel), Chapter 22, Statutes of 2026.*

5. *Budget Act of 2026 – Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*

6. *Budget Acts of 2022, 2023, 2024, and 2025 – Senate Bill 114 (Laird), Chapter 249, Statutes of 2026.*

7. *Courts – Senate Bill 174 (Committee on Budget and Fiscal Review), Chapter 29, Statutes of 2026.*

CORRECTIONS AND REHABILITATION

0552 OFFICE OF THE INSPECTOR GENERAL (OIG)

The 2026 Budget Act includes total funding of $53.9 million General Fund and 253.8 positions for the OIG in 2026-27.

OIG Workload and Intake Processing Unit Staffing. The budget includes $2.3 million ongoing General Fund for workload, including $275,000 and two positions for the Intake Processing Unit.

5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR)

The 2026 Budget Act includes total funding of $14.6 billion ($14.2 billion General Fund) and 58,066 positions for CDCR in 2026-27.

Population Estimate. The budget reflects a projected average daily adult incarcerated population of 90,126 in 2025-26 and 87,611 in 2026-27. The population is expected to decrease in the long-term, to 85,210 in June 2030. This reflects Proposition 36 (2024) impacts, which are estimated at 592 individuals in 2025-26 and 1,547 upon full implementation. The projected average daily parolee population is 33,785 in 2025-26, declining to 33,125 in 2026-27 and 31,028 by June 2030.

Operational Savings. The 2025 Budget Act reflected 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, to be identified with the assistance of the Boston Consulting Group. The 2026 Budget Act reflects updated savings of $20 million in 2025-26, $42 million in 2026-27, $82 million in 2027-28, $100 million in 2028-29, and $116 million in 2029-30 and ongoing from streamlining various programs and eliminating 136.8 positions. The 2026 Budget Act also assumes a reduction of $175 million General Fund in 2027-28 growing to $250 million ongoing from unspecified savings.

2025-26 Current Year Deficiency. The budget package reappropriates funding from a prior year to 2025-26 and makes net-zero intraschedule transfers to address a current year deficiency within the CDCR budget. Specifically, the budget reappropriates $99.3 million from 2023-24 to 2025-26 and makes intraschedule transfers totaling $139.1 million to address a budgetary shortfall in 2025-26. The shortfall is primarily driven by lump sum retirement payments, workers' compensation, and overtime. The budget also includes a technical adjustment to CDCR's budget to properly account for $114 million in savings achieved through efficiency reductions pursuant to Control Section 4.05 in the Budget Act of 2024.

Lump Sum Payments. The budget includes $90.1 million one-time General Fund to pay accrued leave balances to employees upon retirement or separation from state service, and provisional reporting language.

Corcoran State Prison Honor Housing and Housing Unit Adjustments. The budget includes $9.7 million General Fund and 49 positions in 2026-27 and $12.6 million and 65 positions in 2027-28 and ongoing to reactivate a facility for honor housing at Corcoran State Prison. The behavioral-based housing unit will focus on normalization and dynamic security, two aspects of the California Model. The unit will have a single-cell setting and provide dedicated access to reentry support.

The cost of reactivating this unit for honor housing is largely offset by facility adjustments at other institutions. The net adjustment is a reduction of $2.4 million General Fund in 2026-27 and an increase of $0.6 million General Fund in 2027-28 and ongoing, and a net decrease of 75 beds. The other adjustments include deactivating facilities at California State Prison, Solano and Avenal State Prison, and reactivating a facility at California Institution for Men to reduce impacts from the nearby prison closure in Norco.

Industrial Workers' Compensation – Institution Claims and Regional Staffing. The budget includes $7.2 million General Fund and 34 positions in 2026-27, decreasing to $5.6 million in 2030-31 and ongoing, to regionalize and augment CDCR staffing related to workers' compensation.

Workers' Compensation Increased Costs. The budget includes $100 million one-time General Fund for increased workers' compensation costs.

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

- *Closure of California Rehabilitation Center.* The budget includes a reduction of $90.7 million General Fund and 521.8 positions and an increase of $53,000 Inmate Welfare Fund in 2026-27, and a reduction of $138.1 million General Fund and 778.0 positions and an increase of $91,000 Inmate Welfare Fund in 2027-28 and ongoing to reflect the closure of the California Rehabilitation Center in Norco.

- *Americans with Disabilities Act Facility Improvements.* The budget includes $23.1 million one-time General Fund in 2026-27 for accessibility improvements at eight designated institutions.

- *California Health Care Facility, Stockton: Potable Water Treatment System.* The budget includes $6.6 million to continue the construction of a potable water treatment system at the California Health Care Facility in Stockton.

- *Valley State Prison, Chowchilla: New Potable Water Wells.* The budget includes $1.6 million for the working drawings phase of a continuing project to construct new groundwater wells to supply Central California Women's Facility and Valley State Prison in Chowchilla.

- *Correctional Training Facility, Soledad: New Potable Water Well.* The budget includes $1.1 million for the preliminary plans phase of a new project to construct new groundwater wells to supply Correctional Training Facility, Soledad.

Rehabilitative Programming and Reentry Programs. The budget includes the following resources related to rehabilitation and reentry programs.

- *Community Reentry Programs for Supervised Persons.* The budget includes $5.3 million General Fund in 2026-27, $11.4 million in 2027-28, $12.4 million in 2028-29, $13.3 million in 2029-30, and $14.3 million in 2030-31 and ongoing, to implement the final phase of increased funding for post-release community reentry programs for supervised persons.

- *Rehabilitative Investment Grants for Healing and Transformation (RIGHT) 4.0.* The budget includes $20 million one-time General Fund for RIGHT 4.0 program, which supports in-prison trauma-informed, rehabilitative, and restorative justice programming by community-based nonprofit organizations.

- *Hope and Redemption Team.* The budget includes $5 million ongoing General Fund beginning in 2026-27 for the Anti-Recidivism Coalition's Hope and Redemption Team (HART), which provides in-prison programming led by formerly incarcerated individuals.

- *Sports Programming.* The budget includes $2 million one-time General Fund to support organized sports programming in Department of Corrections and Rehabilitation institutions, upon the enactment of legislation.

- *Specialized Treatment for Optimized Programming (STOP) Medi-Cal Billing Adjustment.* The budget restores $27.6 million in 2027-28 and $55.2 million in 2028-29 and ongoing due to various challenges that have prevented STOP providers from transitioning to Medi-Cal billing.

- *Anti-Recidivism Coalition.* The budget includes $2.9 million one-time General Fund for the Anti-Recidivism Coalition to support ranch operations, sound studio capital projects, and the Hollywood Cinema Production Resources Dorm Program.

Health Care. The budget includes $4.2 billion General Fund for health care and mental health programs at CDCR. The budget includes the following adjustments.

- *Tele-Mental Health Staffing Augmentation***.** The budget includes 69 positions and $8.9 million General Fund in 2026-27, 119 positions and $13.5 million General Fund in 2027-28, and $12.8 million General Fund in 2028-29 and ongoing to augment staffing and resources to support the use of tele-mental health services, and provisional reporting language.

- *Mental Health Receivership (Coleman).* The budget includes $33.9 million one-time from the Mental Health Special Deposit Fund to establish the office of the Mental Health Receivership and to address the deficiencies identified in the *Coleman* lawsuit. Of this funding, $25.3 million is to continue bonus payments for specific mental health positions to improve recruitment and retention, and the remainder is for the Receiver's Office, staffing, and consultants.

- *Mental Health Receiver Staffing.* The budget includes $6.4 million from the Mental Health Services Deposit Fund (SDF), $5.2 million General Fund, $1 million Behavioral Health Services Act (BHSA) in 2026-27; $39.1 million SDF, $5.1 million General Fund, $2.6 million BHSA in 2027-28; $9.9 million SDF, $26.8 million General Fund, $2.6 million BHSA in 2028-29, and

$40.2 million General Fund in 2029-30 and ongoing and 26 positions to expand internships and other training programs for mental health clinicians, and support administrative positions to improve hiring and retention.

- *Mental Health Resource Teams.* The budget includes $3.6 million General Fund, $1.2 million BHSA, and 18.9 positions in 2026-27 and $7.3 million General Fund, $1.2 million BHSA, and 37.8 positions in 2027- 28 and ongoing to expand Resource Teams from three to nine institutions, which help coordinate care and resources for high-risk, high-needs mental health patients.

- *Mental Health Crisis Intervention Teams.* The budget includes $7.4 million General Fund and 36 positions in 2026-27 and ongoing for Crisis Intervention Teams at three institutions.

- *Electronic Health Record System Enhancement.* The budget includes $2.2 million General Fund in 2026-27 growing to $4.5 million in 2028-29 and ongoing to pay for artificial intelligence-based medical note taking for CDCR's electronic health record system, and provisional reporting language.

- *Medical Classification Model Adjustment.* The budget includes $8.9 million General Fund and 60.6 positions in 2026-27 and ongoing for medical appointments and medication, related to the medical classification model.

- *Subsistence and Personal Care Medical Funding.* The budget includes $14.6 million General Fund in 2026-27 and $12.2 million in 2027-28 and ongoing to purchase medical supplies and adjust the subsistence and personal care budget.

- *California Advancing and Innovating Medi-Cal (CalAIM) Adjustment.* The budget includes a net-zero shift of $11.8 million in 2026-27 and $7.2 million in 2027-28 and ongoing from General Fund to reimbursement authority to allow CDCR to collect reimbursements related to the CalAIM Justice Involved Initiative.

- *Savings from Delayed Activation.* The budget includes a reduction $1.1 million in 2026-27 to reflect savings from the delayed activation of the Mental Health Crisis Facility at the California Institution for Men in Chino.

Food Funding. The budget includes $10.9 million ongoing General Fund and a change in methodology to account for increased food costs for the incarcerated population and to purchase California-grown agricultural products as required by AB 778 (Eduardo Garcia), Chapter 576, Statutes of 2022.

Trauma Recovery. The budget includes $4 million one-time General Fund for trauma recovery and training in women's prisons.

Board of Parole Hearings Information Technology System Contract. The budget includes $1.2 million General Fund in 2026-27, growing to $1.5 million in 2029-30 and ongoing, to support increased costs for the Board of Parole Hearings Information Technology System contract.

Statewide Correctional Video Surveillance Completion. The budget includes $10 million General Fund in 2026-27 to finalize implementation of audio video surveillance systems at the two remaining prisons.

California Sex Offender Management Board Operational Budget Augmentation. The budget includes $450,000 ongoing General Fund for the operational needs and training requirements of the California Sex Offender Management Board and State Authorized Risk Assessment Tools for Sex Offenders.

Continuation of Tattoo Removal Program. The budget includes $1.2 million General Fund and one position in 2026-27 and ongoing to continue the existing tattoo removal program. The 2022 Budget Act provided $567,000 General Fund in 2022-23 and $1.1 million through 2025-26 to provide tattoo removal services for people preparing for release or leaving prison gangs.

Statewide Fire Alarm Replacements and Fire Watch. The budget includes $15.2 million one-time General Fund in 2026-27 and the reappropriation of prior funding to complete fire alarm replacement projects and for staff time to patrol for fires.

Incarcerated Firefighter Pay (AB 247). The budget includes $15.8 million ($5.2 million General Fund and $10.6 million in reimbursement authority) in 2026-27 and $13.3 million ($2.6 million General Fund and $10.6 million in reimbursement authority) in 2027-28 and ongoing to implement AB 247 (Bryan), Chapter 681, Statutes of 2025 and pay incarcerated firefighters the federal minimum wage while on an active fire incident, and provisional reporting language.

Record Expungement for Incarcerated Firefighters (SB 245). The budget includes $391,000 General Fund in 2026-27 and $241,000 in 2027-28 to implement SB 254 (Reyes), Chapter 746, Statutes of 2025 which requires CDCR to notify the Department of Justice of formerly incarcerated fire crew members who are potentially eligible for record expungement.

Utilities Adjustment. The budget includes $3.4 million in increased utilities costs.

Reappropriation: Reception Center Processing Time Reduction. The budget contains a reappropriation of $2 million from the 2025 Budget Act intended to reduce reception center processing times.

Community Corrections Performance Incentive Program. The budget includes $132.2 million General Fund 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.

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS (BSCC)

The 2026 Budget Act includes total funding of $379.9 million ($166.0 million General Fund) and 187 positions for BSCC in 2026-27. In addition, the budget includes $230.7 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 $89.1 million in 2026-27. 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.

California Violence Intervention and Prevention Program (CalVIP). The budget includes $60 million Gun Violence Prevention and School Safety Fund in 2026-27 to support CalVIP. Funding for CalVIP is continuously appropriated based on revenue in the Gun Violence Prevention and School Safety Fund, pursuant to AB 28 (Gabriel), Chapter 231, Statutes of 2023.

Permanent Position Authority for Grants Administration. The budget includes 11 new positions (authority only) for the administration of various state and federal grants. The funding for these positions will be provided by the administrative allocations associated with the various grants.

Adult Reentry Grant Reappropriation. The budget includes a reappropriation of funding awarded for a building rehabilitation project through the Adult Reentry Grant. The funding was originally provided in the 2018 Budget Act and reappropriated in the 2023 Budget Act, and the project is ongoing.

Missing and Murdered Indigenous People (MMIP) Grant Program. The budget includes $15 million ongoing General Fund for the MMIP Grant Program.

Home After Harm. The budget includes $5.5 million one-time General Fund to support the implementation of the Home After Harm program at women's prisons.

Incarcerated Menopause Program. The budget includes $1.1 million one-time General Fund for the Menopause Project to improve access to menopause education and clinical care for aging incarcerated women.

Sister Warriors. The budget includes $6 million one-time General Fund to the Sister Warriors Freedom Coalition to support efforts to reduce sexual abuse, violence, and retaliation in women's prisons.

Vital Intervention and Directional Alternatives (VIDA) Diversion. The budget includes $20,000 one-time General Fund to the VIDA program to support youth diversion.

Broken by Violence Program for Gun Violence Prevention. The budget includes $3 million one-time General Fund to support the Broken by Violence program for community-based gun violence prevention strategies.

Finding Kids. The budget includes $2.4 million one-time General Fund to Finding Kids for the purposes of cooperation with local law enforcement agencies to focus on anti-trafficking efforts. The funds may cover equipment, personnel time, technology, and coordination.

Impact Justice. The budget includes $1 million one-time General Fund for Impact Justice to support the California Justice Leaders.

San Joaquin Youth Gang Intervention. The budget includes $1 million one-time General Fund to the City of San Joaquin to support youth gang intervention and violence prevention.

Corrections and Rehabilitation Budget and Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026 – Senate Bill 110 (Laird), Chapter 20, Statutes of 2026.*
3. *Budget Act of 2026 – Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*
4. *Budget Acts of 2022, 2023, 2024, and 2025 – Assembly Bill 112 (Gabriel), Chapter 22, Statutes of 2026.*
5. *Budget Act of 2026 – Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*
6. *Budget Acts of 2022, 2023, 2024, and 2025 – Senate Bill 114 (Laird), Chapter 249, Statutes of 2026.*

PUBLIC SAFETY

0690 CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

The 2026 Budget Act includes $3.3 billion ($653.3 million General Fund) and 1,927.8 positions for Cal OES. The budget includes the following adjustments to Cal OES's budget.

Next Generation (NG) 9-1-1 Updated Roll Out. The budget includes $141.9 million one-time State Emergency Telephone Number Account (SETNA) to continue NG 9-1-1 development and transition. The funding will be used to update call-handling equipment at dispatch centers, stabilize the current system through an interim contract, and, upon completion of an independent technical evaluation, move towards a long-term system. Up to $2 million is available for the independent evaluation, and up to $1 million is available for the State Auditor to conduct an audit of the projects. Up to $8.4 million is available for project oversight by the California Department of Technology.

Statutory language in SB 172 (Committee on Budget and Fiscal Review), Chapter 84, Statutes of 2026 includes the following changes related to the NG 9-1-1 project at the OES:

- Requires an independent technical evaluation before OES issues a request for proposals or awards a long-term Next Generation 911 contract. Specifically, the evaluator shall do all of the following:
    - Describe and assess options to deliver cost-effective, safe, and reliable NG 9-1-1 system services to the state.
    - Identify a recommended option.
    - Provide a preliminary report by December 15, 2026.
    - Provide a final report by May 1, 2027.
- Makes various changes to the State 911 Advisory Board, including having the board members elect a chair and allowing the board to make formal recommendations.
- Requires specified quarterly reporting on the project.

Victims of Crime Act (VOCA) Supplemental Funding. The budget includes $50 million one-time General Fund to supplement federal funding for victim services provided through VOCA.

Supporting Victims of Child Sexual Assault. The budget includes $10 million one-time General Fund for services to support survivors of child sexual assault.

Nonprofit Security Grant. The budget includes $80 million ongoing General Fund for the Nonprofit Security Grant Program, which provides grants for physical security enhancements to nonprofit organizations at risk of hate-motivated violence.

Wildfire Mitigation Grant. The budget includes $25 million Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Fund and provisional budget bill language to establish a statewide community wildfire mitigation program. The provisional language establishes a $25,000 per homeowner or property limit on financial assistance; specifies that the program may prioritize funding for the most cost-effective home hardening measures, including ember resistance and zone zero mitigation measures, and support hardening homes within clusters; and requires specified reporting, among other details of the program. See the Resources Section for additional information about Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air funding.

Human Trafficking. The budget includes the following resources related to human trafficking:

- $15 million one-time General Fund to implement the recommendations from a human trafficking working group.

- $10 million one-time General Fund to augment funding for services for victims of human trafficking, bringing the total amount available for this purpose to $20 million in 2026-27 and $10 million ongoing.

- $10 million one-time General Fund to support the Human Trafficking Prevention Vertical Prosecution Program established in Section 13849 of the Penal Code.

Implementation of Legislation. The budget includes the following resources to implement recently enacted legislation.

- **Accessibility to Emergency Information and Services: Evacuations: Pets (AB 478).** The budget includes three positions and $668,000 General Fund in 2026-27 and ongoing to support cities and counties updating Emergency Operations Plans with procedures for the rescue, reunification, and temporary holding of household pets during and after evacuations, pursuant to AB 478 (Zbur), Chapter 695, Statutes of 2025.

- **Artificial Intelligence Models: Large Developers (SB 53).** The budget includes two positions and $618,000 General Fund in 2026-27 and ongoing to establish a mechanism to be used by a frontier developer or the public to report critical safety incidents and a mechanism to confidentially submit summaries of assessments of potential catastrophic risk resulting from use of frontier models, in order to implement SB 53 (Wiener), Chapter 138, Statutes of 2025.

- **California Cybersecurity Integration Center: Artificial Intelligence (AB 979).** The budget includes two positions and $717,000 General Fund in 2026-27 and $463,000 in 2027-28 to create the California Artificial Intelligence Cybersecurity Collaboration Playbook pursuant to AB 979 (Irwin), Chapter 285, Statutes of 2025.

Provisional Language Authorizing Augmentations for Emergency Management Assistance Compact Reimbursements. The budget includes provisional language allowing augmentations to enable the state to receive reimbursements for participation in Emergency Management Assistance Compact activities in support of other states or territories.

Increase Expenditure Authority for SAFE Act Program. The budget includes $400,000 in expenditure authority from the State Assistance for Fire Equipment (SAFE) Account to support apparatus replacement. Cal OES uses this authority to repair and refurbish state fire equipment and sell it to local fire departments throughout the state.

Eaton and Palisades Fires Funding Extension. The budget package adds Control Section 11.62 to the Budget Act of 2025 to allow expenditure authority provided for Los Angeles fire recovery to be used for requests received by the Office of Emergency Services on or before June 30, 2026.

Southern Regional Emergency Operations Center Support. The budget includes 11 positions and $12.5 million General Fund in 2026-27 and $9.1 million in 2027-28 and $8.4 million ongoing to staff and operate the Southern Emergency Operations facility.

Distributed Administration Position Authority. The budget includes three permanent positions (authority only) for various administrative support activities, to be funded with distributed administration funding.

Operational Observer. The budget includes $5 million one-time reimbursement authority to support the operational observer of covered utilities' workload to mitigate wildfire risk and public safety power shutoff events until March 31, 2027.

State and Local Cybersecurity Grant Program. The budget includes $4 million one-time Federal Trust Fund authority to continue receiving federal funding for the State and Local Cybersecurity Grant Program, and provisional reporting language.

Election Disinformation. The budget includes $750,000 one-time General Fund for Cal OES to conduct misinformation and disinformation tracking and contingency planning for the November 3, 2026, General Election.

Sexual Assault and Domestic Violence Forensic Examination Solutions. The budget includes $3 million General Fund to expand access to technology-driven solutions that support standardized sexual assault and domestic violence forensic examinations across California.

9-8-8 Operations. The budget appropriates $2.8 million from the 988 State Suicide and Behavioral Health Crisis Services Fund to Cal OES, in addition to funding provided to various other entities, for oversight, interoperability, and implementation activities related to the state's 988 suicide prevention and behavioral health crisis system. See the Health Section for additional information.

Various Local Assistance Items. The budget also includes the following one-time General Fund appropriations for local assistance, and $2 million for OES to administer these items:

- $800,000 for the Stinson Fire District for a fire station project.
- $1.2 million to the City of San Marcos for fire equipment.
- $1.1 million to the County of Los Angeles for sheriff department vehicles.

- $1.4 million to the City of Morro Bay for Police Department infrastructure and radio system upgrades.
- $1.0 million to the City of Sunnyvale for fire apparatus replacement.
- $1.8 million to the County of Stanislaus to fund the county's public safety communications Del Puerto Canyon Repeater Project.
- $1.0 million to the Bonita-Sunnyside Fire Protection District for its Fire Engine Acquisition Project.
- $2.0 million to the County of Kern for the Community and Emergency Disaster Center.
- $2.0 million to the San Ramon Fire District to be used to clear dry grass and brush in Mount Diablo State Park and surrounding neighborhoods.
- $2.0 million to the City of Orinda for regional Community Risk Reduction and Wildland-Urban Interface mitigation efforts.
- $1.8 million to the City of Saratoga to support vegetation management and wildfire fuel reduction efforts along critical evacuation routes.
- $1.0 million to the Town of Portola Valley’s Wildfire Mitigation and Emergency Evacuation Route Construction project.
- $500,000 to the City of Los Altos Hills for the installation of an audible emergency notification system.
- $300,000 to Big Brothers Big Sisters of San Diego to expand Violence-Reduction Interventions for Youth in North County of San Diego.
- $1.5 million to the City of San Diego Police Department to support the expansion of the City of San Diego Human Trafficking Task Force.
- $750,000 to the City of Anaheim to fund the Mohler Loop Fire Access Road Project.
- $2.0 million to the Lodi Fire Department to replace fire engines that are at the end of service life.
- $2.0 million to the City of Loma Linda for new fire trucks.
- $1.5 million to the City of Long Beach Police Department for a de-escalation training center project.
- $1.0 million to the Union City for necessary renovations at fire stations.
- $3.0 million to the City and County of San Francisco for public safety infrastructure.
- $2.6 million to the City of Costa Mesa to update and modernize the Costa Mesa Emergency Communications Center.

- $2.0 million to the Orange County Fire Authority for a firefighter tracking system to improve first-responder safety.
- $2.0 million the Tracy Police Department to upgrade its communications system.
- $2.5 million to the Los Angeles Fire Department for Sylmar wildfire mitigation and firebreak improvements.
- $1.5 million to the City of Montclair for a fire truck.
- $1.0 million to the City of Upland for its Mobile Command Center and Alternative Emergency Operations Center Project.
- $71,000 to the City of Glendale to expand water resources for aerial firefighting and enhanced wildfire response.
- $3.0 million to Casa Mariposa, a domestic violence shelter in the City of San Diego.
- $1.1 million to the San Miguel Consolidated Fire Protection District for firefighter protective gear and fuel tanks for fire stations.
- $1.5 million to the City of South Gate for 9-1-1 public safety system upgrades.
- $1.5 million to the City of Merced Fire Department to replace a ladder truck.
- $1.5 million to the San Francisco Mayor's Office for Victim's Rights to support victims and survivors of crime.
- $250,000 to San Francisco Bay Area Human Trafficking Hotline to support survivors and individuals at risk of human trafficking in the Bay Area.
- $2.0 million to the Islamic Center of San Diego for security infrastructure improvements.
- $500,000 to the Williams Fire Protection Authority to complete construction of a new Regional Fire Training Facility in Northern California.
- $500,000 to the Chino Valley Independent Fire District for improvements and modernization of its firefighter training center.
- $145,000 to the City of Chino Hills for the purchase of police patrol vehicles.
- $500,000 to the City of Montebello for the acquisition and outfitting of a specialized emergency response vehicle for the Montebello Police Department.
- $1.0 million to the City of Richmond for a wildland fire engine and fire mitigation.
- $1.0 million to the City of Oakland for staffing and program enhancements to reduce violence.

- $1.0 million to the City of Berkeley for capital and operational needs related to emergency communication center upgrades.
- $850,000 to the City of Mission Viejo for fire mitigation.
- $1.5 million to the City of Cotati for a solar and battery backup system for the Cotati City Hall-Public Safety Building.
- $450,000 to the City of Reedley to replace an emergency response vehicle used by the Reedley Fire Department.
- $2.5 million to the City of Perris for construction of a new South Perris Fire Station.
- $500,000 to the Marine Safety Division of the Long Beach Fire Department in the City of Long Beach.
- $1.0 million to the Contra Costa Fire Protection District to support the Contra Costa Peer Support and Crisis Referral Program to provide mental health support services.
- $500,000 to Kern County to strengthen preparedness and response to emerging threats affecting children, families, and critical infrastructure.
- $1.0 million to the City of Kingsburg for the design and construction of a municipal facility that will house the City's Emergency Operations Center.
- $150,000 to the City of Lamont for safety improvements at Bear Mountain Park and other community facilities.
- $250,000 to Santa Cruz Metro for radio modernization.
- $1.3 million to the Los Angeles Fire Department to build a fire station in Sylmar.
- $350,000 to City of San Gabriel Fire Department for an additional rescue ambulance.
- $1.0 million to the City of Alhambra to support development and construction of a community center and emergency operations center.
- $150,000 to the City of Glendale for the Police Department Substance Abuse and Wellness Resource Program.
- $200,000 to the Alhambra Fire Department to upgrade critical protective and emergency-response equipment.
- $1.0 million to AltaSea at the Port of Los Angeles for pier renovation and to establish an emergency response center.
- $350,000 to Ventura County for the Channel Islands Harbor Dredging Project.
- $30,000 to Santa Barbara County for an emergency communication transmission tower.

- $270,000 to the City of Folsom Police Department for public safety radio communications improvements.

- $425,000 to the City of Laguna Woods for the purchase of an emergency backup generator and automatic transfer switch to address extreme heat events.

- $500,000 to the City of Bishop to support necessary electrical infrastructure that supports public safety, including electrical infrastructure, emergency power, and a secure server room.

- $200,000 to the City of Santee for capital improvements and maintenance projects at the Santee Fire Department.

- $1.0 million to Samuel Merritt University for efforts relating to human trafficking through survivor-informed education, simulation-based training and community partnerships.

- $250,000 to the West Valley Muslim Association to support security enhancements and protective measures for a local mosque to improve public safety and emergency preparedness.

- $1.8 million for the City of Refuge Sacramento.

- $2.0 million to the Los Angeles Labor Federation for Boyle Heights emergency response.

- $1.0 million to the City of Irvine for the Drone as First Responder Program.

0820 DEPARTMENT OF JUSTICE (DOJ)

The 2026 Budget Act includes total funding of $1.4 billion ($518.4 million General Fund) and 6,154.4 positions to support the DOJ. The budget includes the following adjustments.

Online and App-Based Illegal Gambling Enforcement. The budget includes $1.1 million Unfair Competition Law (UCL) Fund and three positions in 2026-27 and ongoing to conduct investigations and litigation against illegal online and app-based gambling operations.

Federal Response. The budget includes the following General Fund resources for legal responses to defend California against adverse federal actions.

- The budget allocates an additional $10 million in 2025-26 and $4.2 million in 2026-27 to the DOJ from funding previously authorized in the Budget Act of 2024 as amended by Senate Bill 1 X1 (Wiener), Chapter 3, Statutes of 2025, First Extraordinary Session.

- This budget extends the availability of the remaining $3.1 million in Control Section 5.27 for the purpose of defending the state against enforcement and legal actions taken by the federal government. This funding was provided in the First Extraordinary Session through Control Section 5.25 of the Budget Act of 2024, and maintains the same allowable uses, Joint Legislative Budget Committee notification, and reporting requirements.

- The budget provides an additional $10 million per year General Fund in 2026-27 through 2028-29.

Victims of Consumer Fraud Restitution (VCFR) Fund. The budget package contains statutory changes to continuously appropriate the VCFR Fund to the Attorney General. The VCFR Fund was established by AB 1366 (Maienschein), Chapter 686, Statutes of 2023 to receive restitution intended for victims of consumer fraud, but the Department of Justice does not currently have expenditure authority to distribute funds out of the account.

Firearms. The budget includes the following resources and changes related to firearms:

- **Dealers' Record of Sale Authority Alignment.** The budget includes a shift of $8 million from the Dealers' Record of Sale Special Account to the General Fund for fiscal years 2026-27 through 2028-29, and provisional reporting language on firearms workload and funding by January 10, 2027.

- **Firearms IT Systems Modernization (FITSM) Project.** The budget includes $11.2 million General Fund in 2026-27 to continue the FITSM project.

- **2028 Olympic and Paralympic Games Exemptions.** Statutory language adopted in AB 191 (Committee on Budget), Chapter 354, Statutes of 2026, provides various exemptions for competitors participating in events that utilize firearms at the Los Angeles 2028 Olympic and Paralympic Games. AB 191 also appropriates $100,000 General Fund in 2026-27 to the Department of Justice for implementation. Specifically, AB 191 includes statutory changes to:

    - Allow competitors who are minors participating in the Games to possess the firearm they will use to compete with and to purchase ammunition, with specified limitations and when accompanied by a specified responsible adult.

    - Provide exemptions related to background checks for ammunition sales and transfers for competitors at the Games, with specified limitations.

    - Make these exemptions operative on July 1, 2027, and inoperative upon the later of October 1, 2028, or the conclusion of the 2028 Olympic and Paralympic Games, and repeals the exemptions as of January 1, 2029.

    - Require the competitors to present accredited credentials to qualify for the exemptions, among other limitations.

    - Until January 1, 2029, allow the Los Angeles 2028 Organizing Committee to submit recommendations to the Department of Justice for competition pistols to exclude from the definitions of assault weapon or unsafe handgun due to their anticipated use in the 2028 Games.

Legal Services Revolving Fund Ongoing Workload. The budget includes $10.8 million ongoing Legal Services Revolving Fund to allow DOJ to continue to represent other state agencies and maintain service levels.

Antitrust Litigation Funding. The budget includes $14.3 million from various special funds in 2026-27, declining to $10.5 million 2029-30, to address antitrust workload.

Completing Organized Retail Criminal Enterprise Investigations. The budget includes $2.2 million one-time General Fund to resolve existing cases related to organized retail crimes that were started with limited-term resources provided in the Budget Act of 2022.

Fingerprint System Modernization. The budget includes $4.3 million Fingerprint Fees Account in 2026-27, $5.5 million in 2027-28, and $1.1 million in 2028-29 and ongoing to update the fingerprint system. The current system is no longer supported by the vendor.

Medi-Cal Fraud and Elder Abuse: Federal Grant Authority. The budget includes $16.2 million ongoing ($4.1 million False Claims Act Fund and $12.1 million Federal Trust Fund) to accept a federal grant award to support investigations and prosecutions related to Medi-Cal fraud and elder abuse.

Registry of Charities and Fundraisers New Online System IT Support. The budget includes $260,000 Registry of Charities and Fundraisers Fund in 2026-27 and $251,000 in 2027-28 and ongoing to manage infrastructure, provide technical support, and assist with other tasks related to the registry.

Reappropriation: Department of Justice FI$Cal Resources. The budget includes a reappropriation of $1.3 million for the DOJ to continue its transition to FI$Cal.

Reappropriation: Automated Criminal History System Workload. The budget includes a reappropriation of $2.1 million for the DOJ to process a backlog of arrest disposition reports.

Implementation of Legislation. The budget includes the following resources for the implementation of recently enacted legislation:

- **Racial Justice Act Expansion (AB 1071).** The budget includes $2.7 million General Fund in 2026-27 and $2.6 million General Fund in 2027-28 through 2029-30 to implement the requirements of AB 1071 (Kalra), Chapter 721, Statutes of 2025.

- **Immigration Enforcement Policies (SB 580).** The budget includes $238,000 General Fund in 2026-27 and $229,000 General Fund in 2027-28 for the California Justice Information Services Division to implement the requirements of SB 580 (Durazo), Chapter 670, Statutes of 2025.

- **Transparency in Frontier Artificial Intelligence Act (SB 53).** The budget includes eight positions and General Fund spending authority of $2.2 million in 2026-2027 and $2.1 million ongoing for the implementation of SB 53 (Wiener), Chapter 138, Statutes of 2025.

- **Pharmacy Benefit Managers (SB 41).** The budget includes three positions and Public Rights Law Enforcement Fund spending authority of $883,000 in 2026-27, and $858,000 ongoing to support the implementation and enforcement of SB 41 (Wiener and Wahab), Chapter 605, Statutes of 2025.

- **California Artificial Intelligence Transparency Act (AB 853).** The budget includes four positions and UCL Fund spending authority of $1.2 million in 2026-27 and ongoing to enforce the requirements of the California AI Transparency Act, AB 853 (Wicks), Chapter 674, Statutes of 2025.

- **Social Media Warning Labels (AB 56).** The budget includes $595,000 UCL Fund in 2026-27, and $581,000 UCL Fund ongoing, and two positions to support enforcement and compliance activities under existing authority related to the requirements of AB 56 (Bauer-Kahan), Chapter 671, Statutes of 2025, which requires social media platforms to warn users regarding the association of social media use with significant mental health harms in young users.

- **Device Protection Requests (SB 50).** The budget includes one position and $175,000 General Fund in 2026-27 and $167,000 in 2027-28 and ongoing for the Division of Law Enforcement, Victim Services Unit, to address the increased victim services requirements outlined in SB 50 (Ashby), Chapter 676, Statutes of 2025.

- **Firearm Barrels (SB 704).** The budget includes $1.2 million General Fund in 2026-27 and $259,000 General Fund ongoing and one position to implement SB 704 (Arreguín), Chapter 591, Statutes of 2025 related to firearm barrels.

- **California Uniform Antitrust Premerger Notification Act (SB 25).** The budget includes two positions and $320,000 Attorney General Antitrust Account Fund in 2026-27 and $576,000 ongoing, to support the increased workload resulting from implementation of the California Uniform Antitrust Premerger Notification Act pursuant to SB 25 (Umberg), Chapter 3, Statutes of 2026.

- **Deceptive Practices: Service Members and Veterans (SB 694).** The budget includes one position and UCL Fund spending authority of $91,000 in 2026-27 and $162,000 ongoing to implement the requirements of SB 694 (Archuleta), Chapter 1, Statutes of 2026, which expands unlawful deceptive practices related to veteran's benefits and establishes new prohibitions related to fees, credential access, and representation involving veterans' benefits.

- **Felony Murder Resentencing (SB 775).** The budget includes $3.9 million General Fund in 2026-27 through 2028-29 to support continued legislative workload associated with resentencing petitions pursuant to SB 775 (Becker), Chapter 551, Statutes of 2021, for which prior limited term funding has now expired.

- **Concealed Carry License Duration Extension (AB 1948)**. The budget appropriates $510,000 one-time General Fund for the implementation of AB 1948 (Ramos), Chapter 44, Statutes of 2026.

7870 VICTIM COMPENSATION BOARD (VCB)

VCB provides financial compensation to victims of crime through the Restitution Fund. The budget includes a total of $179.8 million in 2026-27 for VCB, including $61.3 million General Fund, $73.6 million Restitution Fund, $36.0 million Federal Trust Fund, and $8.9 million Safe Neighborhoods and Schools Fund. The budget includes the following adjustments for VCB.

Trauma Recovery Centers. The budget includes $12.5 million one-time General Fund in 2026-27 for Trauma Recovery Centers.

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 2026 Budget Act includes $96.1 million and 257.2 positions for POST.

Funding Realignment. The budget includes a realignment of authority within POST's budget, related to funding originally provided in 2023-24 for Office of Administrative Hearings and DOJ costs related to the implementation of SB 2 (Bradford), Chapter 409, Statutes of 2021.

Disclosure. Statutory language in AB 184 (Committee on Budget), Chapter 255, Statutes of 2026, extends the sunset date from January 1, 2027, to January 1, 2028, and updates required timelines for a temporary, limited exemption for the Commission on Peace Officers Standards and Training from the disclosure of certain records pursuant to the California Public Records Act. The exemption was created in AB 134 (Committee on Budget), Chapter 10, Statutes of 2023, and applied to specified records provided to the commission by other agencies in connection with the commission's duties under Section 13510.8 of the Penal Code. The exemption does not apply to records created by the commission or records not otherwise available from other agencies and provides a process for forwarding requests to the agency that provided the records to the commission.

Reappropriation: Local Law Enforcement Tolerance Training. The budget reappropriates up to $300,000 State Penalty Fund from the Budget Act of 2025 for the Commission on Peace Officer Standards and Training for local training programs until June 30, 2027.

8830 CALIFORNIA LAW REVISION COMMISSION

The 2026 Budget Act includes $3.5 million and 11.5 positions for the California Law Revision Commission and includes the following adjustments.

Data and Research Funding. The budget includes $945,000 one-time General Fund for the Committee on Revision of the Penal Code for research activities, including secure data hosting, with the California Policy Lab. The funding is provided under the budget of the Office of the Legislative Counsel and provided to the Committee through reimbursement authority.

Public Safety Budget Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026 – Senate Bill 110 (Laird), Chapter 20, Statutes of 2026.*
3. *Budget Act of 2026 – Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*
4. *Budget Acts of 2022, 2023, 2024, and 2025 – Assembly Bill 112 (Gabriel), Chapter 22, Statutes of 2026.*
5. *Budget Act of 2026 – Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*

6. *Budget Acts of 2022, 2023, 2024, and 2025 – Senate Bill 114 (Laird), Chapter 249, Statutes of 2026.*

7. *State Government – Senate Bill 172 (Committee on Budget and Fiscal Review), Chapter 84, Statutes of 2026.*

8. *State Government – Assembly Bill 184 (Committee on Budget), Chapter 255, Statutes of 2026.*

9. *2028 Olympic and Paralympic Games – Assembly Bill 191 (Committee on Budget), Chapter 354, Statutes of 2026.*

LABOR, PUBLIC EMPLOYMENT AND RETIREMENT

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY (LWDA)

Jobs First Administrative Resources Reappropriation. The budget includes a reappropriation from previous budget acts to extend the encumbrance periods from two appropriations. The extended encumbrance period will allow the Governor's Office of Business & Economic Development (GO-Biz), Employment Development Department, and the Labor and Workforce Development Agency to expend administrative resources for Jobs First program aligning with the lifecycle of the program which is operable until June 30, 2030.

7100 EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD)

Unemployment Insurance Trust Fund Loan Interest. The budget includes $668.3 million one-time General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance.

EDDNext. The budget includes $165.5 million ($70.9 million General Fund) one-time to continue the modernization of the EDD through the implementation of EDDNext. The effort includes enhancements to EDD's benefits system—improving call centers, simplifying forms and notices, and data analysis tools to continue curbing fraudulent benefit claims.

EDDNext Modernization - Document Management System. The budget includes $10 million one-time General Fund and $10 million one-time Unemployment Compensation Disability Fund and provisional language to support continued implementation of the EDDNext Document Management System.

Paid Family Leave (SB 590). The budget includes $532,000 Unemployment Compensation Disability (DI) Fund in 2026-27, $1.5 million DI Fund in 2027-28, and $342,000 DI Fund in 2028-29 and ongoing, for EDD to implement the changes required by SB 590 (Durazo), Chapter 772, Statutes of 2025.

Emergency Medical Technician Training Reappropriation. The budget includes technical changes to reappropriate $883,000 General Fund included in the 2022 Budget Act for targeted emergency medical technician training to make funds available for encumbrance or expenditure for one additional year, until June 30, 2027.

Disability Insurance Program Benefits and Administration Adjustments. The budget includes $2.3 billion ongoing Unemployment Compensation Disability Fund to align with updated projections for disability insurance program benefit payments. Additionally, it includes $1.3 billion one-time Unemployment Compensation Disability Fund in 2025-26 to align with estimated current year increases in disability program benefit payments. Finally, it includes $4.3 million ongoing Unemployment Compensation Disability Fund to align with updated estimates for disability program administration needs.

Unemployment Insurance Program Benefits and Administration Adjustments. The budget includes $65.7 million ongoing various funds to align with updated projections for unemployment insurance program benefit payments. Additionally, it includes a decrease of $308 million various funds

in 2025-26 to align with an estimated current year increase in unemployment insurance program benefit payments. It further includes a decrease of $32 million ongoing various funds for the Employee Development Department to align with updated estimates for unemployment insurance program administration needs.

Workforce Innovation and Opportunity Act Allocations. The budget includes technical adjustments to align Workforce Innovation and Opportunity Act funding authority with estimated federal allocations.

7120 CALIFORNIA WORKFORCE DEVELOPMENT BOARD (CWDB)

Social Entrepreneurs for Economic Development. The budget includes $10.8 million one-time General Fund to CWDB for grants and training to support the entrepreneurship of immigrants and individuals with limited English proficiency who face barriers to employment through micro-grants, training, and technical assistance.

Creating Restorative Opportunities and Programs (CROP). The budget includes $5 million one-time General Fund to support the Creating Restorative Opportunities and Programs (CROP) at the California Workforce Development Board.

High Road Work Initiative. The budget includes $3 million one-time General Fund to support the High Road Work Initiative for regulated industries at the California Workforce Development Board.

Ports Workforce Training. The budget includes $5 million one-time General Fund to support a Ports Workforce Training program.

Hospitality Training Academy. The budget includes $5 million one-time General Fund to support a Hospitality Training Academy.

Community Coalition Workforce Training Facilities. The budget includes $2 million one-time General Fund to support the Community Coalition for workforce training facilities.

Dream Machine Innovation Lab. The budget includes $10 million one-time General Fund to support the Dream Machine Innovation Lab.

Additional Operational Resources. The budget includes $22.6 million ($5.6 million General Fund and $17 million other funds) in 2026-27, $6.4 million ($3.9 million General Fund and $2.5 million other funds) in 2027-28, $4.4 million ($2.4 million General Fund and $2 million other funds) in 2028-29, $2.3 million ($755,000 General Fund and $1.6 million other funds) in 2029-30; and $1.9 million other funds ongoing in 2030-31.

Streamlining Reporting Requirements. The budget includes trailer bill language that would align the reporting requirement timelines relating to various grant programs, including requiring the California Workforce Development Board to produce and submit a report to the Legislature evaluating those grant programs by October 1 of every odd-numbered year. The trailer bill language would also establish new reporting requirements for the Breaking Barriers to Employment Initiative and the Prison to Employment program if additional grant funds are appropriated for the purpose of those programs.

7300 AGRICULTURAL LABOR RELATIONS BOARD (ALRB)

Operations Resources for Information Technology and Human Resources. The budget includes $1.3 million and four positions in 2026-27 and $1.2 million and four positions in 2027-28 and ongoing from the Labor and Workforce Development Fund for the Agricultural Labor Relations Board to dispense its Information Technology and Human Resource responsibilities.

7320 PUBLIC EMPLOYMENT RELATIONS BOARD (PERB)

Operational Support. The budget includes $1 million one-time General Fund to support the operations of the Public Employment Relations Board.

Attorney Classification Realignment and OE&E Cost Increases. The budget includes $378,000 General Fund in 2026-27 and ongoing to align operating expenditures with current costs.

Transportation Network Company Drivers Labor Relations Act (AB 1340). The budget includes $2.2 million General Fund and eight positions in 2026-27 and ongoing plus an additional $800,000 in one-time funds for PERB to implement the requirements of AB 1340 (Wicks), Chapter 335, Statutes of 2025.

Unfair Labor Practices (AB 288) & Spring Update. The budget includes $500,000 one-time in 2026-27 and 2027-28 for the Public Employment Relations Board to support current legal workload associated with the implementation of AB 288 (McKinnor), Chapter 139, Statutes of 2025.

Implementation of the Legislature Employer-Employee Relations Act (AB 1). The budget includes $165,000 General Fund and one position ongoing for implementation of AB 1 (McKinnor), Chapter 313, Statutes of 2023, the Legislative Employer-Employee Relations Act, which became operative on July 1, 2026.

7350 DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)

DIR Information Technology Projects. The budget includes $81.4 million one-time Labor and Workforce Development Fund to continue implementation of projects to modernize DIR's information technology systems, including the Cal/OSHA Data Management System, the Electronic Adjudication Management System, and Public Works data systems.

California Workplace Outreach Project. The budget includes $30 million one-time Labor and Workforce Development Fund in 2026-27 and $30 million in 2027-28 and 2028-29 for DIR to continue the California Workplace Outreach Project, which promotes awareness and education for labor protections for California workers.

Jails 2 Jobs Pilot Project. The budget includes $5 million one-time Labor and Workforce Development Fund to support a Jails 2 Jobs pilot project in Los Angeles County at the Department of Industrial Relations.

Cal/OHSA Workforce Study. The budget includes $1.35 million one-time Occupational Safety and Health Fund to support a Cal/OHSA Workforce Study at the Department of Industrial Relations.

DIR Apprenticeship Training Grant Augmentation. The budget includes $18.2 million one-time Apprenticeship Training Contribution Fund in 2026-27, $18.1 million one-time in 2027-28, and $17.8 million one-time in 2028-29 and 2029-30 for grants to approved apprenticeship programs in construction and related trades.

Bureau of Investigation Resources. The budget includes 14 positions and $2.3 million in 2026-27 and $2 million in 2027-28 and ongoing from the Occupational Safety and Health Fund, for DIR, to address case backlog and statutory compliance within the Division of Occupational Safety and Health, Bureau of Investigation (BOI).

Cal/OSHA Centralized Complaint and Report Intake Unit. The budget includes 35 positions and $5.9 million in 2026-27 and 35 positions and $5.3 million ongoing from the Occupational Safety and Health Fund for DIR to create a centralized complaint and report intake unit to help address the number of complaints, accidents, fatalities, and referrals the Division of Occupational Safety and Health receives.

Construction Trucking Employer Amnesty Program (SB 809). The budget includes $195,000 in 2026-27, $177,000 in 2027-28 and 2028-29, and 0.5 position and $98,000 in 2029-30 and ongoing from the Labor Enforcement and Compliance Fund for DIR to meet the statutory requirements of SB 809 (Durazo), Chapter 659, Statutes of 2025.

Contracts in Restraint of Trade (AB 692). The budget includes one position and $335,000 in 2026-27 and one position and $317,000 ongoing from the Labor Enforcement and Compliance Fund for DIR to meet the requirements of AB 692 (Kalra), Chapter 703, Statutes of 2025.

Division of Workers' Compensation Security Services. The budget includes $6.5 million in 2026-27 and ongoing from the Workers' Compensation Administration Revolving Fund for DIR to pay for increased costs for security services provided by the California Highway Patrol.

Extreme Heat and Agricultural Enforcement Task Force and Outreach. The budget includes 34 positions and $7.7 million in 2026-27, and 34 positions and $7.1 million in 2027-28 and ongoing, from the Occupational Safety and Health Fund to continue addressing extreme heat workload and agricultural enforcement and outreach efforts.

Firefighter Personal Protective Equipment (AB 1181). The budget includes $530,000 in 2026-27, $504,000 in 2027-28, and $454,00 in 2028-29 from the Occupational Safety and Health Fund to conduct rulemaking related to AB 1181 (Haney), Chapter 392, Statutes of 2025, and one position and $296,000 in 2029-30 and $278,000 ongoing from the Occupational Safety and Health Fund for enforcement of the new standards.

Foreign Labor Contractor Registration Expansion (AB 1362). The budget includes two positions and $1.1 million in 2026-27, four positions and $1.9 million in 2027-28, with a total of four positions and $859,000 ongoing from the Labor Enforcement and Compliance Fund to meet the requirements of AB 1362 (Kalra), Chapter 190, Statutes of 2025.

Increased Support for Judgment Enforcement. The budget includes seven positions and $1.3 million in 2026-27, 14 positions and $2.3 million in 2027-28, and 14 positions and $2.2 million in 2028-29 and ongoing from the Labor Enforcement and Compliance Fund to increase the number of judgment referrals enforced by the Labor Commissioner's Office.

Payment of Wages (SB 642). The budget includes one position and $195,000 in 2026-27 and $177,000 in 2027-28 and ongoing from the Labor Enforcement and Compliance Fund for DIR to implement the requirements of SB 642 (Limón), Chapter 468, Statutes of 2025.

Pre-Apprenticeship Support. The budget includes two positions and $336,000 in 2026-27 and two positions and $300,000 in 2027-28 and ongoing from the Apprenticeship Training Contribution Fund to support pre-apprenticeship programs for the building trades sectors.

Public Works Information Technology System Enhancements. The budget includes $8.9 million in 2026-27 from the Labor and Workforce Development Fund to provide system maintenance and operations to DIR's public works data systems as well as to support and educate the public on new prevailing wage portal features and manage the increased volume of wage data.

Silicosis Training Attestation and Case Report Intake (SB 20). The budget includes three positions and $470,000 in 2026-27 and three positions and $416,000 in 2027-28 and ongoing from the Occupational Safety and Health Fund to provide resources for the Division of Occupational Safety and Health to implement requirements of SB 20 (Menjivar), Chapter 734, Statutes of 2025.

Software Licensing and Support. The budget includes $5 million in 2026-27 and ongoing from various special funds for DIR to support increased licensing and network upgrade costs related to automation and infrastructure.

Support for Occupational Safety and Health Workload. The budget includes eight positions and $1.6 million for 2026-27 and eight positions and $1.5 million ongoing from the Occupational Safety and Health Fund to address increased workload and mandated activities within the Division of Occupational Safety and Health (Cal/OSHA).

The Workplace Know Your Rights Act (SB 294). The budget includes two positions and $390,000 in 2026-27 with $354,000 in 2027-28 and ongoing from the Labor Enforcement and Compliance Fund to meet the requirements of SB 294 (Reyes), Chapter 667, Statutes of 2025.

Cal/OSHA Data Modernization Project. The budget includes $28.4 million Labor and Workforce Development Fund in 2026-27 to continue the development of the Division of Cal/OSHA's information technology system to meet federal and state-mandated requirements, consolidate information into a central database/repository, interface to other DIR systems, automate manual processes and support the training across its units, and post go-live assistance needs.

California Opportunity Youth Apprenticeship (COYA) Reappropriation. The budget includes an extension of $2.3 million General Fund of existing funds from the 2024 Budget Act with provisional language to extend the encumbrance/expenditure date to align with the liquidation/reversion date of June 30, 2028.

Electronic Adjudication Management System Modernization. The budget includes $44.1 million one-time in 2026-27 from the Labor and Workforce Development Fund to continue the replacement of the Division of Workers' Compensation's (DWC) Electronic Adjudication Management System (EAMS). Additionally, the budget includes a reappropriation to extend the encumbrance availability of the unencumbered balance of the amount included in the 2025 Budget Act for the EAMS Project by an additional year, through June 30, 2027, to support project activities.

Emerging Technologies Unit. The budget includes five positions and $1.8 million in 2026-27 and $1.2 million ongoing from the Occupational Safety and Health Fund to research, evaluate, and develop regulations and industry guidance related to rapidly developing workplace technologies, as well as work with employers on experimental variance applications for emerging equipment and technology.

Office of the Director Legal Unit Reclassifications. The budget includes $388,000 in 2026-27 and ongoing from various special funds to support the reclassification of eight existing positions in the Office of the Director, Legal Unit, to increase management and support capacity and establish a new office in Southern California to align with workload needs.

Workers' Rights Enforcement Grant. The budget includes $9 million ongoing Labor and Workforce Development Fund for the Workers' Rights Enforcement Grant program administered by the Labor Commissioner's Office, which supports grants to facilitate the enforcement of state labor laws.

Assessment Payment Via Electronic Funds Transfer. The budget includes trailer bill language to require payment of the annual employer assessment by electronic funds transfer (EFT). It also includes statutory authority that provides the department director with discretionary authority to reduce or waive the penalty.

Workers' Compensation Appeals Board (WCAB) – Remove Sunset for Appeal Timeline Provisions. The budget includes trailer bill language to repeal the sunset date and make permanent a change to Labor Code 5909 provisions governing how the WCAB's time to act on petitions for reconsideration is calculated.

Division of Workers' Compensation Administrative Director Salary Amendment. The budget includes trailer bill language to remove the salary cap for the Administrative Director of the Division of Workers' Compensation (DWC) within DIR, to align with other executive leadership positions at DIR.

Subsequent Injuries Benefits Trust Fund. The budget includes $12.7 million Workers' Compensation Administration Revolving Fund and 57 positions in 2026-27, growing to $27.4 million and 133 positions in 2028-29 and ongoing, for DIR to address the backlog of cases resulting from years of substantial growth in the SIBTF program. The budget also includes trailer bill language to better align program requirements with the existing workers' compensation benefit program. Statutory changes specify the circumstances under which these program changes do not apply.

Goatherders. The budget includes trailer bill language that aligns labor protections for goat herders to that of sheepherders, relating to wages, meal and rest periods, lodging, and other conditions of employment, until January 1, 2029.

Vacancy Efficiency Cuts. The budget maintains 118 full-time equivalent (FTEs) at DIR that the Administration had proposed to eliminate in 2024.

7501 DEPARTMENT OF HUMAN RESOURCES (CalHR)

Information Security Workload. The budget includes one position and $214,000 ($86,000 General Fund, $84,000 Reimbursements, $28,000 Central Service Cost Recovery Fund, $2,000 FlexElect Benefit Fund, and $14,000 Deferred Compensation Fund) in 2026-27 and ongoing for CalHR to strengthen infrastructure and cloud information security monitoring and operations.

Employee Assistance Program (EAP). The budget includes one permanent position and $12.3 million in reimbursement authority in 2026-27 and $12.3 million in reimbursement authority in 2027-28 and ongoing to transition to a new EAP service provider with a more robust and comprehensive model, and to establish a dedicated program manager focused on supporting first responders and their support staff, including employees within California Highway Patrol, the California Department of Forestry and Fire Protection, the California Department of Corrections and Rehabilitation, the California Department of Parks and Recreation, and other public safety departments.

New Employee Orientation. The budget includes trailer bill language that makes changes to make exclusive representative's mandatory access to a new employee orientation permanent, and clarifies only one session of the new employee orientation is necessary, among other conforming changes.

Accounts Outside State Treasury. The budget includes trailer bill language that clarifies the CalHR authority to establish, administer, and maintain the claim fund reserve account outside the state's Centralized Treasury System under the insurance carriers' Taxpayer Identification Number, with restrictions and are subject to applicable fiscal controls and other requirements.

7900 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

CalPERS Contributions. The budget includes $9.6 billion ($5.2 billion General Fund) for the state's contribution to CalPERS. Included in the total contributions is $737.4 million one-time General Fund for the California State University retirement costs. This contribution amount is a $634.7 million ($289.3 million General Fund) increase from 2025-26.

Operational Budget. The budget includes changes to the 2026-27 operational budget of CalPERS that was approved by the CalPERS Board on April 14, 2026. The budget proposed by CalPERS reflects a net increase of $482.5 million, primarily attributed to increased administrative and investment operating costs, investment external management fees, and third-party administrator fees.

CalPERS Part-Time Boards. The budget includes trailer bill language that makes changes that provides the Alcoholic Beverage Control Appeals (ABC) Board and Central Valley Flood Protection (CVFP) Board members with the same membership eligibility as members of other part-time boards, like the Board of Prison Terms, State Personnel Board, and State Air Resources Board. In addition, ABC and CVFP board members who elected membership before January 1, 2027 will retain their CalPERS membership and any service credited prior to January 1, 2027.

7920 CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS)

Enterprisewide Strategic Support. The budget includes $15.3 million ongoing Teachers' Retirement Fund for Enterprisewide strategic support resources. This includes $5.3 million to establish 31 permanently authorized positions and $10 million for various information technology (IT) and innovation service contracts.

Investment Portfolio Management. The budget includes $5.7 million ongoing Teachers' Retirement Fund to establish 25 authorized positions for the Investments Branch to enhance CalSTRS' ability to prudently manage its investment portfolio and create value through expanded internal expertise.

CalSTRS Contributions. The budget includes $4.8 billion General Fund for state contributions to CalSTRS. This is roughly $150.6 million more than the contributions included in 2025-26, due mainly to the growth in creditable compensation for state teachers from 2023-24 to 2024-25.

Health and Dental Benefits for Annuitants. The budget includes $3.2 billion General Fund to reflect the costs of health and dental premiums for annuitants.

9800 EMPLOYEE COMPENSATION

Bargaining Unit 10 – Special Salary Adjustments. The budget includes $28.7 million ($8.6 million General Fund) to fund special salary adjustments as defined pursuant to the memorandum of understanding with Bargaining Unit 10 which is represented by the California Association of Professional Scientists – UAW Local 1115.

Judges' Salary Increases. The budget includes $250,000 General Fund for Judges' salary increases, which is calculated pursuant to statute.

Labor, Public Employment and Retirement Budget Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026– Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*
3. *Budget Acts of 2026– Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*
4. *Employment Trailer Bill – Assembly Bill 187 (Committee on Budget), Chapter 256, Statutes of 2026.*
5. *Labor Trailer Bill – Senate Bill 171 (Committee on Budget and Fiscal Review), Chapter 83, Statutes of 2026.*

TRANSPORTATION

0521 CALIFORNIA STATE TRANSPORTATION AGENCY (CALSTA)

Transit Agencies Loan. The budget includes early action trailer bill language that allows CalSTA to loan $590 million to the Metropolitan Transportation Commission (MTC) from the Transit and Intercity Rail Capital Program (TIRCP) for projects within the region. Specified transit entities may use funds for public transit operating purposes and repayment terms are specified.

Transit Operations Requirements. The budget includes language to suspend penalties for not maintaining the prescribed ratio of fare revenues to operating costs on transit operators during the 2026-27 fiscal year and exempts transit operators from meeting specified efficiency standards through the 2026-27 fiscal year.

Los Angeles, San Diego, and San Luis Obispo (LOSSAN) Corridor. The budget includes an extension for the liquidation period for $300 million appropriated in the 2021 Budget Act for the LOSSAN Corridor.

Port and Freight Infrastructure Program. The budget extends encumbrance dates for the Port and Freight Infrastructure Program at the California State Transportation Agency from the 2022 and 2023 Budget Acts.

State Operations. The budget includes three permanent positions and $860,000 in 2026-27 fiscal year and ongoing to establish an Enterprise IT Portfolio Management Office.

2600 CALIFORNIA TRANSPORTATION COMMISSION

State and Local Transportation System Needs Assessment Workload. The budget includes $252,000 ongoing ($118,000 State Highway Account, $134,000 Public Transportation Account) to convert one limited-term position to a permanent position to support the continued development of the State and Local Transportation System Needs Assessment required under SB 1121 (Gonzalez), Chapter 508, Statutes of 2022.

2660 CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)

Fleet Replacement. The budget includes $225 million ($6.9 million in Personal Services and $218 million in Operating Expense) from the State Highway Account to continue replacing its aging fleet and installing zero-emission vehicle (ZEV) infrastructure at Caltrans.

High Road Construction Careers. The budget includes language to reserve $30 million of state transportation funds for the High Road Construction Careers program.

Clean California. The budget includes $40 million one-time General Fund for the Clean California program for litter abatement.

Trade Corridor Enhancement Program. The budget includes $15 million State Highway Account for the Trade Corridor Enhancement Program.

GenAI Roadway Planning. The budget includes $7.2 million from the State Highway Account to continue development of generative artificial intelligence (GenAI) for safer and smarter roadways.

Trade Corridor Enhancement Program. The budget specifies that $15 million of the $270 million appropriated from the Trade Corridor Enhancement Account for the Trade Corridor Enhancement Program at the California Department of Transportation shall be for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between the 105, 110, and 710 freeways.

Passenger Rail Equipment Upgrades. The budget includes $27.5 million one-time in operating expenses from the Public Transportation Account for the maintenance and overhaul of state's passenger rail equipment for three state supported intercity passenger rail routes (Pacific Surfliner, Capitol Corridor, and San Joaquin) administered by their respective Joint Powers Authorities.

Reappropriations for Intercity Rail Capitol Projects. The budget includes a reappropriation of $300 million General Fund for intercity rail capital projects in the coastal zone from the 2021 Budget Act (AB 180 (Ting), Chapter 44, statutes of 2022).

State Route 710 Rehabilitation Account. The budget increases the cap on the State Route 710 Rehabilitation Account, for the purpose of providing repairs to homes for affordable sales, from $1.2 million to $15 million.

Los Angeles Olympics Transportation Network (Games Route Network). The budget includes language authorizing automated enforcement of the State Highway System portion of the Games Route Network for the 2028 Los Angeles Olympic and Paralympic 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.

Trailer bill language authorizes a civil penalty of $293, through programs administered by local authority or regional transportation and allocates fine revenue to pay for the state's costs associated with the administration of the automated enforcement program and the Games Route Network. A public awareness campaign of at least 120 days about the automated enforcement of the Games Route Network is required to prepare drivers in the region. Funds collected will be used to reduce costs associated with the Games Route Network and are continuously appropriated. An Administrative Procedures Act exemption and restrictions on the use of data are included.

Local Investments. The budget includes the following one-time local transportation investments:

- $2 million General Fund for the City of Ventura for infrastructure improvements to Main Street consistent with parklet design.

- $10 million General Fund to the City of Montclair, in San Bernardino County, for rail capital project development activities connecting the cities of Montclair and Pomona.

- $1 million to the City of Newark for pedestrian and school safety improvements at crossings around Coyote Hills Elementary and John F. Kennedy Elementary Schools.
- $2 million to the City of Los Angeles for infrastructure upgrades to Fairfax Boulevard.
- $1 million to the City of Ontario for improvements to Euclid Avenue.
- $1 million to the Sonoma County Transportation Authority for wayfinding and bus stop improvements.
- $1.9 million to the City of Los Angeles for Transit Rider and Pedestrian Safety Improvements.
- $380,000 to Foothill Transit for the development and implementation of a hydrogen transit bus retrofit pilot program.
- $1.8 million to the County of Monterey for the design, permitting, and construction of a Protective Structure to be placed near the mouth of the Carmel River to prevent further bluff erosion and manage lagoon flooding.
- $1 million to the Transportation Authority of Marin county to extend and expand the Redwood Bikeshare pilot program in the Counties of Sonoma and Marin.
- $1.1 million available to the City of Ojai for trolly replacement.
- $1.2 million to the City of Santa Maria to implement the City's Americans with Disabilities Act Transition Plan.
- $204,000 to Ventura County for the Channel Islands Harbor Pedestrian Access Improvements on Victoria Avenue.
- $250,000 to Ventura County for traffic calming and multimodal transportation investments.
- $500,000 to the City of Wildomar for heavy equipment to increase production and capability of asphalt paving and repairs.
- $1.5 million to the City of San Leandro for improvements to Lake Chabot Road.
- $4.5 million to Mundo Gardens for the Reconnecting Southeast San Diego and National City Highways 2 Boulevards Program

State Operations. The budget includes the following state operations investments:

- $6.3 million one-time General Fund for limited-term homeless encampment coordinators.
- Extends for one-year current resource levels including $19 million State Highway Account for 2026-27 to support the continued transition and on-boarding to the Financial Information System for California (FI$Cal) System. This includes 34 limited-term positions.

- $7.6 million State Highway Account and 34 positions to address a sustained rise in workload. The funding would be sourced from a transfer of local federal funding to Caltrans and the associated funding from the State Highway Account (SHA) would be exchanged resulting in a net-zero impact on state transportation funding.

- $1.2 million State Highway Account and seven positions in 2026-27 and ongoing to increase the number of investigations Independent Office of Audits and Investigations (IOAI)'s Investigations Unit can perform, for oversight of Caltrans.

- Increase in reimbursement authority of $7.4 million in 2026-27, $5.7 million in 2027-28, $1.8 million in 2028-29, and $1.3 million ongoing from the State Highway Account to fund maintenance operations that will be reimbursed by local agencies.

- $139,000 State Highway Account in 2026-27 to implement the changes to the Outdoor Advertising Act, Business and Professions Code as required by SB 364 (Strickland), Chapter 313, Statutes of 2025.

- $1.1 million State Highway Account in 2026-27 to implement the requirements of SB 78 (Seyarto), Chapter 743, Statutes of 2025 to evaluate efforts and opportunities to streamline the delivery of safety enhancement projects on the State Highway System.

- $9 million in 2026-27, $10 million in 2027-28, $10.5 million in 2028-29 from the State Highway Account for telecommunications utility costs essential to operating the State Highway System's Traffic Management Network.

- $7.2 million in State Highway Account for 2026-27 and $8.3 million in ongoing funding beginning in 2027-28 to sustain and enhance cybersecurity protections for the Traffic Operations Support Network (TOSNet).

- $364,000 State Highway Account for two permanent positions to create and maintain a prioritized statewide and regionally significant climate adaptation project list and to create an ongoing annual report of the list for the Legislature as required by SB 695 (Cortese), Chapter 781, Statutes of 2025.

- $1.3 million and eight positions for 2026-27 and 2027-28 to continue the administration of Caltrans' responsibilities to meet Proposition 1B requirements.

- $978,000 and two-year limited-term resources to continue the road charge research program.

- Extends for two years $2.7 million in State Highway Account Reimbursement authority starting in 2026-27 for services rendered on behalf of the California High-Speed Rail Authority.

Technical Changes. The budget makes the following technical changes.

- Increases Public Transportation Account Reimbursement Authority by $4.5 million in 2026-27 for the Mass Transportation Program for Caltrans to complete work for the California State Transportation Agency's (CalSTA) Transit Intercity Rail Capital Program.

- Increases by $4.7 million in 2026-27 and $3 million in 2027-28 to allow Caltrans to fully utilize the administrative set-aside of the federal grant for Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT).

- Increases State Highway Account Reimbursement Authority by $361 million in 2026-27 for capital outlay projects. Caltrans routinely performs work on behalf of the Bay Area Tolling Authority (BATA). The increase in reimbursement authority will better align Caltrans' current workload estimate for BATA.

- Increases State Highway Account Reimbursement authority by $275 million in 2026-27 for Local Assistance. The increase allows Caltrans to perform work on behalf of CalSTA on the Port and Freight Infrastructure Program.

- Increases Proposition 1B Trade Corridors Improvement Fund (TCIF) Schedule 1 authority by $803,000 in 2026-27 to close out the I-10 Corridor Express Lanes project in Los Angeles and San Bernardino Counties.

- Reappropriates various appropriations to continue project implementation for the Enterprise Data Governance Technology Solution

- Reappropriates Proposition 1B bond fund for still active construction projects. The funds were already awarded to local agencies and/or 30 contractors. The reappropriation is necessary to meet contractual obligations to avoid litigation or project stoppages.

2665 HIGH-SPEED RAIL AUTHORITY

High-Speed Rail Funding. The budget reappropriates Federal Trust Fund authority through June 30, 2034, for a total of up to $246.3 million. In addition, the budget reappropriates $423.3 million in High-Speed Passenger Train Bond Fund (Proposition 1A) funding through June 30, 2028, to provide adequate time to encumber and liquidate funds associated with the Los Angeles Union Station (LinkUS) Project in Southern California.

2667 HIGH-SPEED RAIL AUTHORITY OFFICE OF THE INSPECTOR GENERAL

California High-Speed Rail Authority Office of Inspector General Reimbursement Authority. The budget includes language that requires the High-Speed Rail Authority Office of Inspector General to produce publicly available reports of its reviews and investigations, subject only to limited exceptions, and create a clear statutory framework for retention and protection of workpapers and other communications.

Information Technology Workload. The budget includes $1.3 million in 2026-27 and $169,000 in 2027-28 and ongoing from the Public Transportation Account, State Transportation Fund for maintenance and operations for two information technology projects in-progress.

2670 BOARD OF PILOT COMMISSIONERS (BPC)

Information Technology Workload. The budget includes $2.5 million in 2026-27, from the Board of Pilot Commissioners' Special fund to begin an information technology project to modernize the business operations of the Board.

Facilities Costs. The budget includes $529,000 in 2026-27; $454,000 in 2027-28; and $233,000 in 2028-29 and ongoing from the Board of Pilot Commissioners' Special Fund to cover legal expenses and secure a new leased office facility.

Baseline Operations. The budget includes $158,000 in 2026-27, $226,000 in 2027-28, and $285,000 in 2028-29 and ongoing from the Board's Special Fund for increased operations and trainee costs to maintain baseline operations, and support mission critical programs and statutory mandates.

2720 CALIFORNIA HIGHWAY PATROL (CHP)

Security Services. The budget includes $20 million one-time Motor Vehicle Account and trailer bill language that expands the security services provided to former elected officials to their immediate family members.

Operations and Equipment. The budget includes $15.7 million Motor Vehicle Account in 2025-26 for operations and equipment at the California Highway Patrol.

Traffic Enforcement. The budget includes $618,000 General Fund to the California Highway Patrol for traffic enforcement of Bixby Bridge.

Capital Outlay. The budget increases a previous appropriation for the working drawings phase of the Leviathan Peak CHP Enhanced Radio System tower replacement capital outlay project by $198,000 from the General Fund.

2740 DEPARTMENT OF MOTOR VEHICLES (DMV)

Operations Streamlining. The budget includes trailer bill language to eliminate requirements for the Department of Motor Vehicles to send driver license expiration courtesy notices via mail, print driver license handbooks, and mail new disabled person parking placards every two years, among other changes to streamline customer communications and operations.

State-to-State Verification System. The budget includes $56 million from the Motor Vehicle Account for the design and development of the State-to-State (S2S) Verification System at the Department of Motor Vehicles. Accompanying trailer bill language authorized the DMV to participate in the S2S system, specifically, the legislation:

- Authorizes DMV to share social security numbers solely for the purpose of verifying and exchanging driver's license, ID card, and driver history records with other participating states.

- Limits data sharing to only that required by federal law: name, date of birth, social security number (SSN), state of record, license/ID number, credential type, REAL ID indicator, and Commercial Driver License Information System indicator. Limits sharing of SSN to only last five digits, until a match is confirmed. Requires DMV to disclose on its website a list of the information shared through the S2S system.

- Prohibits sharing of sensitive data including address, photograph, gender marker, biometric data, and AB 60 (undocumented-eligible) license status, unless required by federal law.

- Requires annual reporting to the Legislature's budget and privacy committees, and on DMV's website (starting Feb. 1, 2028), detailing requests by jurisdiction, reason, and any detected misuse, breaches of contract, or American Association of Motor Vehicle Administrators (AAMVA) policy changes that might affect Californians' privacy.

- Requires DMV, to adopt and maintain a monitoring plan to minimize data sharing, respond to data breaches and abuses of the S2S system by any participating jurisdiction, notify affected Californians if their data has been accessed for purposes other than DL/ID verification, and take other actions to protect the privacy of Californians, including keeping audit-logs of all data requests, implementing anomaly detection, heightened review of high-risk jurisdictions, and limiting, delaying or declining bulk, batch, exploratory or automated queries.

- Establishes a stakeholder advisory group including representation from the Department of Justice, with members appointed by the Senate and Assembly, including privacy, immigrant rights, LGBTQ+ rights, and reproductive justice advocates to convene twice annually by November 1, 2026, to inform the Monitoring Plan.

- Requires DMV to notify AAMVA, Department of Justice (DOJ), and any affected Californians if a jurisdiction is suspected of misusing S2S data. Requires DMV to refer any suspected misuse to the DOJ for potential prosecution.

- Authorizes the Attorney General (AG) to bring actions on behalf of any affected Californians against AAMVA, participating states, or others to enforce the provisions and seek injunctive relief.

- Conditions DMV's participation on a contractual agreement with AAMVA that is consistent with these statutory requirements, including data minimization, breach notice, access restrictions, suspension triggers for misuse, and a 14-day (or shorter) data retention cap for other states. Prohibits DMV from agreeing to any amendment to its contract with AAMVA that reduces, conflicts with, delays, or waives the privacy protections of California residents or the department's ability to detect, prevent, and respond to unauthorized requests.

- Requires DMV to notify the Legislature at least 30 days in advance of any material modifications of contractual data-sharing terms with AAMVA.

- Requires the State Auditor to conduct an audit of DMV's compliance with these requirements no later than January 1, 2030, but does not impair the ability of Legislature to request an audit prior to that date.

REAL ID. The budget includes provisional language regarding flexibility of funding to implement REAL ID at the Department of Motor Vehicles.

Mobile Driver License Pilot Program. The budget includes $5 million Motor Vehicle Account to expand mobile app-based identification cards and includes language to increase the cap on the mobile driver license pilot program from 15 percent to 60 percent of licensed drivers.

Information Technology Workload. The budget includes $94.1 million Motor Vehicle Account and 109 temporary positions in 2026-27 to continue the digital eXperience platform informational technology upgrade. The budget also reappropriates previously approved Digital eXperience Platform (DXP) project funding of $32.3 million from the Motor Vehicle Account.

State Operations. The budget includes a one-time increase of $24.5 million Motor Vehicle Account for increased operating costs across DMV's facilities. The budget also includes a technical adjustment to increase its reimbursement authority by $6.4 million in 2026-27, $6.8 million in 2027-28, $7 million in 2028-29, $7 million in 2029-30, and $6.5 million in 2030-31 and ongoing for the continuation of previously approved full cost recovery programs pursuant to the State Administrative Manual Section 8752. In addition, the budget provides four positions in 2026-27 and ongoing at the Motor Vehicle Representative classification level for workload associated with AB 85, the California State Payroll System Project readiness activities, and ongoing cost increases (i.e. salary increases, etc.) for all reimbursable programs.

Field Offices. The budget makes the following investments in Field Offices:

- $4.1 million Motor Vehicle Account to relocate the San Clemente Field Office. •
- $3.9 million Public Buildings Construction Fund for increased costs of the construction phase of the Delano: Field Office Replacement Project.
- $9.8 million in 2026-27, with an extended encumbrance period, from the Motor Vehicle Account, inclusive of resources to support establishing a leased San Francisco Field Office for 2026-27 through 2029-30.
- $21.2 million new Public Buildings Construction Fund and the reversion of $15.5 million Public Buildings Construction Fund for an incremental increase of $5.7 million for the construction phase for the continuing Oxnard: Field Office Reconfiguration project.

VARIOUS

Automation Supports and Equipment. The budget specifies state funds allocated to the Carl Moyer Memorial Air Quality Standards Attainment Program, the Port and Freight Infrastructure Program, the Solutions for Congested Corridors Program, the Clean Off-Road Equipment program, the Commercial Harbor Craft program, the Clean Truck and Bus Voucher Incentive Project, the Trade Corridor Enhancement Program, and the Clean Transportation Program shall not be allocated for the purchase of fully automated cargo handling equipment or for automation supporting improvements or replacements that are used to support fully automated cargo handling equipment.

Local Vehicle Lanes. The budget includes trailer bill language that prohibits reducing vehicle lanes on a road serving two cemeteries in a city exceeding two million people unless specified public hearing, voting, and finding and declaration requirements are met. This definition applies to Forest Lawn Drive in the City of Los Angeles.

Transit and Security Needs. The budget includes Control Section 7.30, which, beginning March 1, 2027, authorizes the Department of Finance, in coordination with the Joint Legislative Budget Committee, to augment or add items of appropriation up to a total of $30 million General Fund for connecting and securing California during national special security events. Of this amount, $20 million is available for transit needs and $10 million is available for security needs, as identified by the Joint Legislative Budget Committee and the Department of Finance.

Transportation Budget and Trailer Bills

1. *Budget Act of 2026 – Assembly Bill 109 (Gabriel), Chapter 19, Statutes of 2026.*
2. *Budget Act of 2026 – Senate Bill 111 (Laird), Chapter 21, Statutes of 2026.*
3. *Budget Act of 2022, 2023, 2024 and 2025 – Assembly Bill 112 (Gabriel), Chapter 22, Statutes of 2026.*
4. *Budget Act of 2026 – Assembly Bill 113 (Gabriel), Chapter 248, Statutes of 2026.*
5. *Bay Area Transit Assistance – Assembly Bill 117 (Committee on Budget), Chapter 6, Statutes of 2026.*
6. *Transportation Trailer Bill – Senate Bill 169 (Committee on Budget and Fiscal Review), Chapter 82, Statutes of 2026.*
7. *Transportation Trailer Bill – Senate Bill 194 (Committee on Budget and Fiscal Review), Chapter 260, Statutes of 2026.*

APPENDIX

Budget and Trailer Bill List i
General Fund Multi-Year Forecast at 2026 Budget Act iii
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BUDGET and TRAILER BILLS

Bill Number	Chapter Number	Topic	Date Chaptered
AB 109	**19**	**Budget Act of 2026 (Gabriel)**	**6/29/26**
SB 110	**20**	**Budget Act of 2026 (Laird)**	**6/29/26**
SB 111	**21**	**Budget Act of 2026 (Laird)**	**6/29/26**
AB 113	**248**	**Budget Act of 2026 (Gabriel)**	**9/18/26**
SB 106	4	Budget Act of 2025 (Laird)	2/11/26
AB 107	5	Budget Acts of 2023, 2024, and 2025 (Laird)	2/19/26
AB 112	22	Budget Acts of 2022, 2023, 2024 and 2025 (Gabriel)	6/29/26
SB 114	249	Budget Acts of 2022, 2023, 2024, and 2025 (Laird)	9/18/26
AB 117	6	Transit and Intercity Rail Capital Program: Loans	2/19/26
AB 126	65	Education	7/9/26
AB 150	25	Early Care and Education	6/29/26
AB 152	26	Human Services	6/29/26
AB 167	251	Higher Education	9/18/26
AB 173	252	Health	9/18/26
AB 175	253	Developmental Services	9/18/26
AB 179	68	Housing	7/13/26
AB 181	66	Education	7/10/26
AB 182	30	November 3, 2026, Statewide General Election: Ballot Measures	6/26/29
AB 184	255	State Government	9/18/26
AB 187	256	Employment	9/18/26
AB 190	257	Early Care and Education	9/18/26
AB 191	354	2028 Olympic and Paralympic Games	9/20/26
AB 192	258	Energy: Transmission Infrastructure Accelerator: Financing	9/20/26
SB 122	23	Taxation	6/29/26
SB 125	24	Education	6/29/26
SB 135	79	Higher Education	7/13/26
SB 163	80	Developmental Service	7/13/26
SB 164	27	Health	6/29/26
SB 165	61	Skilled Nursing Facilities: Reimbursement Rates	7/6/26
SB 166	62	Resources	7/6/26
SB 168	81	Resources	7/13/26
SB 169	82	Transportation	7/13/26
SB 170	28	Governor’s Organization Plan No. 1 of 2025	6/29/26

SB 171	83	Labor	7/13/26
SB 172	84	State Government	7/13/26
SB 174	29	Courts	6/29/26
SB 177	64	Medi-Cal: Fair Share from Big Corporations Act	7/6/26
SB 178	254	Public Resources	9/18/26
SB 180	85	Taxation	7/13/26
SB 186	344	Income Taxes: Film Tax Credits	9/19/26
SB 193	259	Public Resources: Greenhouse Gas Reduction Fund Programs	9/18/26
SB 194	260	Transportation	9/18/26
SB 195	261	Income Taxes: Exclusions: Wildfire Loss Mitigation Payments	9/18/26

General Fund Multiyear Forecast
2026 Budget Act

(Dollars in Millions)

	2025-26	2026-27	2027-28	2028-29	2029-30
RESOURCES:					
Prior Year Balance	$56,707	$57,221	$32,498	$28,401	$19,757
Revenues/Transfers	$238,717	$236,716	$245,230	$250,741	$260,504
Transfer to Budget Stabilization Account	$0	-$3,574	-$3,396	-$3,123	-$2,868
Withdrawal from the Budget Stabilization Account	$7,100	$0	$0	$0	$0
Transfer to the Surplus Account	$0	-$6,388	$6,388	$0	$0
Total Resources	**$302,524**	**$283,975**	**$280,720**	**$276,018**	**$277,393**
EXPENDITURES:					
Proposition 98	$87,746	$92,931	$95,453	$98,973	$102,131
Non-Proposition 98	$157,557	$158,546	$156,866	$157,288	$163,935
Total Expenditures	**$245,303**	**$251,477**	**$252,319**	**$256,261**	**$266,066**
FUND BALANCES:	$57,221	$32,498	$28,401	$19,757	$11,327
Reserve for Encumbrances	$27,998	$27,998	$27,998	$27,998	$27,998
SFEU	$29,223	$4,500	$403	-$8,241	-$16,671
Safety Net Reserve	$0	$0	$0	$0	$0
Budget Stabilization Account (Mandatory Deposits)	$9,697	$13,271	$16,667	$19,790	$22,658
Budget Stabilization Account (Total Deposits)	$11,496	$15,070	$18,466	$21,589	$24,457
Public School System Stabilization Account	$9,195	$9,195	$9,195	$9,195	$9,195
Total Reserves	$49,914	$28,765	$28,064	$22,543	$16,981
BSA mandatory balance as a percentage of General Fund Tax Proceeds	4.2%	5.7%	6.9%	7.9%	8.8%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	16.5%	10.1%	10.0%	8.2%	6.1%
Operating Surplus/Deficit with BSA Transfer	**$514**	**-$18,335**	**-$10,485**	**-$8,643**	**-$8,430**

Note: Totals may not add due to rounding

General Fund Revenues
2026 Budget Act

(Dollars in Millions)

		2025-26	2026-27	2027-28	2028-29	2029-30
1	**Major Revenues**					
2	Alcoholic Beverage Taxes and Fees	413	415	417	420	422
3	Cigarette Tax	35	34	33	32	31
4	Corporation Tax	43,662	45,167	45,979	48,090	49,119
5	Insurance Gross Premiums Tax	4,510	4,728	4,928	5,126	5,331
6	Mobilehome In-Lieu Tax	1	1	1	1	1
7	Personal Income Tax	146,847	145,609	150,288	155,839	161,473
8	Retail Sales and Use Tax	34,588	35,598	36,969	38,074	39,175
9	**Total Major Revenues**	**$230,057**	**$231,551**	**$238,615**	**$247,580**	**$255,552**
10	**Minor Revenues**	**6,824**	**5,808**	**5,934**	**4,972**	**5,010**
11	Local Agencies - Miscellaneous Revenue	(114)	(114)	(114)	(114)	(114)
12	Royalties - State Lands	(49)	(41)	(43)	(32)	(29)
13	Investment Income - Pooled Money Investments	(2,801)	(2,560)	(1,833)	(1,737)	(1,727)
14	Abandoned Property Revenue	(1,667)	(1,958)	(2,751)	(2,448)	(2,552)
15	Cost Recoveries - Other (mainly FEMA Reimbursements)	(1,319)	(752)	(809)	(258)	(201)
16	Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	(645)	(153)	(153)	(153)	(153)
17	Other Miscellaneous Minor Revenues	(229)	(229)	(231)	(230)	(233)
18	**Revenue Transfers**	**7,602**	**-9,599**	**3,373**	**-2,735**	**-2,473**
19	Transfer From Safety Net Reserve	(0)	(0)	(0)	(0)	(0)
20	Transfers from/to the BSA	(7,100)	(-3,574)	(-3,396)	(-3,123)	(-2,868)
21	Projected Surplus Temporary Holding Account	(0)	(-6,388)	(6,388)	(0)	(0)
22	All Other Transfers	(502)	(363)	(381)	(388)	(395)
23	**Loans**	**1,333**	**-1,005**	**300**	**-2,200**	**-453**
24	Loan Repayments from Loan Repayment Drill	(-114)	(-953)	(-649)	(-2,202)	(-455)
25	All Other Loans	(1,448)	(-52)	(948)	(2)	(2)
26	**Total Minor Revenues/Transfers/Loans**	**$15,760**	**-$4,797**	**$9,606**	**$37**	**$2,083**
27	**Total Revenues/Transfers/Loans**	**$245,817**	**$226,754**	**$248,222**	**$247,618**	**$257,636**

*Dollars may not add due to rounding

Proposition 98 Multiyear
2026 Budget Act
(Dollars in Millions)

	2024-25 PY	2025-26 CY	2026-27 BY	2027-28 BY1	2028-29 BY2	2029-30 BY3
General Fund	$77,523	$75,148	$78,855	$81,126	$84,267	$87,057
Education Protection Account GF (Less health care share)	14,793	16,538	14,077	14,327	14,705	15,073
Total Prop 98 General Fund Minimum Guarantee	**$92,316**	**$91,686**	**$92,931**	**$95,453**	**$98,973**	**$102,131**
Arts and Music Education (Proposition 28)	0	0	0	0	0	0
Total Prop 98 General Fund w/ Arts and Music Education	92,316	91,686	92,931	95,453	98,973	102,131
Local Property Tax	32,614	33,574	35,140	36,763	38,234	39,763
Total Prop 98 (including supplemental arts payment)	**$124,929**	**$125,260**	**$128,071**	**$132,216**	**$137,206**	**$141,893**
Settle-Up		-3,940				
Total Prop 98 General Fund Appropriation	**$92,316**	**$87,746**	**$92,931**	**$95,453**	**$98,973**	**$102,131**
Prop 98 Change to Prior-year	*25,507*	*330*	*2,811*	*4,145*	*4,990*	*4,687*
Percent Change to Prior-year	*25.66%*	*0.26%*	*2.24%*	*3.24%*	*3.77%*	*3.42%*
Prop 98 Operative Test	*1*	*1*	*1*	*1*	*1*	*1*
Maintenance Factor Balance	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
Settle-Up Balance	$0	$3,940	$3,940	$3,940	$3,940	$3,940
Mandate Balance	$785	$785	$785	$785	$785	$785
Public School Stabilization Account Transfer	$5,324	$3,871	$0	$0	$0	$0
Public School Stabilization Account Withdrawal	0	0	0	0	0	0
Public School Stabilization Account Balance	**$5,324**	**$9,195**	**$9,195**	**$9,195**	**$9,195**	**$9,195**

General Fund Multiyear N98 Expenditures by Agency
2026 Budget Act
(Dollars in Millions)

N98 excludes Capital Outlay, Debt Service	2025-26	2026-27	2027-28	2028-29	2029-30
Legislative, Executive	$7,162	$3,837	$3,487	$2,877	$2,851
Courts	3,335	3,840	3,608	3,620	3,646
Business, and Consumer Services	26	16	4	0	0
Housing and Homelessness	2,392	1,342	191	192	192
Transportation	208	81	39	33	33
Natural Resources	4,918	3,137	3,985	4,113	4,615
Environmental Protection	273	264	115	163	163
Health and Human Services	90,646	93,111	90,763	93,408	99,073
Corrections and Rehabilitation	14,038	13,968	13,832	13,718	13,717
Education	19,214	20,792	21,155	18,618	18,910
Labor and Workforce Development	1,127	1,020	877	854	818
Government Operations	3,053	4,960	4,333	4,024	3,756
General Government	4,861	5,125	7,138	7,559	7,903
Non-Agency Departments	(1,595)	(1,341)	(1,785)	(1,214)	(1,209)
Tax Relief/Local Government	(757)	(593)	(481)	(482)	(482)
Statewide Expenditures	(2,509)	(3,192)	(4,871)	(5,863)	(6,212)
Capital Outlay	722	480	123	321	114
Debt Service	5,581	6,573	7,217	7,788	8,145
Total N98 Expenditures	**$157,557**	**$158,546**	**$156,866**	**$157,288**	**$163,935**

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Payments Under Proposition 2

2026 Budget Act

(Dollars in Millions)

		Outstanding Amount at Start of 2026-27 [2/]	Use of 2026-27 Pay Down	Proposed Use of 2027-28 Pay Down	Proposed Use of 2028-29 Pay Down	Proposed Use of 2029-30 Pay Down
State Retirement Liabilities						
1	State Retiree Health	$91,476	$0	$399	$427	$440
2a	State Employee Pensions—SB 84 Loan from SMIF		556	556	556	556
2b	State Employee Pensions	64,061	3,018	2,441	2,140	1,872
3	Teachers' Pensions [1/]	85,559	0	0	0	0
4	Judges' Pensions	2,163	0	0	0	0
	Total	**$243,259**	**$3,574**	**$3,396**	**$3,123**	**$2,868**

[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 – 2026-27 and Out Years at 2026 Budget Act

(Dollars in Millions)

		2026-27	2027-28	2028-29	2029-30
	1.5% of General Fund Revenues & Transfers				
1	General Fund Revenues and Transfers (before BSA transfer)	$236,030 1/	$244,488 1/	$250,551 1/	$260,371 1/
2	1.5% of General Fund Revenues & Transfers	$3,540	$3,667	$3,758	$3,906
	Capital Gain Revenues (Sec 20(b))				
3	General Fund Tax Proceeds	$234,509	$240,867	$249,742	$257,710
4	Personal Income Taxes from Capital Gains	$24,703	$24,445	$24,101	$23,649
5	% of General Fund Tax Proceeds	10.5%	10.1%	9.7%	9.2%
6	8% of General Funds Tax Proceeds	$18,761	$19,269	$19,979	$20,617
7	Personal Income Taxes from Capital Gains in Excess of 8% General Fund Tax Proceeds	$5,942	$5,176	$4,122	$3,032
8	Prop 98 Share of Capital Gains Tax Revenue above 8%	$2,334	$2,051	$1,634	$1,202
9	Non 98 Share of Capital Gain Tax Revenue above 8%	$3,608	$3,125	$2,488	$1,830
10	Total Available (Line 2 + Line 9)	$7,148	$6,792	$6,246	$5,736
11	Debt Repayment (50%)	$3,574	$3,396	$3,123	$2,868
12	Deposit to Rainy Day Fund (50%)	$3,574	$3,396	$3,123	$2,868
12.1	Suspension of BSA Deposit	$0	$0	$0	$0
	Fund Balances				
13	**Mandatory Balance from Previous Fiscal Year** (Does not include discretionary amount)	$9,697	$13,271	$16,667	$19,790
14	10 percent of GF Tax Proceeds	$23,451	$24,087	$24,974	$25,771
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)	$3,574	$3,396	$3,123	$2,868
17	Withdrawal from BSA Mandatory Balance	$0	$0	$0	$0
18	**Mandatory Balance (Line 13 + Line 16 + Line 17)**	**$13,271**	**$16,667**	**$19,790**	**$22,658**

Prop 2 Rainy Day Fund – 2026-27 and Out Years at 2026 Budget Act

(Dollars in Millions)

		2026-27	2027-28	2028-29	2029-30
18.1	Mandatory Percentage	5.7%	6.9%	7.9%	8.8%
19	**Overage Balance (amount from previous year)**	**$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 + Line 21)**	**$15,070**	**$18,466**	**$21,589**	**$24,457**
22.1	Total Balance (Line 22) as a Percentage of General Fund Tax Proceeds (Line 3)	6.4%	7.7%	8.6%	9.5%

1/ Excludes $0.7 billion in 2026-27, $0.7 billion in 2028-29, $0.2 billion in 2028-29, and $0.1 billion in 2029-30 for estimated FEMA cost recoveries for COVID-19 and wildfires/storms. Additionally, does not include the transfers to the Projected Surplus Temporary Holding Account which are $6.4 billion transfer from the General Fund in 2026-27 and the same amount is transferred back to the General Fund in 2027-28.