



SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW
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2024-25 Budget: Implementation Updates

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Report Overview

INTRODUCTION

The Legislature and Administration reached an agreement for the 2023-24 budget that authorized General Fund expenditures of \$225.9 billion and assumed \$235 billion in total General Fund resources. The budget agreement also included a variety of actions to cover a projected shortfall of over \$30 billion, in comparison to what was estimated in June 2022. Despite the needed budget adjustments, the state did not dip into reserves and ended with combined budget reserves in the Budget Stabilization Account (BSA) (\$22.3 billion), the Special Fund for Economic Uncertainties (SFEU), and the Safety Net Reserve of approximately \$26.9 billion. An additional \$10.8 billion was estimated for the Public School System Stabilization Account (PSSSA).

On or before January 10th, 2024, the Governor will release his plan for a balanced budget for the 2024-25 fiscal year. However, actual revenue collections have come in significantly below the amount estimated, particularly for the 2022-23 fiscal year. As a result, the Governor and Legislature are faced with making adjustments in the 2024-25 budget. The most recent Legislative Analyst's Office (LAO) analysis, described in their recent report: *The 2024-25 Budget: California's Fiscal Outlook*, assumes a \$68 billion budget shortfall over a 3-year period, mostly due to lower than expected tax collections in 2022-23.

In the coming days, the Governor will release the Administration's updated revenue estimate and the Legislature will begin review of the Governor's plan for balancing the budget. In anticipation of the various budget solutions likely to be proposed, this report is intended to serve as a resource for the Senate on the implementation of various program. Senate Budget Subcommittees will use these reports as the basis for hearings throughout the spring to inform decision-making on the 2024-25 budget.

OVERVIEW OF THE 2023-24 BUDGET

The 2023-24 budget incorporated the priorities of the Legislature and the Administration and included funding for various initiatives and programs. The 2023-24 budget authorized General Fund expenditures of \$225.9 billion and assumed \$235 billion in total General Fund resources. Under the budget act, there were combined total reserves in the Budget Stabilization Account (BSA), the Special Fund for Economic Uncertainties (SFEU), the Public School System Stabilization Account (PSSSA), and the Safety Net Reserve of approximately \$37.8 billion. This reserve total included approximately \$22.3 billion in the BSA.

In building the 2023 budget, the state faced a budget shortfall of over \$30 billion due to deteriorating revenue estimates, in comparison to what was estimated in June 2022. The final budget package closed the estimated budget gap through a combination of solutions that largely avoided making significant cuts to ongoing programs and legislative priorities.

As described by the Department of Finance’s Final Budget Summary document, \$31.7 billion in solutions were included as follows:

- Fund Shifts—\$9.3 billion from shifting expenditures from the General Fund to other funds.
- Reductions—\$8.1 billion in General Fund spending reductions.
- Delays—\$7.9 billion in delayed spending – extending expenditure periods across multiple years.
- Revenue and Internal Borrowing—\$6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances.
- Trigger Reductions—\$340 million in reductions that were intended to be restored in the January 2024 Governor’s Budget if sufficient resources were available.

HIGHLIGHTS OF THE 2023-24 BUDGET

The 2023-24 Budget Act incorporated priorities of the Legislature and the Administration and included funding for various initiatives and programs. Some highlights included:

K-12 EDUCATION

- **Equity Multiplier.** The budget included \$300 million ongoing Proposition 98 General Fund, distributed through the equity multiplier formula, to local educational agencies with school sites that have a prior year non-stability rate of 25 percent, as identified through the Stability Data File, and also have 70 percent of students who are socio-economically disadvantaged.
- **County Court School Funding and Accountability.** The budget provided \$80 million ongoing Proposition 98 General Fund to support county court and community school operations, including protections for declining enrollment and the establishment of the Student Support and Enrichment Block Grant. The budget also included additional accountability measures for court and community schools that improve access for juveniles with a high school diploma or a California high school equivalency to public postsecondary academic and career technical education courses, and improve transparency of operations and funds allocated to county offices of education for court and community schools.
- **2023-24 Budget Solutions.** The budget enacted funding shifts or reductions from previous budgets related to K-12 education, including:
 - A delay of \$550 million General Fund for the Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant program to 2024-25.
 - A total delay of \$1.1 billion Proposition 98 General Fund to the Learning Recovery Emergency Block Grant.
 - Shifted \$1 billion Proposition 98 General Fund from the Hybrid and Zero-Emission Truck and Voucher Incentive Project and related infrastructure to 2024-25 and 2025-26.

- Reduced the appropriation for the School Facility Program from \$4.2 billion to \$4.1 billion General Fund.
- Reduced the appropriation for the Arts, Music, and Instructional Materials Discretionary Block Grant from \$3.48 billion to \$3.28 billion Proposition 98 General Fund.

HIGHER EDUCATION

- **Student Housing at University of California (UC), California Community Colleges (CCC), and California State University (CSU).** The budget avoided delays and cuts to previous, current, and future student housing projects in the following ways:
 - Included solutions that preserve Higher Education Student Housing Grant Program funding for affordable student housing projects across UC, CCC, and CSU campuses by shifting support from General Fund to bonds.
 - Avoided funding delays to the California Student Housing Revolving Loan Fund (Fund) and instead provides \$200 million General Fund in 2023-24 and \$300 million annually from the 2024-25 to 2028-29 fiscal years to provide zero-interest loans to qualifying campuses at UC, CSU, and CCC for the purposes of constructing affordable student, faculty, and staff housing.
- **Financial Aid Reform.** The budget included significant financial aid reforms such as:
 - Provided \$289 million for the Middle Class Scholarship program in 2024-25 to maintain the current level of the program and maintain efforts to reach the goal of Debt Free College.
 - Made foster youth the first population to achieve Debt Free College by expanding the Student Success Completion Grant for CCC foster youth students and, separately, added \$5.2 million General Fund ongoing to the Middle Class Scholarship for CSU and UC foster youth students. Changes to both programs were intended to cover their total cost of attendance.
- **Student Support Programs.** The budget provided ongoing increases to bolster basic needs, including rapid rehousing, mental health services, and food insecurity, and support current and former foster youth, students with disabilities and students of color across all UC, CSU, and CCC campuses.
- **Associate Degree in nursing programs at CCC.** The budget provided \$60 million Proposition 98 General Fund per year for five years, starting in 2024-25, to grow, educate, and maintain the next generation of registered nurses through the community college system.

NATURAL RESOURCES

- **Flood Contingencies.** The budget included \$135 million General Fund, appropriated as follows: \$20 million for the community of Pajaro, \$20 million for the community of Planada, and \$95 million for other response and recovery activities. The Department of Finance has submitted the notification for spending the \$95 million to the Joint Legislative Budget Committee, as follows:
 - \$67 million to Department of Water Resources (DWR) for critical levee repairs;
 - \$14 million to State Water Resources Control Board (SWRCB) to address needs resulting from flood impacts to domestic wells;
 - \$11.7 million to the Department of Social Services to provide direct assistance to individuals affected by floods who are ineligible for support through other programs; and,
 - \$2.3 million to California Department of Food and Agriculture (CDFA) and the University of California to restore services at a flood-damaged animal and food safety laboratory.
- **California Small Agriculture Business Drought and Flood Relief Grant Program.** The budget included \$20 million to the Governor’s Office of Business and Economic Development for the Small Agriculture Business Drought and Flood Relief Grant Program; and \$5 million to CDFA for the California Underserved and Small Producers Program Drought and Flood Relief Grant Program.
- **Flood Control Subventions Program (FCSP).** The budget appropriated \$75 million General Fund to continue implementing FCSP, which provides financial assistance for the state cost-share of federally authorized and federally led flood management projects undertaken by local partners.
- **Disaster Response Emergency Operations Account (DREOA).** The budget appropriated \$25 million in 2022-23 for additional potential flood emergency costs that may have materialized in the current year. (These funds will be provided through the California Office of Emergency Services).

FOOD AND AGRICULTURE

- **Sustainable Agriculture Package.** The budget maintained \$53 million General Fund and Greenhouse Gas Reduction Fund in 2023-24 for the sustainable agriculture package.
- **California Nutrition Incentive Program.** The budget included \$35 million General Fund for the California Nutrition Incentive Program at California Department of Food and Agriculture (CDFA).
- **Enteric Fermentation Incentive Program.** The budget included \$25 million General Fund for the Enteric Fermentation Incentive Program at CDFA.

- **Organic Transition.** The budget included \$5 million General Fund for the Organics Transition Program at CDFA.
- **Oversight Costs for Fairs and Exposition Branch.** The budget included \$2.5 million ongoing from the General Fund to fund existing Fairs and Exposition Branch positions and operating expenses.

ENERGY, AIR QUALITY, AND UTILITIES

- **Zero-Emission Vehicle Package.** The budget maintained \$847 million General Fund and Greenhouse Gas Reduction Fund (GGRF) in 2023-24 for the zero-emission vehicle package.
- **Energy Package.** The budget maintained \$1.3 billion General Fund and GGRF in 2023-24 for the energy package.
- **Clean Energy Reliability Investment Plan.** The budget included \$100 million in 2023-24 for various energy programs.

HEALTH

- **Distressed Hospital Loan Program.** The budget included General Fund expenditure authority of \$150 million in 2022-23 and \$150 million in 2023-24 for the Department of Health Care Access and Information, in collaboration with the California Health Facilities Financing Authority, to administer the Distressed Hospital Loan Program to provide interest free cashflow loans to not-for-profit and public hospitals in significant financial distress, or to governmental entities representing a closed hospital, to prevent the closure or facilitate reopening of those hospitals.
- **Managed Care Organization (MCO) Tax and Provider Rate Increases.** The Legislature approved trailer bill language to assess a tax on managed care organizations operating in California to provide a stable funding source for the delivery of health care services in the Medi-Cal program and support critical investments to ensure access, quality, and equity. The tiered, enrollment-based Managed Care Organization (MCO) tax is assessed from April 1, 2023, through December 31, 2026, and will support: 1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans to account for their projected tax obligation, 2) the nonfederal share of Medi-Cal managed care rates for the delivery of health care services to beneficiaries of the Medi-Cal program, and 3) transfers to the Medi-Cal Provider Payment Reserve Fund to support investments in the Medi-Cal program.
- **Cost-Sharing Reduction Subsidies Beginning in 2024 Coverage Year.** The budget included expenditure authority from the Health Care Affordability Reserve Fund of \$82.5 million in 2023-24 and \$165 million annually thereafter to support a program of financial assistance for individuals purchasing coverage in the Covered California health benefit exchange. For the 2024 coverage year, these subsidies would result in elimination of deductibles and reduction in copayments and other health care cost sharing for more than 600,000 Californians. The Legislature also approved

trailer bill language to require all revenues collected from the individual mandate penalty to be annually deposited in the Health Care Affordability Reserve Fund to be used by Covered California to improve affordability in the health benefit exchange.

HUMAN SERVICES

- **Child Care Rates.** The budget included \$1.65 million one-time General Fund available over two years to provide rate increases and other adjustments to California’s subsidized child care providers, pursuant to the ratified collective bargaining agreement between the state and Child Care Providers United (CCPU). This funding increased monthly child care reimbursement rates by 20 percent and includes an additional \$390 million for health, training, and a first-in-the-nation retirement program for family child care providers.
- **Child Care Family Fee Reform.** The budget included \$29.4 million in federal funds and \$56 million General Fund to enact permanent family fee reform to reduce the costs of child care for low-income families.
- **CalWORKs Permanent 10 Percent Grant Increase.** The budget permanently extended the 10 percent increase to CalWORKs grants that was funded in the Budget Act of 2022 and was set to expire in 2024.
- **Summer Electronic Benefits Transfer (EBT).** The budget included \$47 million (\$23.5 million General Fund) to implement a new federal summer food assistance program for children who qualify for free- or reduced-price school meals beginning summer 2024.
- **CalFresh \$50 Minimum Nutrition Benefit Pilot Program and other Food Assistance Investments.** The budget included \$915,000 in 2023-24 and \$15 million in 2024-25 to implement the CalFresh Minimum Nutrition Benefit Pilot Program, to provide eligible pilot households with a minimum monthly CalFresh benefit of \$50. The budget also includes \$9.9 million General Fund to extend the California Fruit and Vegetable EBT Pilot Project, \$3 million to continue the CalFresh Safe Drinking Water Pilot Program, and \$40 million to implement the California Food Assistance Program (CFAP) expansion by 2025.
- **Support for Foster Youth and Foster Family Agencies.** The budget included \$1 million in 2023-24, \$200,000 in 2024-25, and \$18.8 million in 2025-26 to provide a housing supplement for foster youth in Supervised Independent Living Placements (SILPs), and additionally provided \$10.1 million (\$8 million General Fund) to provide a one-time increase to the current rates paid to foster family agencies.

GENERAL GOVERNMENT

- **California Film and Television Tax Credit Program 4.0.** The budget extended the authority for the California Film Commission (CFC) to allocate, and for qualified taxpayers to claim, the California Motion Picture and Television Production Credit for an additional five years, starting in 2025-26 (Film and Television Tax Credit 4.0) maintaining the current authorization amount of \$330 million per year. The credit structure amended to make it refundable, allowing taxpayers with insufficient tax liability to make use of the credit.

HOUSING & HOMELESSNESS

- **Homeless Housing, Assistance, and Prevention (HHAP) Round 5 and Related Accountability Measures.** HHAP provides local assistance grants to counties, big cities, continuums of care, and tribal governments to aid them in addressing homelessness. The budget included \$1 billion from the General Fund for a fifth round of HHAP funding tied to increased accountability measures, including requiring formation and adherence to a regional coordination plan. Additional adjustments include moving up deployment of “bonus” awards previously withheld and the provision of incentives for meeting certain housing production prerequisites, including submission of a compliant housing element.
- **Multifamily Housing Program Augmentation.** The budget included the provision of an additional \$100 million to the Department of Housing and Community Development’s flagship affordable housing development grant program, bringing the total 2023-24 allocation to \$325 million.

ECONOMIC DEVELOPMENT

- **Additional Year of CalCompetes Grants.** The budget included \$120 million to support a third year of CalCompetes grants, which are designed to incentivize businesses to stay in or move to California. Under the grant-based programs, CalCompetes provides up-front funding to businesses in exchange for their promise to make investments and to hire in California. The budget directs CalCompetes to place particular emphasis on domestic microchip production.
- **Continuation and Expansion of Youth Job Training Programs.** The budget provided for continuation of the Youth Job Corps program, allocating of \$78.1 million annually from the General Fund. The budget also continued and eventually doubles the size of the Climate Action Corps program through the allocation of \$4.7 million annually from the General Fund in 2023-24 through 2025-26, and \$9.3 million in 2026-27.
- **Investment in City of Fresno Public Infrastructure Plan.** The budget redirected \$250 million in General Fund to the City of Fresno’s Public Infrastructure Plan for investment in a high speed rail station, parking, green space, walkability, and water projects in the downtown area.

PUBLIC SAFETY, CORRECTIONS, AND JUDICIAL

- **Prison Closures.** The budget included a net reduction of \$403.1 million General Fund and \$2.8 million special funds to reflect the closures of California City Correctional Facility, the California Correctional Center, and the Division of Juvenile Justice, and the deactivations of facilities at six institutions. The budget also included statutory intent to close additional state prisons and language requiring the Department of Corrections and Rehabilitation to report on operational capacity.
- **San Quentin Rehabilitation Center.** The budget included \$360.6 million one-time Public Buildings Construction Fund and \$20 million one-time General Fund to build a new center focused on rehabilitation, education, and workforce development and make various other facility improvements at San Quentin Rehabilitative Center (formerly San Quentin State Prison). The budget also included statutory exemptions to enable project completion by 2025, as outlined in Senate Bill 135 (Committee on Budget and Fiscal Review), Chapter 190, Statutes of 2023.
- **Rehabilitation and Reentry Programs.** The budget included funding to improve rehabilitative programming and family connection, including \$28.5 million ongoing to implement free phone calling at state prisons as required by SB 1008 (Becker), Chapter 827, Statutes of 2022, \$21 million to support the delivery of rehabilitative programming in prisons statewide, and statutory changes to support community reentry centers and family visitation.
- **Firearm Safety.** The budget included funding to support firearm safety and to combat illegal possession of firearms, including \$21 million for a local gun buyback program, \$4 million for education and outreach in multiple languages around Gun Violence Restraining Orders and Domestic Violence Restraining Orders, \$19.4 million for the Department of Justice workload related to tracking and licensing firearms, and \$17.3 million over three years to expand collaborative courts and improve firearm relinquishment efforts in the courts.
- **Community Assistance, Recovery, and Empowerment (CARE) Act.** The budget included \$55.5 million General Fund in 2023-24, \$106.9 million General Fund in 2024-25, and \$133.0 million General Fund in 2025-26 and ongoing for the Judicial Branch to implement the CARE Act pursuant to SB 1338 (Umberg), Chapter 319, Statutes of 2022. Of this amount, \$32.7 million in 2023-24, \$55.3 million in 2024-25, and \$68.5 million ongoing is for the judicial branch to administer the program. The remaining \$22.8 million in 2023-24, \$51.7 million in 2024-25, and \$64.5 million ongoing is intended to support public defender and legal service organizations that will provide legal counsel to CARE participants.

LABOR

- **Avoids Cuts for Various Programs.** The budget supported a \$25 million Labor and Workforce Development Fund appropriation in 2023-24 for the California Worker Outreach Project, maintains ongoing funding for the Women in Construction priority unit at the Department of Industrial Relations, and maintained a commitment to fund community change learn-and-earn career pathways for community college students from historically underrepresented backgrounds.

- **Domestic Worker and Employer Education and Outreach Program (DWEOP).** The budget included \$35 million Labor and Workforce Development Fund to fund health and safety outreach and education for domestic work employees and employers through an expansion of DWEOP, and makes the program permanent.
- **UI Interest Payment and Unemployment Compensation Disability Fund Loan.** The budget included a one-time loan of \$306 million from the Unemployment Compensation Disability Fund to the General Fund to support the state’s payment of the UI loan interest payment.
- **EDDNext.** The budget included \$198 million (\$99 million General Fund) one-time in 2023-24 to continue the planning and development of EDDNext, for the second year of a five-year plan to modernize the Employment Development Department (EDD).

TRANSPORTATION

- **Transit.** The budget included \$5.1 billion for transit across four years through the Transit and Intercity Rail Capital Program and the Zero Emission Transit Capital Program. SB 125 (Committee on Budget and Fiscal Review), Chapter 54, Statutes of 2023, provides statutory relief to transit operators as well as includes measures for accountability for transit operators to improve ridership and long-term sustainability.
- **Grade Separations.** The budget delayed \$350 million General Fund for the Grade Separations program to 2025-26.
- **Ports and Freight Infrastructure.** The budget included a delay of the \$600 million General Fund for the Port and Freight Infrastructure Program scheduled for 2023-24. This reduction will be implemented by maintaining \$200 million in 2023-24 and providing additional allotments of \$200 million in both 2024-25 and 2025-26. In addition, the budget includes a reduction of a portion of the General Fund scheduled to be provided to the Port and Freight Infrastructure Program in 2023-24 by \$150 million and backfills the decrease with an equal amount from the State Highway Account.
- **Climate Adaptation.** The budget shifted \$200 million for the Climate Adaptation program from the General Fund to the State Highway Account.

**SUBCOMMITTEES
IMPLEMENTATION SNAPSHOT**

Sub. 1 on Education

Sub. 2 on Resources, Environmental Protection and Energy

Sub. 3 on Health and Human Services

Sub. 4 on State Administration and General Government

Sub. 5 on Corrections, Public Safety, Judiciary, Labor and Transportation

PreK-12 Education Implementation Snapshot

IMPLEMENTATION UPDATES:

One-Time Proposition 98 General Fund Block Grants.

- **Arts, Music, and Instructional Materials Block Grant.** The 2022 and 2023 Budget Acts established the Arts, Music, and Instructional Materials Block Grant and appropriated \$3.6 billion in one-time Proposition 98 General Fund. Funds are allocated on a per-unit basis using average daily attendance (ADA) to school districts, county offices of education, and charter schools. Local educational agencies were notified in September 2022 of their allocation amounts and have until June 30, 2026 to encumber the funds.
- **Learning Recovery Emergency Block Grant.** The 2022 and 2023 Budget Acts established the Learning Recovery Emergency Block Grant and appropriated a one-time \$7.9 billion Proposition 98 General Fund, of which \$1.1 billion is delayed for allocation until a later time. Funds are allocated based on a local educational agency's unduplicated pupil percentage to local educational agencies. Local educational agencies were notified in September 2022 of their allocation amounts and have until June 30, 2028 to encumber the funds.

Career Education Investments

- **Golden State Pathways Program.** The 2022 budget included \$500 million for the Golden State Pathways Program, which promotes pathways in high-wage, high-skill, high-growth areas, including technology, health care, education, and climate-related fields. The Department of Education has not yet disbursed funds from the Golden State Pathways Grant program and is expected to distribute funds by Spring 2024. Funds will be available for encumbrance until June 30, 2029.
- **Career Technical Education Incentive Grant Program.** The 2021 budget increased funding for the Career Technical Education Incentive Grant program by \$150 million, for a total of \$300 million ongoing Proposition 98 General Fund. The California Community Colleges receive \$163.5 million ongoing Proposition 98 General Fund for the K-12 Strong Workforce Program. The 2023 budget re-appropriated \$51.5 million in savings from the Career Technical Education Incentive Grant program in the 2021 Budget.

Facilities Funding

- **School Facility Program.** The 2022 budget and 2023 budget ultimately appropriated \$4.1 billion General Fund for the School Facility Program (with the 2023 budget reducing the appropriation by \$100 million General Fund), which ensures that facility funds are available into 2025.
- **Preschool, Transitional Kindergarten, Full-Day Kindergarten Facility Program.** The 2021 budget appropriated \$490 million General Fund, and the 2022 budget included \$650 million General Fund for the Preschool, Transitional Kindergarten, Full-Day Kindergarten Facility Program. However, the 2023 budget included a delay of \$550 million General Fund for the

Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant program to 2024-25, leaving \$100 million for distribution in the 2023-24 fiscal year.

Other One-Time Proposition 98 General Fund Investments.

- **Low to Zero-Emission School Bus Grants.** The 2023 budget delayed \$1 billion of the initial \$1.5 billion Proposition 98 General Fund investment for low to zero-emission school bus procurement that was made in the 2022 budget. The 2023 budget provided intent language to fund \$500 million (\$375 million to the California Air Resources Board for school bus procurement and \$125 million to the California Energy Commission for charging infrastructure) in the 2024-25 fiscal year and \$500 million (\$375 million to the California Air Resources Board for school bus procurement and \$125 million to the California Energy Commission for charging infrastructure) in the 2025-26 fiscal year. Funds have not yet been distributed to local educational agencies; as of January 2024, the California Air Resources Board expects to launch the \$375 million in mid-2024, and the California Energy Commission is currently receiving comments on the implementation of the \$125 million.
- **School Food Best Practices Grant.** The 2022 budget provided \$100 million one-time Proposition 98 General Fund to local educational agencies to increase access or improve the quality of fresh and nutritious school meals. Funding was distributed in June 2023 and must be encumbered by June 30, 2025.
- ***Kitchen Infrastructure Grant Program, 2021 Budget.*** The 2021 budget included \$150 million Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Program to help local educational agencies upgrade kitchens and provide training to school nutrition staff, aligned with the implementation of universal school meals. Funding was distributed in March 2022 and is available until June 30, 2023.
- ***Kitchen Infrastructure Grant Program, 2022 Budget.*** The 2022 budget included \$600 million Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Program to assist local educational agencies upgrade kitchens and provide training to school nutrition staff, aligned with the implementation of universal school meals. \$585 million was distributed in April 2023 and is available until June 30, 2025.
- ***Literacy Coaches and Reading Specialists Program, 2022 Budget.*** The 2022 budget included \$250 million for the Literacy Coaches and Reading Specialists Program, of which \$25 million was used for professional development, to school sites with an unduplicated pupil percentage of 97 percent or above. Local educational agencies received their allocation amounts in January 2023 and have until June 30, 2027 to encumber the funds.
- ***Literacy Coaches, 2023 Budget.*** The 2023 budget included \$250 million for the Literacy Coaches and Reading Specialists Program, of which \$2 million was used for professional development and an evaluation, to school sites with an unduplicated pupil percentage of 95 percent or above and did not receive the first round of funding. Local educational agencies received their allocation amounts in December 2023 and have until June 30, 2028 to encumber the funds.

Overview of federal COVID-19 relief funds that have not yet expired.

Funding Source	Timeline	Eligible Use of Funds	California Allocation Amount	Status
ESSER II <i>CRRSA Act</i> (Federal Funds) Equitable Services Not Required	March 13, 2020 – September 30, 2023	Same as ESSER I Fund (CARES Act): Calls out “additional” LEA allowable uses of funds, such as: <ul style="list-style-type: none"> Addressing learning loss Preparing schools for reopening Testing, repairing, and upgrading projects to improve air quality in school buildings. 	\$6,038,670,479	Apportionments quarterly through December 2023, based on LEA expenditure reporting.
ESSER II SEA Reserve <i>CRRSA Act</i> (Federal Funds) Used for ELO-G Equitable Services Not Required	March 13, 2020 – September 30, 2023	As part of a learning recovery program, funds are to be used for supplemental instruction and support, including: <ul style="list-style-type: none"> Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided Learning supports – tutoring or similar small group instruction, learning recovery programs, training on accelerated learning strategies Integrated pupil supports – health, counseling, mental health services, social and emotional learning Community learning hubs – includes access to technology and connectivity Support to help credit deficient pupils graduate Additional academic services – diagnostic assessments, progress monitoring Training for school staff – social-emotional health, academic needs 	\$670,963,000	Revised allocations released October 2021. Apportionments quarterly through December 2023, based on LEA expenditure reporting.
GEER II <i>CRRSA Act</i> (Federal Funds) Used for ELO-G Equitable Services Not Required	March 13, 2020 – September 30, 2023	As part of a learning recovery program, funds are to be used for supplemental instruction and support, including: <ul style="list-style-type: none"> Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided Learning supports – tutoring or similar small group instruction, 	\$153,992,950	Revised allocations released October 2021. Apportionments quarterly through December 2023, based on LEA expenditure reporting.

		<p>learning recovery programs, training on accelerated learning strategies</p> <ul style="list-style-type: none"> • Integrated pupil supports – health, counseling, mental health services, social and emotional learning • Community learning hubs – includes access to technology and connectivity • Support to help credit deficient pupils graduate • Additional academic services – diagnostic assessments, progress monitoring • Training for school staff – social-emotional health, academic needs 		
<p>ESSER III SEA Reserve – Emergency Needs <i>ARP Act</i> (Federal Funds) Used for ELO-G Equitable Services Not Required</p>	<p>March 13, 2020 – September 30, 2024</p>	<p>As part of a learning recovery program, funds are to be used for supplemental instruction and support, including:</p> <ul style="list-style-type: none"> • Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided • Learning supports – tutoring or similar small group instruction, learning recovery programs, training on accelerated learning strategies • Integrated pupil supports – health, counseling, mental health services, social and emotional learning • Community learning hubs – includes access to technology and connectivity • Support to help credit deficient pupils graduate • Additional academic services – diagnostic assessments, progress monitoring • Training for school staff – social-emotional health, academic needs 	<p>\$437,390,000</p>	<p>Revised allocations released October 2021. Apportionments quarterly through December 2024, based on LEA expenditure reporting. For the most currently available allocation and apportionment information for this fund source please see the ELO-G (Federal Funds) Funding Results web page.</p>
<p>ESSER III SEA Reserve – Learning Loss <i>ARP Act</i> (Federal Funds) Used for ELO-G Equitable Services Not Required</p>	<p>March 13, 2020 – September 30, 2024</p>	<p>As part of a learning recovery program, funds are to be used for supplemental instruction and support, including:</p> <ul style="list-style-type: none"> • Expanded learning – extending the school year or day, or otherwise generally increasing the amount of instructional time/services provided • Learning supports – tutoring or similar small group instruction, learning recovery programs, training on accelerated learning strategies • Integrated pupil supports – health, counseling, mental health services, social and emotional learning 	<p>\$753,985,000</p>	<p>Revised allocations released October 2021. Apportionments quarterly through December 2024, based on LEA expenditure reporting.</p>

		<ul style="list-style-type: none"> • Community learning hubs – includes access to technology and connectivity • Support to help credit deficient pupils graduate • Additional academic services – diagnostic assessments, progress monitoring • Training for school staff – social-emotional health, academic needs 		
ESSER III <i>ARP Act</i> (Federal Funds) Equitable Services Not Required 80%: Resource Code 3213 20%: Resource Code 3214	March 13, 2020 – September 30, 2024	Same as ESSER I and II Funds. Calls out an “additional” LEA allowable use of funds: <ul style="list-style-type: none"> • Developing strategies and implementing public health protocols, including, to the greatest extent practicable, policies in line with guidance from the CDC for the reopening and operation of school facilities to maintain the health and safety of students, educators, and other staff. An LEA must reserve at least 20% of its total ESSER III allocation to address learning loss through intentions such as summer learning, extended school day/year, or afterschool programs. Any such intervention must respond to students’ academic, social, and emotional needs and address the disproportionate impact of COVID-19 on underrepresented student groups.	\$13,571,726,487	Apportionments quarterly through December 2024, based on LEA expenditure reporting For the most currently available allocation and apportionment information for this fund source please see the ESSER III Funding Results web page .
EANS II (ARP EANS) <i>ARP Act</i> (Federal Funds)	March 13, 2020 – September 30, 2024	Same uses as EANS I, but two major program differences: <ul style="list-style-type: none"> • The SEA may only provide services to schools that enroll a significant percentage of low-income students and are most impacted by the COVID-19 emergency • The SEA may not use funds to provide reimbursements to schools 	\$181,312,003	Application period closed January 3, 2022. For the most currently available funding information for this fund source please see the ARP EANS Funding Profile .
HCY I <i>ARP Act</i> (Federal Funds)	March 13, 2020 – September 30, 2024	HCY funding is available in two rounds. HCY I is 25% of the total allocation (\$24,677,307), and is available to existing McKinney-Vento grantees.	\$24,677,307	HCY I funding has been distributed. For the most currently available allocation and apportionment information for this fund source please see the HCY Funding Results web page .
HCY II <i>ARP Act</i> (Federal Funds) Resource Code 5634	March 13, 2020 – September 30, 2024	HCY funding is available in two rounds. HCY II covers the remaining 75% (\$74,080,388), and is to be distributed on a formula based on both an LEA’s share of Title 1, Part A, and its enrollment of	\$74,080,388	HCY II preliminary allocations released March 2022. For the most currently available allocation and

		homeless children and youth in the 2018–19 and 2019–20 school years, whichever is greater.		apportionment information for this fund source please see the HCY II Funding Results web page .
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Acronyms: Assembly Bill (AB); American Rescue Plan Act (ARP Act); Coronavirus Aid, Relief, and Economic Security Act (CARES Act); California Department of Education (CDE); Coronavirus Relief Funds (CRF); Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act); Education Code (EC); Elementary and Secondary School Emergency Relief (ESSER); Emergency Assistance for Non-public Schools (EANS); Expanded Learning Opportunities Grant (ELO-G); Governor's Emergency Education Relief (GEER); Homeless Children and Youth (HCY); Learning Loss Mitigation Funding (LLMF); local educational agency (LEA); personal protective equipment (PPE); State Education Agency (SEA); Senate Bill (SB); to be determined (TBD)

Source: California Department of Education

Higher Education Implementation Snapshot

IMPLEMENTATION UPDATES:

Student Housing

- **Revolving Loan Fund Program (Program).** The Budget Act of 2023 included \$200 million General Fund in 2023-24 and \$300 million in each of the 2024-25 to 2028-29 fiscal years for the Program. The California School Finance Authority (CSFA) and the California Educational Facilities Authority (CEFA) administers the Program, which provides zero-interest loans to qualifying University of California (UC), California State University (CSU), and California Community College (CCC) applicants for campus-based affordable student, faculty, and staff housing. In its September 2023 meeting, the CEFA stated its intent to enter an interagency agreement with CSFA to “utilize its staff and consultants to assist CEFA with various aspects of the Program, including, but not limited to, policy development, underwriting criteria, regulation development, financial model development, form development, a loan tracking system, and evaluating applications and projects.” CSFA and CEFA are also soliciting input from UC, CSU, and other organizations to finalize regulations, technical assistance, and marketing outreach and maximize the financing structures, and post applications by January 2024.
- **Higher Education Student Housing Grant Program.** The Budget Act of 2023 shifted the prior and planned limited-term General Fund support for UC, CSU, and CCC affordable student housing grants to UC-, CSU-, and CCC-issued bonds respectively. The budget also included \$164 million General Fund in 2023-24 and ongoing to support the affordable student housing projects. Campus awardees were named in the 2022 and 2023 Budget Acts, resulting in the program authority for UC and CSU being exhausted. The upcoming 2024-25 fiscal year is the final year of funding for the grant program and the program authority remains for only CCC projects—at roughly \$80 million General Fund. The Budget Act of 2023 included legislative intent language stating that, no later than the adoption of the Budget Act of 2024 a statewide lease revenue bond, or other statewide financing or fiscal approach will be developed and included to support selected community college affordable student housing projects. This policy change will be trailer bill language and part of the budget deliberations for the 2024-25 budget agreement between the Legislature and Governor.

Cal Grant

The Budget Act of 2022 included two “trigger” agreements for 2024-25 that are subject to the state’s revenue forecast in 2024-25 and future fiscal years:

- **Cal Grant Reform Act.** The budget enacts the Cal Grant Reform Act subject to state General Fund availability over the multi-year forecasts beginning in fiscal year 2024-25. Subject to the state’s multi-year financial outlook and availability of funds, the budget agreement will provide \$364.8 million General Fund in 2024-25, \$348.8 million in 2025-26 and ongoing for this reform. The budget also includes \$500,000 General Fund in 2022-23 to support Cal Grant Reform Act implementation costs at California Student Aid Commission (CSAC).

- **Cal Grant Award Changes for Independent, Non-Profit Colleges and Universities.** Subject to the state’s multi-year financial outlook and availability of funds, the budget states legislative intent to provide \$10.4 million General Fund in 2024-25, \$16.4 million in 2025-26 and ongoing to improve regional transfer for low-income students by extending transfer entitlement portability for community college transfer students to those transferring to an independent, non-profit California college or university.

Additionally, recent federal rulemaking could impact the state’s ability to use Temporary Assistance for Needy Families (TANF) funds for Cal Grant purposes and, overall, would restrict states' ability to use TANF dollars to fund college financial aid.

- **TANF and Cal Grant.** Of the \$2.3 billion in Cal Grant spending budgeted for 2023-24, \$1.9 billion is from General Fund and the remaining amount, about \$400 million, is primarily from federal TANF funds, which the California Student Aid Commission (CSAC) receives as a reimbursement from the California Department of Social Services. The TANF funding applies to Cal Grant A and B. As of December 1, 2023, CSAC submitted public comment outlining concerns and potential solutions in response to the rulemaking.

Middle Class Scholarships (MCS)

- Consistent with last year’s budget agreement, the 2023-24 budget provides an additional \$227 million one-time General Fund for MCS, bringing the total funding level to \$864 million. CSAC estimates this funding level will cover about 35 percent of each recipient’s remaining costs. The budget agreement also includes intent to provide \$289 million one-time General Fund in 2024-25 to cover a similar percentage of each recipient’s costs that year.

Enrollment

- **UC Resident Undergraduate Enrollment Growth.** The Budget Act of 2023 directs UC to increase California resident undergraduate enrollment by 7,800 full-time equivalent (FTE) students over a two-year period—from 2021–22 to 2023–24. This increase includes the replacement of nonresident undergraduate students with California resident students at Berkeley, Los Angeles, and San Diego campuses in 2022–23 and 2023–24 (additional detail on that agreement are below). In its November 2023 compact report UC projects that it will reach its target.

The Governor’s compact also directs UC to use a portion of its ongoing base increase to fund one percent resident enrollment growth each year between 2023-24 and 2026-27. As of December 2023, UC projects enrolling 203,661 FTEs in 2023-24, which is a 1.4 percent increase over 2022-23 (197,111 FTEs) and achieving its annual one percent growth targets in the out years.

UC highlights an increase in average credit hours taken by students in 2022–23 and record enrollment of new freshmen as reasons for overall growth. Nevertheless, enrollment of new transfer students remains a challenge.

- **UC Non-Resident Undergraduate Enrollment Replacement.** The Budget Act of 2023 included an increase of \$30 million General Fund in 2023-24 and ongoing to offset revenue

reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses in 2023-24. In the agreement UC is to shift a portion of nonresident undergraduate enrollment at the Berkeley, Los Angeles, and San Diego campuses to resident undergraduate enrollment to achieve a share of nonresident students at every UC campus that is no more than 18 percent of the campus’s undergraduate enrollment. The table below shows the percent share of non-resident undergraduates at these campuses between the 2021-22 and 2022-23 academic years.

Campus	2021-22 Non-resident Enrollment Share (%)	2022-23 Non-resident Enrollment Share (%)	Difference between 2022-23 and 2021-22 (%)
Berkeley	24.4	23.5	-0.9
Los Angeles	23.4	21.8	-1.6
San Diego	23.6	21.8	-1.8
<i>UC Systemwide Total</i>	17.7	17.1	-0.6

As seen above, and stated in the November 2023 UC compact report, the share of nonresident students at Berkeley, Los Angeles, and San Diego decreased by 0.9 percent, 1.6 percent, and 1.8 percent respectively. UC projects achieving the goals set in its agreement by 2026-27.

Campus	2021-22 Non-resident Enrollment Share (%)	2022-23 Non-resident Enrollment Share (%)	2023-24 projected Non-resident Enrollment Share (%)	2024-25 projected Non-resident Enrollment Share (%)	2025-26 Non-resident Enrollment Share (%)	2026-27 Non-resident Enrollment Share (%)
Berkeley	24.4	23.5	22.0	20.6	19.2	18.0
Los Angeles	23.4	21.8	20.4	19.4	18.5	18.0
San Diego	23.6	21.8	20.5	20.1	18.3	18.0
<i>UC Systemwide Total</i>	17.7	17.1	16.4	16.1	15.5	15.3

- CSU Resident Undergraduate Enrollment Growth.** The Governor’s compact directs CSU to use a portion of its \$227.3 million General Fund ongoing increase to fund one percent resident enrollment growth. In a status update to the committee, CSU indicated that its actual 2022-23 enrollment amounts rebounded from last year’s projections- from 356,848 to 362,354 FTEs. The CSU projects enrolling more than 368,000 in 2023-24. As a result, the CSU projects growing enrollment by 1.6 percent over its new 2022-23 baseline. This increase is due to the addition of approximately 5,000 annualized full-time enrolled students in summer instruction and a record increase of new first-year students by approximately 3,000 students in Fall 2023. Despite the record new freshmen increases, transfer declines still exist. CSU estimates that less than 50,000 students transferred to the CSU compared to 62,000 new transfer students in Fall 2020. Similar

to transfer student declines in UC, this decline is attributed to community college enrollment declines, which accelerated at the start of the pandemic.

Programming

- **CCC Growing, Educating and Maintaining the Nursing Workforce.** The budget appropriates, subject to future legislation, \$60 million per year for five years, starting in the 2024-25 fiscal year to expand nursing programs and Bachelor of Science in nursing partnerships to grow, educate, and maintain the next generation of registered nurses through the community college system. The Legislature and Administration will meet with stakeholders, including labor representatives and CCC, to develop the final program structure that will be trailer bill legislation in the 2024-25 budget agreement package.

Natural Resources and Environmental Protection Implementation Snapshot

IMPLEMENTATION UPDATES:

Natural Resources and Environmental Protection Programs

- **Wildfire Prevention Grants.** According to data provided by the Department of Forestry and Fire Protection (CalFire) in December 2023, the 2022-23 budget includes a total of \$115 million (\$80 million General Fund and \$35 million Greenhouse Gas Reduction Fund (GGRF)) for wildfire prevention grants. Ninety-six grants ranging from \$10,000 to \$5 million have been awarded. The 2023-24 budget includes a total of \$117 million (\$82 million General Fund and \$35 million GGRF) for wildfire prevention grants, which have yet to be awarded — These grants are in the application phase. CalFire states that applications will be accepted until January 10, 2024. CalFire offers a 2023-24 Wildfire Prevention Grant Workshop Webinar and is hosting several virtual office hours for the solicitation of these grants.
- **Home Hardening.** California Office of Emergency Services (Cal OES) provides grants for home hardening. The 2021-22 budget appropriated \$21.9 million General Fund for this purpose; Cal OES awarded six grants ranging from \$1 million to \$6 million. As of December 7, 2023, the current program phase includes program development, framework, web-based application tools, and federal environmental approval. The 2022-23 and 2023-24 budgets appropriated \$13 million and \$12 million General Fund, respectively — Funding has yet to be committed for either appropriation. Cal OES anticipates awarding grants ranging from \$1 million to \$13 million for the 2022-23 funding; and \$1 million to \$12 million for 2023-24. Cal OES is currently providing community outreach and solicitation.
- **Vegetation Mapping.** The 2021-22 budget included \$5.5 million General Fund to the California Department of Fish and Wildlife (CDFW) for contracts (\$5 million) and personal services (\$500,000) for purposes of statewide vegetation mapping. The work is made up of three phases: (1) field sampling, (2) classification, and (3) mapping. The 2022-23 and 2023-24 budgets include a total of \$40 million General Fund (\$20 million for each fiscal year) to continue and help complete the mapping. The 2022-23 funding is fully committed to 12 projects ranging from \$400,000 to \$5.3 million each. For the 2023-24 funding, CDFW plans to use this appropriation for 11 contracts ranging from \$500,000 to \$4.2 million each. CDFW anticipates the 2023-24 appropriation will result in 100 percent of the state completed for Phase One, 80 percent of the state completed for Phase Two, and 70 percent of the state completed for Phase Three.
- **SB 1 (Atkins), Chapter 236, Statutes 2021.** The SB 1 Grant Program provides funding for local, regional, and tribal governments to develop sea level rise (SLR) adaptation plans and implement SLR resilience projects along the state's coast and San Francisco Bay. In alignment with this goal, the SB 1 Grant Program will support implementation of SB 272 (Laird), Chapter 384, Statutes of 2023, which requires a local government in the coastal zone or within the San Francisco Bay to develop an SLR adaptation plan by 2034.

The 2022 Budget Act appropriated \$37.5 million GGRF and the 2023 Budget Act appropriated \$54.5 million General Fund to the Ocean Protection Council (OPC), for implementation of SB 1. With an additional \$10 million anticipated in the 2024-25 budget, the total amount of funding over these three fiscal years is \$102 million.

- **SLR Adaptation Grant Program.** OPC approved the SB 1 Grant Program in August 2023; and as of December 1, 2023, anticipates launching the grant program by the end of the same year. The grant program will offer two tracks of funding:
 - *Track One:* SLR adaptation planning projects (projects ranging from \$200,000 to \$1.5 million in size) projects will be accepted through a rolling, quarterly, non-competitive process.
 - *Track Two:* SLR adaption implementation projects (projects ranging from \$1.5 million to \$20 million in size) will be accepted through a competitive process starting in mid-late 2024.
- **SB 1 Technical Assistance (TA) Program.** OPC is currently in the process of establishing a complementary SB 1 TA program that will provide targeted TA to potential applicants of this grant program.
- **SLR.** A total of \$554.5 million (\$437 million General Fund and \$117.5 million GGRF) is appropriated to the State Coastal Conservancy (SCC) over two years — \$157.5 million in 2022-23 and \$397 million in 2023-24 — for project grants to address SLR, a portion of which is dedicated to nature-based projects. As of November 16, 2023, \$299 million has been committed to 62 projects with grants ranging from \$30,000 to \$30 million. The remaining balance totals \$260.5 million. SCC project managers are actively working on developing projects, reviewing applications, and providing technical assistance. The next SCC meeting is scheduled for February 15, 2024.
- **Coastal Protection and Adaption.** A total of \$326 million General Fund is appropriated to SCC over two years — \$175 million in 2022-23 and \$151 million in 2023-24 for coastal protection and adaptation project grants. As of November 16, 2023, \$154.9 million has been committed to 90 projects with grants awarded between \$40,000 and \$10 million. The remaining balance totals \$171.1 million. SCC project managers are actively working on developing projects, reviewing applications, and providing technical assistance; and the next upcoming SCC meeting is scheduled for February 15, 2024.
- **Organics Grant Program.** This program provides funding to expand existing capacity or establish new facilities to reduce the volume of green materials, food materials, or alternative daily cover sent to landfills.

The 2021-22 budget appropriated a total of \$90 million (\$20 million General Fund and \$70 million GGRF) to the Department of Resources Recycling and Recovery (CalRecycle) for organics and community composting grants ranging from \$300,000 to \$3 million; and \$4.75 million GGRF was allocated to the Community Composting for Green Spaces Grant Program. Seven grants have been awarded for organics and eight grants for composting. According to CalRecycle, organics grants will be awarded in December 2023; and composting grant

applications are due January 23, 2024. The remaining balance of the GGRF appropriation is \$65.75 million.

The 2022-23 budget appropriated a total of \$15 million General Fund to CalRecycle for the Organics Grant Program, of which \$13.7 million has been committed. According to CalRecycle, the remaining \$1.3 million will be awarded in December 2023. Quarterly progress reports are required until the grant term end date of April 1, 2025.

- **Co-Digestion Grant Program.** This program provides funding to build new and expanded food waste co-digestion projects at existing wastewater treatment plants to achieve greenhouse gas emissions reductions by increasing the tonnage of organic waste diverted from landfills to co-digestion systems. A total of \$20 million General Fund (\$10 million in 2021-22 and \$10 million in 2022-23) was appropriated to CalRecycle for the Co-Digestion Grant Program. All funding has been awarded for five projects ranging from \$2.5 million to \$4.2 million. Quarterly progress reports are required until the grant term end date of April 1, 2025.

Also in the 2022-23 budget, \$10 million GGRF was appropriated to CalRecycle for the same program, of which \$5 million has been committed to one project. The remaining balance of \$5 million is scheduled to be awarded in December 2023.

- **SB 1383 Local Assistance Grant Program.** This program provides non-competitive grants to local jurisdictions to assist with the implementation of California’s Short-Lived Climate Pollutant Reduction Strategy, reducing the amount of compost materials disposed in landfills and increasing rescue of edible food for human consumption that is currently disposed. The 2021-22 budget appropriated \$60 million GGRF, of which \$56.6 million has been awarded to 467 projects ranging from \$20,000 to \$5.1 million. Semi-annual reporting is required until the grant term end date of April 1, 2024. The 2022-23 budget appropriates \$180 million GGRF — As of December 7, 2023, CalRecycle anticipates \$61 million will be awarded by the end of the year, focusing on infrastructure. The remaining amount is scheduled to be awarded in March 2024.

Food and Agriculture Implementation Snapshot

IMPLEMENTATION UPDATES:

Food and Agriculture

- **Healthy Soils.** The Healthy Soils Program includes three components: Demonstration Grants, Block Grants, and Incentive Grants. California Department of Food and Agriculture (CDFA) has completed the grant cycle for the first two components in 2023: the department has awarded \$1.1 million to eight demonstration projects and \$62 million to 14 block grantees. As of December 2023, CDFA anticipates opening the grant application period for direct-to-farmer incentive grants in January 2024. Approximately \$11 million will be available.
- **Dairy Digester Research and Development Program (DDRDP).** As of December 2023, CDFA has received 17 applications requesting \$24.1 million in grant funds for dairy digesters. The department expects to award the grants later in the month, and begin the next grant cycle in March 2024. As of September 26, 2023, 74 percent of DDRDP's 129 projects have been completed.
- **Alternative Manure Management Program (AMMP).** In November 2023, CDFA awarded \$21.4 million to 31 projects through AMMP. These funded projects are expected to begin in March 2024. The next grant cycle is anticipated to begin in spring 2024. As of September 18, 2023, 76 percent of AMMP's 139 incentive projects have been completed.

Energy, Utilities, and Air Quality Implementation Snapshot

IMPLEMENTATION UPDATES:

Energy Programs

- **SB 2 X1.** The Division of Petroleum Market Oversight, an independent agency within the California Energy Commission (CEC), held several workshops throughout the fall, including ones on SB 2 X1 (Skinner), Chapter 1, Statutes of 2023-24 First Extraordinary Session and SB 1322 (Friedman), Chapter 836, Statutes of 2023, Rulemaking Proceeding; the Maximum Gross Gasoline Refining Margin and Penalty; and the Transportation Fuels Assessment. In addition, the Division has sent a public letter to Governor Newsom highlighting several market flaws that make California gasoline prices vulnerable to price spikes.
- **National Electric Vehicle Infrastructure (NEVI) Program.** On October 26, 2023, the CEC has released a grant solicitation for \$40.5 million in NEVI formula funds. This funding is aimed to fund six corridor projects consisting of 270 DC fast chargers and 26 new stations. Applications are due by January 26, 2024. CEC anticipates to award the funding by April 2024.
- **Clean Transportation Program (CTP).** In November 2023, the CEC released the 2023-24 Investment Plan Update for the CTP, which included the proposed funding allocations for 2023-24 through 2026-27. In 2023-24, a total of \$438.5 million is proposed to be allocated to Clean Truck, Bus, and Off-Road Equipment Infrastructure (\$137.8 million), School Bus Infrastructure (\$125 million), Equitable At-Home Charging (\$95 million), among other programs.
- **Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES).** In October 2023, the U.S. Department of Energy (DOE) selected California's ARCHES Hydrogen Hub application as one of seven Regional Clean Hydrogen Hubs across the nation. California is eligible to receive up to \$1.2 billion to advance deployment of clean hydrogen. As of December 2023, ARCHES is collaborating with DOE to determine the final award amount and create a detailed implementation plan with a realistic project schedule.

Utilities Programs

- **Community Solar.** The California Public Utilities Commission (CPUC) is currently in the process of implementing AB 2316 (Ward), Chapter 350, Statutes of 2022 to evaluate the existing Green Access Programs and to consider whether it would be beneficial for the CPUC to adopt a new community renewable energy program, which would need to be developed and adopted no later than July 1, 2024. On November 6, 2023, the assigned Administrative Law Judge overseeing this proceeding issued a ruling to seek additional comments on specific aspects of the Coalition for Community Solar Access' proposed Net Value Billing Tariff. Comments to the ruling were due on November 27, 2023, and reply comments on December 7, 2023. Concurrently, a coalition of California state agencies submitted a Solar For All application to the U.S. Environmental Protection Agency seeking \$400 million.
- **Broadband.** CPUC is in the process of awarding about \$2 billion in grants for last mile broadband infrastructure projects. The first grant application window closed in September

2023—in total, CPUC received 484 applications which requested \$4.6 billion. In addition, CPUC is implementing the Broadband Equity, Access, and Deployment (BEAD) program, which is a federal formula-based funding program. California has been allocated approximately \$1.9 billion through BEAD. CPUC is in process of public engagement and developing an initial proposal to the federal government to implement the program.

- **Income-Based Fixed Charge.** CPUC has an active proceeding (Rulemaking 22-07-005) soliciting stakeholder input to adopt an income-graduated fixed charge by July 1, 2024, as required by statute. The administrative law judge overseeing the proceeding has noted their intent to issue a proposed decision in the first quarter of 2024.
- **Intervener Compensation Program (ICOMP).** In November 2023, CPUC approved 24 ICOMP claims to 11 unique interveners, totaling \$1.7 million. To date, CPUC has resolved 159 claims in the past year.

Air Quality Programs

- **Low Carbon Fuel Standard (LCFS).** As of early December 2023, CARB is still developing the regulatory package to amend LCFS. However, the package is expected to be released in late December, with an extended comment period. CARB expects to take up the amendments in the following months.
- **Clean Vehicle Rebate Program (CVRP).** On November 8, 2023, California Air Resources Board (CARB) has closed CVRP from accepting new applications. All applications received prior to that date have been placed on the standby list, and rebates will be provided until all funds have been exhausted.
- **Clean Cars 4 All.** Under the 2023-24 Funding Plan for Clean Transportation Incentives, CARB adopted the proposed allocation of \$28 million for Clean Cars 4 All—\$14 million for the statewide program and \$14 million for the programs run by the local air districts. CARB estimates the program will complete 3,400-4,150 projects in 2023-24 and expend between \$49 and \$59 million.

Health Implementation Snapshot

IMPLEMENTATION UPDATES:

Multiple Departments

- **Children and Youth Behavioral Health Initiative.** The 2021 Budget Act established the Children and Youth Behavioral Health Initiative, a multi-departmental, multi-billion dollar, six-year investment to improve access to behavioral health services for children and youth up to age 25. The 2022 Budget Act included additional resources to address the most urgent needs and emergent issues in children’s mental health. These initiatives included several components to foster partnerships between schools and behavioral health programs, clarify reimbursement relationships for behavioral health services provided to children and youth, implement new evidence-based treatment services, develop the behavioral health workforce necessary to provide access to services for children and youth, and establish information technology and other tools to make it easier to connect to providers and services. The status of implementation of major components of these initiatives is as follows:

Department of Health Care Services (DHCS)

- *Behavioral Health Services and Supports Platform.* \$696.6 million General Fund was allocated over six years for DHCS to support planning and implementation of a behavioral health services and supports platform to expand upon the existing CalHOPE system established during the COVID-19 pandemic. DHCS began planning and development activities for the Behavioral Health Services and Supports Platform in 2021-22 and released a Request for Information (RFI) in July 2022. DHCS has selected Kooth as the vendor for the platform to support the delivery of equitable, appropriate, and timely behavioral health services to youth and young adults, and will be seeking an additional vendor to develop an eConsult capability. DHCS expects to launch the platform on January 1, 2024.
- *Medi-Cal Managed Care Plan Student Behavioral Health Incentive Program (SBHIP).* \$400 million (\$200 million General Fund and \$200 million federal funds) was allocated for DHCS to support incentives for Medi-Cal managed care plans to provide mild-to-moderate behavioral health services to students in partnership with schools and county behavioral health departments. DHCS began implementation of the Student Behavioral Health Incentive Program (SBHIP) in January 2022. Twenty-three Medi-Cal managed care plans covering 58 counties are participating, having formed partnerships with 307 local educational entities and County Offices of Education statewide. Each plan partnership was required to submit a behavioral health needs assessment and will report bi-quarterly on progress, successes, challenges, and modifications to proposed interventions.
- *School-Linked Behavioral Health Partnerships.* \$550 million General Fund was allocated to DHCS to support school-linked behavioral health partnerships, with \$400 million to support county behavioral health department partnerships with schools and \$150 million to support behavioral health services in higher education. As of December 2023, no grant funding for school-linked behavioral health partnerships has been awarded from the \$550 million allocation for this purpose.

Department of Health Care Services (DHCS)**Mental Health Services Oversight Accountability Commission (MHSOAC)**

- *Evidence-Based Practices and Community-Defined Evidence Practices Grant Program.* \$429 million General Fund was allocated for DHCS, in coordination with MHSOAC, to develop and expand evidence-based behavioral health programs addressing early psychosis, disproportionately impacted communities and communities of color, youth drop-in wellness centers, intensive outpatient programs for youth, and prevention and early intervention services for youth. In July 2023, DHCS announced \$30.5 million had been awarded to 63 entities for parent and caregiver support programs that include Positive Parenting Practices, Incredible Years, Healthy Steps, and other programs. In December 2023, DHCS announced that \$150 million had been awarded to 262 organizations to support wellness and build resilience of children, youth, and young adults. Of that amount, \$100 million will support trauma-informed practices and programs and \$50 million will support youth driven programs to provide safe spaces for youth and young adults.

Department of Health Care Services (DHCS)**Department of Managed Health Care (DMHC)**

- *Statewide Fee Schedule for Behavioral Health Services at School Sites.* AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, requires DHCS, in collaboration with DMHC, to develop and maintain a school-linked statewide fee schedule for outpatient mental health or substance use disorder treatment provided to a student 25 years of age or younger at a school site. A health care service plan, including a Medi-Cal managed care plan, or an insurer will, commencing January 1, 2024, be required to reimburse school-based services provided to one of its members according to the fee schedule, regardless of whether the provider is within the plan's or insurer's contracted provider network. DHCS and DMHC plan to implement the fee schedule in three cohorts. In December 2023, DHCS announced the first cohort of 47 local educational agencies (LEAs) approved to participate in the fee schedule beginning January 1, 2024. The first cohort is composed of early adopters determined to be operationally ready by DHCS and will be a learning cohort. The second cohort will expand the number of participating LEAs and will include California Community College campuses, beginning July 1, 2024. The third cohort, beginning January 1, 2025, will expand eligibility to all remaining LEAs, California Community College campuses, California State University campuses, and University of California campuses.

Mental Health Services Oversight Accountability Commission (MHSOAC)

- *Mental Health Student Services Act Augmentation.* \$205 million was allocated to the Mental Health Services Oversight and Accountability Commission (MHSOAC) for the Mental Health Student Services Act, which supports grants to school and county mental health partnerships that support the mental health and emotional needs of children and youth. 57 of 58 counties received funding for school mental health partnerships (Alpine County was unable to support a program). Examples of projects supported by these grants include: 1) *Tulare County* - training to teachers, staff, and parents on mental health literacy and related topics to increase awareness and access to services; 2) *Placer County* – implementation of school-wide prevention curriculum to support student wellness, aimed particularly at transitional kindergarten and kindergarten students having difficulty transitioning to school during the pandemic; 3) *San Luis Obispo County* – outreach to support the health and wellbeing of students and families, including clothing and school supply giveaways.

Department of Health Care Access and Information (HCAI)

- *Behavioral Health Workforce Development.* \$765 million General Fund was allocated for HCAI to support programs to improve the capacity of the behavioral health workforce, including behavioral health counselors and coaches, substance use disorder counselors, psychiatric nurse practitioners, community health workers, psychosocial rehabilitation specialists, peer support specialists, and social workers. The program has provided grants that: 1) support the training of 703 psychiatric mental health nurse practitioners, 26 psychiatry residents, 13 child and adolescent fellows, six addiction fellows; 2) provide scholarships and loan repayments to 302 individuals; 3) support development of 2,515 peer support specialists in 37 counties; 4) support six organizations to provide earn and learn opportunities for substance use disorder services providers; 5) support 134 community-based organizations to recruit and retain behavioral health personnel with loan repayments, scholarships and stipends; 6) support seven new programs and expand 16 existing programs for graduate and undergraduate social work training; and 7) develop a new certified wellness coach program to promote wellness and education, and provide screening, care coordination and extension, individual support, group support, and crisis referrals.

Department of Health Care Access and Information (HCAI)

- **CalRx Biosimilar Insulin Initiative.** The 2022 Budget Act included \$50 million General Fund to develop three interchangeable biosimilar insulin products and \$50 million General Fund to support construction of an insulin manufacturing facility based in California. In March 2023, CalRx announced it had partnered with CivicaRx to develop its biosimilar insulin products. The first products, which will cost no more than \$30 for a 10mL vial of insulin or \$55 for a five-pack of 3mL pens, are expected to receive federal approval and be available to the public sometime in 2024.

Department of Health Care Services (DHCS)

- **Full-Scope Medi-Cal for All Regardless of Immigration Status.** The 2023 Budget Act includes \$1.4 billion (\$1.2 billion General Fund and \$150.6 million federal funds) to support the expansion of full-scope Medi-Cal coverage to all income-eligible Californians ages 26 to 49 regardless of immigration status. This expansion represents the final piece in a nearly decade-long effort to expand Medi-Cal for all Californians that began in 2015 with expansion of eligibility to children. As of January 1, 2024, all income-eligible Californians, including approximately 700,000 in the 26 to 49 age cohort, are eligible for full-scope Medi-Cal coverage. DHCS estimates approximately 90 percent of newly eligible Californians were previously enrolled in restricted scope Medi-Cal coverage and were automatically transitioned to full-scope coverage on January 1, 2024. Those Californians that are newly eligible but not currently enrolled are expected to transition into coverage over the next few years.
- **Managed Care Organization Tax and Provider Rate Increases.** AB 119 (Committee on Budget), Chapter 13, Statutes of 2023, assesses a tax on managed care organizations operating in California to provide a stable funding source for the delivery of health care services in the Medi-Cal program, and support critical investments to ensure access, quality, and equity. The tiered, enrollment-based Managed Care Organization (MCO) tax will be assessed from April 1, 2023, through December 31, 2026, on all full-service health plans licensed by the Department of Managed Health Care (DMHC)

or contracted with the Department of Health Care Services (DHCS) to provide services to Medi-Cal beneficiaries. In addition, AB 119 establishes the Managed Care Enrollment Fund, into which the revenues from the tax will be deposited, and makes those revenues available, upon appropriation by the Legislature, to DHCS for the purposes of funding: 1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans to account for their projected tax obligation, 2) the nonfederal share of Medi-Cal managed care rates for the delivery of health care services to beneficiaries of the Medi-Cal program, and 3) transfers to the Medi-Cal Provider Payment Reserve Fund to support investments in the Medi-Cal program. The 2023 Budget Act included: 1) \$241 million to support reimbursement rate increases for primary care, obstetrics, doula services, and non-specialty mental health up to 87.5 percent of the Medicare rate, beginning in January 2024; 2) \$75 million for graduate medical education, beginning in January 2024; 3) \$150 million in additional funding to the Distressed Hospital Loan Program; and 4) \$50 million for small and rural hospital relief for seismic assessment and construction. On December 19, 2023, the federal Centers for Medicare and Medicaid Services (CMS) approved the tax and the reimbursement rate increases for 2024. The remaining funding available for provider rate increases, approximately \$10 billion over the next three years, will be subject to appropriation by the Legislature in the upcoming budget process and subsequent approval by CMS.

- **Behavioral Health Continuum Infrastructure Program and Bridge Housing.** Due to the General Fund shortfall, the 2023 Budget Act authorized delay of Round 6 of the Behavioral Health Continuum Infrastructure Program (BHCIP), which comprises the final \$480 million of the \$2.2 billion allocated for the program, from 2022-23 until 2024-25 and 2025-26. In addition, the 2023 Budget Act includes expenditure authority from the Mental Health Services Fund of \$265 million, to support the Behavioral Health Bridge Housing program in 2023-24, and authorizes delay of the final \$250 million of the \$1.5 billion allocated for the program, from 2023-24 until 2024-25.

California Health Benefit Exchange (Covered California)

- **State Cost-Sharing Reduction Subsidies.** The 2023 Budget Act included expenditure authority from the Health Care Affordability Reserve Fund of \$82.5 million in 2023-24 and \$165 million annually thereafter to support a program of financial assistance for individuals purchasing coverage in the Covered California health benefit exchange. For the 2024 coverage year, Covered California has implemented state-supported cost-sharing reduction subsidies that will reduce out-of-pocket health care costs for over 650,000 consumers, beginning on January 1, 2024.

Human Services Implementation Snapshot

IMPLEMENTATION UPDATES:

California Department of Aging (CDA)

- **Advancing Older Adult Behavioral Health.** The 2023 Budget Act includes \$50 million over three years to continue Master Plan for Aging work on behavioral health needs for older adults. The Request for Proposals (RFP) to continue the Older Adult Friendship Line in the next funding cycle is out for bid; prior historical performance averaged 5,784 calls per month from November 2022 to October 2023 with a total of 69,408 calls per year. The ethnic media campaign and community capacity building grants are in development.
- **Bridge to Recovery Grants.** The 2022 Budget Act included \$61.4 million General Fund one-time to provide grants to adult day programs to combat senior isolation. CDA awarded grants on October 20, 2023 totaling \$20.1 million, and intends to conduct a second round of application solicitations in fall/winter 2023. Funding supports the return to in-person congregate services for at-risk older adults and people with disabilities. Providers will use funding to remediate for health and safety post COVID as well as shore up staffing for return to full operations.
- **California GROWs Direct Care Workforce Program.** The 2021 Budget Act included \$150 million as part of the Home and Community-Based Services Spending Plan to launch a statewide Direct Care Workforce Training and Stipends Program. The program officially launched in June 2023 and consists of two components: an on-line training and stipends program called Career Builder and additional specialized training and stipends programs called Learn and Earn programs. As of October 31, 2023, 4,782 caregivers have begun courses in the program; 20,553 courses have been completed, and 3,310 caregivers have applied to receive stipend payments. CDA has paid out \$792,695.76 in stipends with an average payment of \$461.

Department of Developmental Services (DDS)

- **DDS Rate Model Implementation and Quality Incentives.** The 2021 Budget Act began the phase-in of a major overhaul of DDS service provider rates, replacing an outdated rate structure with a new model based on a 2020 study. Implementation of the new rate models is ongoing, with the final phase of rate increases scheduled for July 1, 2024. DDS is building out a Quality Incentive Program which will equal 10 percent of the rate model upon full implementation. Currently, five Quality Incentive Program measures are currently available for provider incentives: Workforce Capacity and Services Access; Employment Access; Employment Capacity; and Prevention and Wellness. Four additional measures are under development: Informed Choice and User Satisfaction (also known as the PAVE pilot), Employment Satisfaction, Early Intervention, and the Service Provider Directory.

- **Social Recreation and other restored services.** The 2021 Budget Act restored a number of services that were suspended during the Great Recession, including: social recreation, camping, educational services for children 3-17, and nonmedical therapies such as specialized recreation, art, dance, and music. Trailer bill language included in the 2023 Budget Act prohibits regional centers from placing certain restrictions on these services to ensure they are made widely available to individuals with IDD, not only for socialization, but to lead the lives they want in the community. According to subcodes established by DDS for reporting social recreation and camping services, 1,593 unique individuals received services in 2021-22 and 8,777 in 2022-23. Approximately \$14.7 million has been claimed under the subcodes for restored services through 2022-23 according to the most recently available Home and Community-Based Services Spending Plan data. DDS issued correspondence to regional centers on November 3, 2023, requiring regional centers to review and revise purchase of service policies for compliance with the changes in trailer bill language. Regional centers are required to submit policies within 60 calendar days.
- **Autism Services Branch.** The 2023 Budget Act includes \$1 million to establish an Autism Services Branch within DDS. As of December 13, 2023, DDS had hired four staff and is in the process of hiring two additional positions. The branch has launched an Autism Helpline phone number and designated email inbox, held meetings with the DDS Autism Focus Group, and is currently developing a resource website, drafting updated best practices for diagnosing and assessing Autism, and conducting various outreach activities.
- **Reduced Caseload Ratios for children 0-5.** The 2023 Budget Act includes \$102.1 million (\$68.5 million General Fund) to reflect updated caseload ratios reduced caseload ratios of 1:40 for children ages 0-5, in addition to \$65.5 million (\$45.1 million General Fund) in 2022-23 and \$82.5 million (\$55.8 million General Fund) ongoing in the 2022 Budget Act to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). The 2021 Budget Act additionally included \$61 million General Fund to reduce caseload ratios at all regional centers. As of March 2023, regional centers have hired 1,302 new service coordinators.
- **Employment Opportunity Service Model Pilot.** The 2022 Budget Act included \$8.4 million (\$5.1 million General Fund) one-time, available over three years, to establish a service model pilot program focused on expanding employment opportunities for individuals with intellectual and/or developmental disabilities who are currently earning subminimum wages or are recent high school graduates. DDS has worked with stakeholders to develop program specifications for a new service: person-centered career planning via newly created career pathway navigators and customized employment specialists. DDS is working on establishing the rate structure and preparing written guidance to the regional centers, and statewide launch is anticipated in winter 2024.
- **Direct Service Professional (DSP) Pay Differential.** The 2021 Budget Act included \$3.6 million (\$2.2 million General Fund) in 2021-22, increasing to \$10.8 million (\$6.5 million General Fund) ongoing to create a wage differential for bilingual service provider staff.

DDS reports a soft launch of the program will be completed during December 2023 and January 2024, with a statewide rollout anticipated in winter 2024.

- **DDS Workforce Stability.** The 2022 Budget Act included \$185.3 million General Fund one-time to address challenges in recruiting and retaining regional center service coordinators and DSPs. This initiative includes training stipends for DSPs; a three-month training and internship program intended to establish an entry point into DSP career paths; a tuition reimbursement program for regional center service coordinators pursuing advanced degrees in health and human services-related fields; and a technology pilot for remote supports. As of October 30, 2023, 17,381 DSPs have registered for training, with 15,498 competing one course and 10,110 completing two courses and earning \$625 training stipends. The internship program is anticipated to launch in fall 2023. The tuition reimbursement program launched in March 2023 and as of October 30, 2023 there were 179 regional center staff members participating. The technology pilot for remote supports is anticipated to launch winter 2023-24, with selected providers currently receiving training.

Department of Rehabilitation

- **Disability Innovation Fund/ Subminimum wage to CIE project.** The 2023 Budget Act includes \$11.2 million in federal fund authority over four years) for the California Subminimum Wage to Competitive Integrated Employment Project (CSP). In just five months since its launch, there are 38 participants with intellectual or developmental disabilities enrolled in the program, benefitting from services such as disability support classes, career exploration, work experience, and career technical education to gain competitive integrated employment. The program remains on track to meet the goal of serving 400 participants before the end of the grant period in September of 2027.
- **Federal Fund Authority for the Vocational Rehabilitation Program.** The 2023 Budget Act includes an increase of \$180 million in federal fund authority over the next three fiscal years (\$60 million each year beginning in 2023-24 through 2025-26) to expand Vocational Rehabilitation services to individuals with disabilities. As of October 2023, DOR has 117,542 participants in the DOR's vocational rehabilitation program, which represents a 16 percent increase from 2022. The number of participants receiving DOR Student Services has increased by 18 percent.
- **Community Living Fund.** The 2022 Budget Act includes \$10 million General Fund one-time, available over three years to assist non-Medi-Cal eligible older adults and persons with disabilities in transitioning from nursing homes to an independent living community. As of November 27, 2023, DOR has served 258 individuals with institutional transition and diversion services through grants with 30 community-based organizations throughout the state. Of those that were served, 237 individuals are receiving services to prevent them from going into an institutional setting and 21 individuals are receiving services to transition from an institution to independent living in the community.

Department of Child Support Services

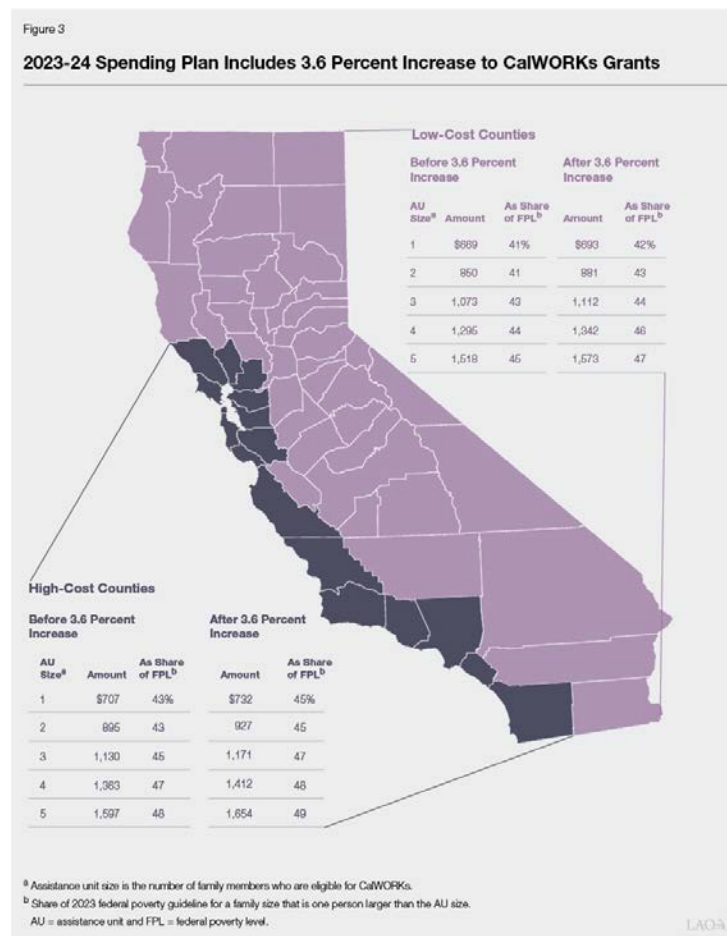
- **Child Support Pass-Through to Formerly CalWORKs Families.** The 2022 Budget Act included \$187 million ongoing to waive the state's share of recoupment of child support payments for families formerly receiving CalWORKs benefits. Implementation was originally slated for July 1, 2023, however due to automation delays with the Child Support Enforcement System, the revised implementation date is April 2024. Implementation of the full pass-through for current CalWORKs families is contingent on an appropriation in 2024-25.

Child Care

- **Child Care Family Fee Reform.** The 2023 Budget Act included \$56 million General Fund to permanently overhaul the family fee structure for low-income families receiving subsidized child care, with families below 75 percent of the state median income paying no fee, and families at or above 75 percent of the state median income paying fees capped at one percent of their income. This new fee structure became effective October 1, 2023. Under the new fee structure, approximately 98 percent of families served do not pay a fee, with the remaining families are responsible for paying fees ranging from about \$27 to \$60 per month.
- **Child Care Rates Package.** The 2023 Budget Act included a child care rates package of over \$1.63 billion General Fund over two years (\$2 billion total including Prop 98 Funds for the California State Preschool Program), which includes one-time transitional payments and monthly supplemental rate increases for all subsidized child care providers, as well as other changes including health, retirement, and training benefits for family child care providers, pursuant to a collectively bargained agreement between the state and Child Care Providers United (CCPU). CDSS issued one-time transitional payments to family child care homes in November 2023 totaling \$62.29 million, and will issue parity payments to child care centers in spring 2024. The monthly supplemental rate increases, known as "Cost of Care Plus Rate," are on schedule to begin in January 2024.
- **Child Care Rate Reform.** As part of the 2023 Budget Act and the collectively bargained agreement between the state and CCPU, trailer bill language requires CDSS, in collaboration with the California Department of Education (CDE), to develop an alternative methodology for setting child care rates, and to submit a proposal for a new rate structure to the federal government for approval by July 1, 2024. California secured federal pre-approval from the Administration for Children and Families in August 2023. CDSS is working with national experts Prenatal to Five Fiscal Strategies (P5FS) on the data collection and development of the cost estimation model. This work included a survey and input sessions to gather information from the workforce between July and October 2023, and ad hoc groups to gather information on specific issues from a broader audience in November and December 2023. CDSS will define the elements of the base rate and any enhanced rates that will inform the proposed single rate structure no later than February 15, 2024, pursuant to trailer bill language.

California Work Opportunity and Responsibility to Kids (CalWORKs)

- CalWORKs Grant Increase.** The 2023 Budget Act permanently extends the 10 percent increase to CalWORKs grants originally funded in the 2022 Budget Act, and includes an additional 3.6 percent increase to CalWORKs grants funded by realignment revenue. This 3.6 percent increase took effect on October 1, 2023. According to the LAO, this increase raised grants for all CalWORKs households in high-cost counties to between 45 percent and 49 percent of the Federal Poverty Level (FPL) for a family one person larger than the assistant unit size, and to slightly lower levels for families in lower-cost counties, as shown in the LAO graphic below.



Source: Legislative Analyst’s Office.

CalFresh and Nutrition Programs

- Summer Electronic Benefits Program (S-EBT).** The 2023 Budget Act includes \$47 million (\$23.5 million General Fund) to phase in a new federal Summer EBT program to help families pay for food during the summer months when children are out of school. California submitted the Summer EBT Notice of Intent to the federal Food and Nutrition Service (FNS) on November 17, 2023, and is awaiting further federal guidance from the on final program rules. CDSS and CDE conduct bi-weekly meetings to coordinate activities

on the 2024 Summer EBT Workplan. CDSS and CDE will use the alternative income form as the 2024 Summer EBT application. Children who receive CalWORKs, CalFresh, and/or Medi-Cal will be automatically determined S-EBT eligible. CDSS and CDE have met with Office of Technology and Solutions Integration (OTSI), Fidelity Information Services (FIS), and the County Welfare Directors Association (CWDA) to discuss automation options.

- **CalFresh County Administration.** The 2023 Budget Act includes \$406.5 million (\$159 million General Fund) to reflect a revised budget methodology for county CalFresh administration. The new methodology was used to allocate CalFresh administration funding beginning in fiscal year 2023-24, and addresses funding for applications, expedited service timeframe constraints, variance in required activities associated with specific populations, and required administrative activities performed by specialized workers.
- **CalFresh \$50 Minimum Nutrition Benefit Pilot Program.** The 2023 Budget Act includes \$915,000 in 2023-24 and \$15 million in 2024-25 to implement the CalFresh Minimum Nutrition Benefit Pilot Program, to provide eligible pilot households with a minimum monthly CalFresh benefit of \$50. CDSS hosted a listening session with stakeholders and partners in November to gather input on identifying a sub-population for the pilot. Policy is now in development, with a target release date for the All-County Letter in February 2024, which will then trigger the automation timeline, which is estimated to take nine months to complete.
- **CalFresh Fruit and Vegetable Pilot Program.** The 2023 Budget Act includes \$9.9 million General Fund one time to extend the California Fruit and Vegetable EBT Pilot Project. The pilot program began operating in 2023 and currently includes six farmer's markets and four retailers for a total of 93 locations across California. As of October 1, 2023, \$780,759 worth of incentives have been earned by CalFresh participants. The pilot is expected to continue through January 1, 2027, and a federal waiver to extend the pilot is currently pending federal approval.
- **CalFresh Safe Drinking Water Pilot Program.** The 2023 Budget Act includes \$3 million to continue the CalFresh Safe Drinking Water Pilot Program through June 2025. Based on current caseload trends, there will be sufficient funding through June 30, 2025, with a potential surplus of eight percent available for emergent needs or uptake.
- **California Food Assistance Program (CFAP) Expansion.** The expansion of CFAP to adults ages 55 and older regardless of immigration status is expected to be operational in September 2025. The program design phase is complete and automation planning and design began in July 2023. CDSS is engaging with stakeholders through quarterly advisory committees which began in summer 2023.
- **EBT theft.** The 2023 Budget Act includes \$50 million (\$17.1 million General Fund) for EBT security upgrades to protect EBT cardholders from theft. Widespread EBT theft continues; over \$9 million in CalWORKs benefits and \$4.7 million in CalFresh benefits were stolen in September 2023. CDSS is working with partners to implement new card

technology. In the meantime, CDSS launched the ebtEDGE mobile and portal application, which offers EBT cardholders new theft protections. California received federal approval in November 2023 to implement its plan for CalFresh benefit theft reimbursement. In December 2023, CDSS will begin implementation of the plan, including accepting retroactive claims for theft reimbursement, issuing up to two months' worth of benefits replacement per instance of theft, and removing existing 10-day requirement for cardholders to report the theft. Additionally, in March 2024, automaiton will be in place for cardholders to submit their claims for benefit reimbursement electronically to counties.

Child Welfare and Foster Care

- **Bridge Funding for Foster Family Agencies.** The 2023 Budget Act includes \$10.1 million (\$8 million General Fund) to provide a one-time increase to the foster family agency rate. The eight percent increase went out on July 27, 2023. This increase will expire in fiscal year 2024-25 at which point the rate will revert to the fiscal year 2021-22 level. The Administration is expected to propose new foster care rates as part of the 2024-25 Governor's Budget.
- **Housing Supplement for Foster Youth in Supervised Independent Living Placements (SILPs).** The 2023 Budget Act includes \$1 million in 2023-24, \$200,000 in 2024-25, and \$18.8 million in 2025-26 and ongoing to provide a housing supplement for foster youth in SILPs. CDSS plans to begin drafting the All County Letter in January 2024 for an effective date of July 1, 2025.
- **Unlicensed Adoption Agency Enforcement.** The 2023 Budget Act included \$1.2 million in 2023-24 and \$1.1 million ongoing to support changes to the Adoption Facilitator Program corresponding to changes in trailer bill language, which prohibit unlicensed persons or organizations from performing any of the functions of an adoption agency without a valid license. In October 2023, CDSS notified currently registered adoption facilitators to cease operation by December 31, 2023 and transfer current clients to licensed adoption agencies. The Adoption Services Branch (ASB) has implemented a program transfer plan; the Community Care Licensing Division (CCLD) will take over the enforcement of the program on January 1, 2024.
- **Foster Care Complex Care Funding.** The 2021 Budget Act included \$18.1 million General Fund ongoing to assist counties with supporting the individual needs of foster youth with complex needs on a child-specific basis, \$43.2 million one-time for county capacity building to improve the continuum of care, and \$61.3 million for the Children's Crisis Continuum Pilot Project. Of the child-specific funding, 581 total requests have been approved as of November 22, 2023. \$8 million has been approved for 2021-22, \$12.8 million for 2022-23, and \$3 million has been approved for 2023-24. Of the county capacity building funding, CDSS has approved plans for nine counties, with funding supporting a range of services such as intensive stabilization services, transitional foster homes, intensive services foster care and wraparound care, crisis stabilization units, startup costs for specialized residential programs, enhanced intensive services foster care resource homes, specialized training, and resource family recruitment. Of the Children's Crisis

Continuum Pilot program, CDSS selected eight counties and regional county collaboratives who applied through a competitive process to participate in the pilot program. CDSS is currently negotiating final work plans and budgets with participating counties to add the following to their existing continuums: dedicated teams for intensive transition planning, care coordination, and case management from referral through aftercare; increased and integrated supports and services in home-based settings; one Psychiatric Health Facility; two Crisis Stabilization Units; eight Children's Crisis Residential Programs; 25+ new Intensive Services Foster Care homes; and 25+ new Enhanced Intensive Services Foster Care (E-ISFC) homes.

In-Home Supportive Services (IHSS)

- **IHSS Career Pathways Program.** The 2021 Budget Act included \$295 million in enhanced federal funding under the Home and Community-Based Services Spending Plan for the IHSS Career Pathways Program, a new training program to increase the quality of care, recruitment, and retention of IHSS providers. As of November 2023, CDSS received 89,913 claims for training time in 2022-23 and 112,807 claims for training time in 2023-24. 10,618 training incentive claims have been issued; 877 providers have received a one-month incentive and 114 providers have received a six-month incentive.
- **IHSS Collective Bargaining.** The 2023 Budget Act included \$1.5 million General Fund one-time for CDSS to analyze the costs and benefits of approaches that transition collective bargaining with IHSS providers to a statewide and/or regional model. Additionally, trailer bill language increases the amount of realignment funding withholding from seven to 10 percent for counties that do not enter into a collective bargaining agreement. CDSS is currently in the planning stages of the evaluation and expects the workgroup to convene in early 2024. The 10 percent penalty went into effect October 1, 2023 and to date no county has received this penalty.
- **IHSS Access for Minor Recipients.** The 2023 Budget Act includes \$60.7 million (\$27.9 million General Fund) to increase access to IHSS for minor recipients by eliminating eligibility requirements that apply only to minors. CDSS is currently finalizing an All County Letter implementing these policy changes. Counties will cease to apply the minor recipient provider eligibility rules 60 days from the date the All County Letter is published.

Community Care Licensing

- **Guardian System Backlog.** The 2023 Budget Act included \$4 million to increase staff support to work through the backlog in the background check system known as Guardian. CDSS has completed the hiring of the twelve limited-term staff that were brought on over the last 15 months to help address the Guardian backlog. With the policy changes included in AB 1720 (Holden), Chapter 581, Statutes of 2022, the additional staffing has contributed significantly to reduce the backlog. The current Guardian backlog is approximately 3,430 cases, which is a 73 percent decrease (12,784) from July 2022.

Supplemental Security Income/State Supplemental Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI)

- **SSP Grant Increase.** The 2023 Budget Act included \$186 million General Fund in 2023-24 and \$292 million ongoing to increase SSP grants by approximately 8.6 percent. This increase takes effect January 1, 2024.

CDSS Housing and Homelessness Programs

- **Expansion of CDSS Housing and Homelessness Programs.** The 2021 and 2022 Budget Acts provided a combined total of more than \$2 billion for CDSS to provide funds to counties, tribes, and other eligible entities to establish, continue, and expand housing and homelessness assistance programs to serve clients of local social service agencies with housing supports available over multiple years. Investments were made to expand the CalWORKs Housing Support Program (HSP), Housing and Disability Advocacy Program (HDAP), Home Safe, Project Roomkey, and Bringing Families Home Program (BFH), as well as to create Community Care Expansion (CCE) program. CDSS and local grantees have dedicated significant efforts towards capacity building, system development, training, and technical assistance. By December 30, 2022, all available one-time funding from the Budget Act of 2021 and 2022 had been allocated to counties across the state. The expansions of HSP, HDAP, Home Safe, and BFH have resulted in over 32,600 individuals and families receiving services and over 16,100 participants becoming permanently housed in 2021-22 and 2022-23; expanding operations from 141 to 225 county grantees; and initiating 62 new tribal programs in 2023.

State Administration Implementation Snapshot

IMPLEMENTATION UPDATES:

Cannabis

- Local Jurisdiction Retail Access Grant.** The Retail Access Grant provides local governments with resources to develop and implement cannabis retail licensing programs. \$20 million in total funding was appropriated for this program, to be distributed in two phases. In June 2023, Phase I awarded over \$4 million in funding to 18 cities and counties. Phase 2 has over \$15 million in funding available for local jurisdictions, with six application periods in: October 2023, March 2024, September 2024, March 2025, September 2025, and March 2026. Awards will be made on a rolling basis following application periods.
- Local Jurisdiction Assistance Grant Program.** The grant dedicated \$100 million in funding to specified local jurisdictions with the greatest needs to transition provisional cannabis licensees to annual licenses. In January 2023, 17 cities and counties (see table below) were awarded grant funding, ranging from \$400,000 to \$22 million.

Local jurisdiction	Appropriated base funding	Appropriated equity funding	Total appropriated funding	Total grant award
City of Adelanto	\$972,696		\$972,696	\$972,696
City of Commerce	\$416,870		\$416,870	\$416,319.85
City of Desert Hot Springs	\$822,160		\$822,160	\$822,160
County of Humboldt	\$7,842,974	\$10,792,162	\$18,635,137	\$18,635,137
County of Lake	\$884,309	\$1,216,834	\$2,101,143	\$2,101,143
City of Long Beach	\$1,748,537	\$2,187,405	\$3,935,942	\$3,934,773.43
City of Los Angeles	\$9,912,238	\$12,400,122	\$22,312,360	\$22,312,360
County of Mendocino	\$7,611,370	\$10,473,468	\$18,084,837	\$17,586,406.62
County of Monterey	\$1,737,035		\$1,737,035	\$1,737,035
City of Oakland	\$4,400,293	\$5,504,727	\$9,905,020	\$9,905,020
County of Nevada	\$1,221,188		\$1,221,188	\$1,221,188
City of Sacramento	\$2,570,697	\$3,215,919	\$5,786,617	\$5,786,616.84
City of San Diego	\$764,261		\$764,261	\$764,261
City and County of San Francisco	\$1,366,407	\$1,709,363	\$3,075,769	\$3,075,769
City of Santa Rosa	\$775,841		\$775,841	\$775,841
County of Sonoma	\$1,158,023		\$1,158,023	\$1,158,023
County of Trinity	\$3,295,102		\$3,295,102	\$3,293,866.65

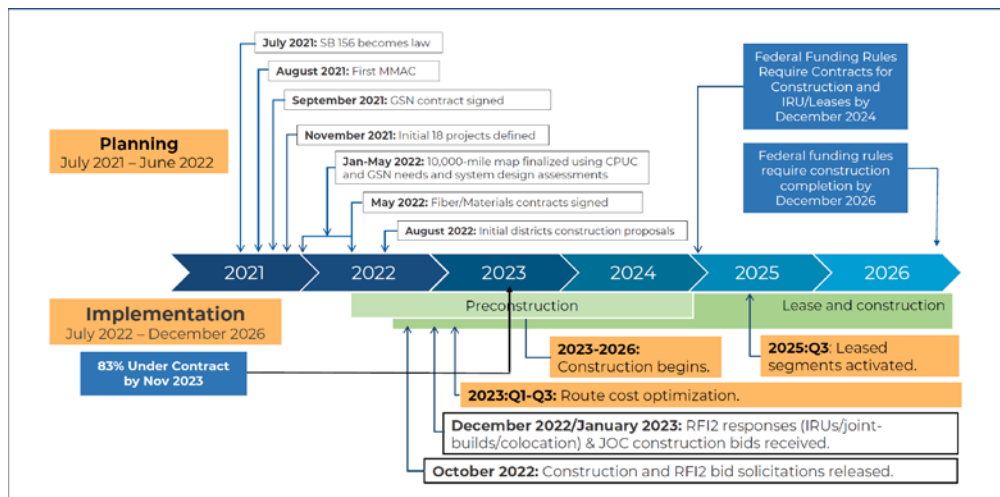
- Provisional Licensing Program.** California law establishes a dual license system for cannabis businesses wishing to operate in the state. Applicants must go through both a local permitting

process and meet the state’s licensing requirements. In 2018, the Legislature created a “provisional” licensing category in response to challenges for applicants in meeting licensure requirements. Subsequently, in 2021, the Legislature modified the requirements for renewing provisional licenses, including submitting evidence that California Environmental Quality Act (CEQA) compliance is underway, and created a schedule to phase out the “provisional” licensing category. Below is a timeline of recent deadlines:

- January 1, 2023 – Last day the Department of Cannabis Control (DCC) can renew provisional cultivation licenses for outdoor, indoor, and mixed-lighting licenses.
 - March 31, 2023 – Deadline for local equity applicants to submit an application for a provisional license.
 - June 30, 2023 – Last day for DCC to issue provisional licenses to local equity applicants.
 - July 1, 2023 – Provisional renewal become subject to additional requirements.
 - January 1, 2024 – Last day for provisional cultivation licenses for outdoor, indoor, and mixed-lighting licenses.
 - January 1, 2025 – Last day for DCC to renew provisional licenses.
 - January 1, 2026 – Last day for any provisional license to be in effect.
- **Active Cultivation License Update.** In December 2022, DCC had 7,841 active cultivation licenses and in December of 2023, there are 5,623. During this time period, 1,113 cultivation licenses were consolidated into 260 licenses through the Type 5 license conversion process (multiple small, stacked licenses converted into a single large or medium license). DCC notes that while it may appear there are 2,218 fewer active cultivation licenses since December 2022, this does not necessarily equate to a loss in production acreage or unique licensees.

Broadband

- **Middle-Mile Broadband Initiative.** The 2022 budget appropriated \$550 million General Fund in 2023-24 and 2024-25 to support the middle-mile broadband network. According to the California Department of Technology, as of October 2023, 83 percent of the approximately 10,000 miles of middle-mile infrastructure are under contract via lease, construction, joint build or purchase. Below is a timeline for implementation and planning through December 2026.



Tax and Revenue Implementation Snapshot

IMPLEMENTATION UPDATES:

Major Tax-Related Programs

- **California Earned Income Tax Credit (CalEITC).** According to the most recent data from the Franchise Tax Board, as of November 30, 2023, for the 2022 tax year, 3.4 million claims were filed, for a total credit amount of \$1.3 billion (\$917.4 million in EITC, \$412.8 million in Young Child Tax Credit, and \$5.1 million in Foster Youth Tax Credit). Data from the 2023 tax year will not be available until mid-late 2024.
- **Middle Class Tax Refund.** As part of the 2022-23 Budget Act, the Middle Class Tax Refund was created to provide tax refunds to eligible Californians. Final payments were issued no later than September 30, 2023, and as of December 15, 2023, a total of 16.8 million refunds were provided through a combination of direct deposits and debit cards, a dollar value of \$9.2 billion for taxpayers. With the exception of replacement cards or payments, the eligibility for the program is now closed. Of the original allocation, approximately \$200 million in unused funding authority reverted to the General Fund in the 2023-24 budget.
- **California Film and Television Tax Credit.** As part of the 2023-24 budget package, the authority for the California Film Commission (CFC) to allocate, and for qualified taxpayers to claim, the California Motion Picture and Television Production Credit was extended for an additional five years, starting in 2025-26 (Film and Television Tax Credit 4.0). The extension maintained the current authorization amount of \$330 million per year, but made the credit refundable. The costs associated with the 4.0 program will be incurred in future years as productions need to be completed before being able to generate and certify credits. Revenue impacts in the low millions are anticipated in 2025-26, increasing to the tens of millions in 2026-27. Over the lifetime of the credit, the revenue impact is projected to be close to \$1.65 billion, spread over 12 years from 2025-26 through 2036-37.
- **Lithium Extraction Excise Tax.** Online registration for lithium excise tax permits opened in 2023. Given that the industry is in an early stage of development in the state, no applications for permits have been received by the California Department of Tax and Fee Administration. Producers extracting lithium in 2023 will have a return due January 31, 2024, however, it is unlikely lithium production will commence in the 2023 or 2024 calendar years.
- **Major IT Project - Enterprise Data to Revenue (EDR2).** The Franchise Tax Board (FTB) is currently undertaking a Tax System Modernization IT project to update FTB's systems. The project is currently in Phase 2. The 2023-24 budget provided \$135 million General Fund to begin third-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan at the Franchise Tax Board. According to the FTB, the total cost of EDR2 is estimated to be just over \$750 million and will ensure continued collection of over \$4 billion in annual tax revenues. After full implementation, the project is projected to bring in additional new revenues of \$300 million annually.

Economic Development Implementation Snapshot

IMPLEMENTATION UPDATES:

Governor's Office of Business and Economic Development (GOBiz)

- **CalCompetes Tax Credits.** The CalCompetes program provides financial incentives for businesses to move to California or to stay, grow, and create jobs here. Under the tax credit program, CalCompetes offers businesses savings off of their future state income tax bills in exchange for agreements to make certain capital investments and hire a certain number of employees in California. If the business carries out the agreements, the business can utilize the tax credits to reduce or eliminate its state tax bill. If the business does not comply with its agreements, the state recaptures the credits and recycles them back into the CalCompetes program. CalCompetes Tax Credits are awarded on a competitive basis.

The budget appropriated \$180 million in each fiscal year from 2018-19 through 2027-28. Additionally, if tax credit recipients do not meet promised investment or job creation targets, the corresponding tax credits are recaptured and recycled back into the program, making them available for future award.

According to GOBiz, a total of \$492.1 million in California Competes tax credits remained available for allocation in the 2023-2024 fiscal year, of which a total of \$149 million was awarded to 12 companies on November 16, 2023. Applications for additional rounds of up to \$164 million are due on January 22, 2024 and March 18, 2024 respectively. The amount of funding awarded in the March 2024 round could be higher if other amounts remain unallocated.

- **CalCompetes Grants.** In each year since 2021-22, CalCompetes has offered grant awards in addition to the tax credit program described above. Under the grant-based programs, CalCompetes provides up-front funding to businesses in exchange for their promise to make investments and to hire in California. CalCompetes Grants are awarded on a competitive basis.

The Legislature appropriated \$120 million in one-time General Fund in the 2021-22, 2022-23 and 2023-24 Budget Acts, for a total of \$360 million.

GOBiz made awards for the 2023-24 grants on November 16, 2023. Awards for the prior years' grants were made in the corresponding years. If grant recipients do not meet promised investment or job creation targets, it is possible that some individual grant award amounts would be recaptured.

- **California Regional Initiative for Social Enterprise (CA RISE).** CA RISE is a program intended to spur the creation and growth of "employment social enterprises" (ESEs), which are business enterprises (either non-profit or for-profit) that earn revenue through the sale

of a good or service produced by employees overcoming barriers to work. Under CA RISE, new or existing ESEs can obtain technical assistance and counseling on the successful establishment and/or operation of ESEs. ESEs that complete the training and/or counseling become eligible for grant funding through CA RISE as well.

The 2022 Budget Act allocated \$25 million in one-time General Fund to CA RISE.

In July 2023, GOBiz announced that it had partnered with the non-profit organization REDF to provide technical assistance and counseling to ESEs or businesses that want to become ESEs in California. GOBiz also announced the selection of the company Lendistry as the fiscal agent for administration of CA RISE grants. REDF accepted pre-applications in the fall of 2023 for what it anticipates to be \$17 million CA RISE grant awards.

- **Local Immigrant Integration and Inclusion Grants (LIIG).** The LIIG program provides funding for local governments statewide to support initiatives that “help immigrant families thrive and contribute – increasing community trust and enhancing the ability of local governments to serve their immigrant communities successfully.”

The Legislature appropriated \$8.2 million in one-time General Fund to LIIG in the 2022 Budget Act.

GOBiz made a first round of LIIG awards totaling \$6 million to 12 local governments in September 2023. Supported initiatives included business creation assistance, social services navigation efforts, and intergovernmental technical assistance. The performance window is from October 1, 2023 through September 30, 2024. GOBiz anticipates awarding a more limited second round of LIIG funding in 2024 to “support further the equitable distribution of funds in rural regions and for underserved immigrant populations.”

Office of Planning and Research Programs

- **California Volunteers – Youth Job Corps.** The Youth Job Corps is a California Volunteers program that awards local assistance grants to jurisdictions statewide to provide service opportunities to low-income, former foster, justice-involved, and unemployed youth. Grants are available to California’s 13 largest cities based on their population size. Other local jurisdiction can obtain program grants through competitive application.

The 2023 Budget Act included \$78.1 million in ongoing General Fund allocated to the program. Prior to this allocation, the program was funded for its initial two and half years through federal State Fiscal Recovery Funds.

The existing Youth Job Corps grants are covered by federal funding. According to OPR’s implementation timeline, the request for applications for state-funded grants is expected to go out in summer 2024.

- **California Volunteers – Climate Action Corps.** California Climate Action Corps is a workforce development program operated by California Volunteers that provides youth

with an opportunity to engage in environmental conservation and climate change mitigation activities in exchange for a living allowance, health insurance, and scholarship awards, among other benefits.

The budget included \$4.7 million annually from the General Fund from 2023-24 through 2025-26, and \$9.3 million from the General Fund in 2026-27 and ongoing. These allocations initially continue and then augment existing funding for the program.

California Volunteers reports that at the present funding level, it places about 115 Climate Action Corps Fellows each year. For the fall 2022-23 cohort, this included placements at 45 separate public agencies, nonprofit organizations, and tribes. California Volunteers indicates that applications to serve in the 2024 – 2025 California Climate Action Corps Fellowship will open in spring 2024.

Housing and Homelessness Implementation Snapshot

IMPLEMENTATION UPDATES:

California Interagency Council on Homelessness

- **Encampment Resolution Funding Program (ERF).** ERF provides grants to local jurisdictions and continuums of care to carry out “person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments.” ERF activities are supposed to “address the safety and wellness of people within encampments, resolve critical encampment concerns, and transition individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches.”

The 2023 Budget Act appropriated \$400 million in one-time General Fund to ERF. The 2022 Budget Act appropriated \$300 million in one-time General Fund to the program, and the 2021 Budget Act appropriated \$50 million in one-time General Fund to it.

ERF Rounds 1 and 2 awarded funds allocated to the program in 2021-22 and 2022-23. An initial ERF Round 3 “Lookback” provided \$81 million in ERF awards from the 2023-24 ERF allocation in September 2023. On November 27, 2023, CalICH announced that it will accept applications for the remainder of the ERF Round 3 allocation – just under \$299 million – on a rolling basis through June 30, 2024 or as soon as the funds are exhausted.

- **Family Homelessness Challenge (FHC) Grants.** FHC provides competitive grants and technical assistance to local jurisdictions and continuums of care to “promote rapid innovation, accelerate nascent programs, and expand promising practices to create scalable solutions that can be shared across the state to address and ultimately end family homelessness.”

The 2021 Budget Act included \$40 million for FHC grants.

In June of 2022, CalICH announced FHC grant awards to ten recipients for a total of \$17 million. On December 29, 2023, CalICH issued a Request for Applications for an additional \$15 million in FHC funding. Only the original ten recipients are eligible, provided that they “have remained in compliance with FHC requirements and have demonstrated progress toward their self-identified prioritized objectives, and have demonstrated innovative practices.” The applications are due to CalICH on February 27, 2024.

- **Homeless Emergency Aid Program (HEAP).** HEAP provided three years of block grant funding to continuums of care and large cities with a shelter crisis declaration. Recipients were authorized to use HEAP money for emergency assistance in the form of homelessness prevention, criminal justice diversion, at-risk youth services, and aid to people experiencing or at risk of homelessness. The 2018 Budget Act provided \$500 million one-time funding for HEAP.

By October 2021, CalICH received reports indicating full expenditure of all HEAP funds. CalICH issued its final report on the program in March 2022.

- **Homeless Housing, Assistance and Prevention Program (HHAP).**¹ To date, HHAP has consisted of five rounds of grants awarded to counties, large cities, and continuums of care. Though application, reporting, and eligible use requirements have evolved over the five rounds, HHAP overall can be described generally as offering flexible funding for local initiatives to prevent and address homelessness. The Legislature has expressed its intent to fund a sixth round of HHAP in the 2024 budget.

The 2023 Budget Act included \$1.1 billion one-time General Fund, \$820 million one-time General Fund in the 2022 Budget Act, \$820 million one-time General Fund in the 2021 Budget Act, \$300 million one-time General Fund in the 2020 Budget Act and \$650 million one-time General Fund in the 2019 Budget Act.

The time of disbursement and expenditure deadline for each round of HHAP are as follows:

HHAP Round	Disbursement of Funding	Expenditure Deadline
One	Spring 2020	June 30, 2025
Two	Fall 2021	June 30, 2026
Three	Winter/Spring 2022	June 30, 2026
Four	Winter/Spring 2023	June 30, 2027
Five Base Allocation	Spring/Summer 2024	June 30, 2028
Five Supplemental	2024/2025	June 30, 2028

As the table indicates, CalICH has already disbursed grants for the first four HHAP rounds.² The application window for HHAP Round 5 is currently open, but as applicants must submit a regionally coordinated plan with their application for Round 5, that process may require additional time. The final deadline for submission is March 27, 2024.

Housing and Community Development Department

The following interim and permanent housing development programs received significant one-time General Fund allocations in the last five budget years.

- **Adaptive Reuse Program.** The Adaptive Reuse Program provides funding for the conversion of unutilized or under-utilized buildings, usually commercial buildings, for residential use.

The 2023 Budget Act included \$250 million one-time General Fund and \$150 million in one-time General Fund in the 2022 Budget Act.

HCD awards Adaptive Reuse funding in conjunction with its Infill Infrastructure Grants program. HCD announced a round of these awards in 2023, but has also indicated that it expects to issue a Notice of Funds Available for the same program grants totaling \$207 million in May 2024, with awards anticipated in December 2024.

¹ HHAP grant administration will transition from CalICH to HCD during 2024.

² The 2023 Budget Act accelerated payment of the \$360 million in “bonus” funds included in Rounds 3 and 4. \$100 million of those funds will be awarded to grantees as part of the Round 5 base allocation. The remaining \$260 million will be awarded as supplemental HHAP Round 5 grants in 2024-25.

- **CalHome.** The CalHome program provides grants to local agencies and nonprofits to assist low- and very-low-income first-time homebuyers with housing assistance, counseling and technical assistance.

The Legislature appropriated \$50 million one-time General Fund in the 2023 Budget Act and \$250 million one-time General Fund in the 2022 Budget Act.

HCD announced a round of CalHome awards in 2023, but has also indicated that it expects to issue a Notice of Funds Available for CalHome grants totaling \$100 million in June 2024, with awards anticipated in December 2024.

- **Foreclosure Intervention Housing Preservation Program (FIHPP).** FIHPP provides funding to qualified non-profit organizations to acquire residential properties that have been foreclosed upon. The non-profit organizations must then operate the property as affordable housing.

The 2021 Budget Act allocated \$500 million in one-time General Fund to FIHPP. The 2023 Budget Act deferred \$330 million this amount and expressed an intent to reallocate it as follows: \$82.5 million in 2023-24, \$85 million in 2024-25, \$100 million in 2025-26, and \$62.5 million in 2026-27.

FIHPP implementation to date has been limited to creating the institutional framework necessary to operate the program. In 2023, HCD issued guidelines for the program in and selected a fund manager through a Request for Applications process. HCD anticipates that the fund manager will be ready to begin awarding program grants to eligible entities in early 2024.

- **Homekey 3.0.** Homekey provides grants to local jurisdictions to convert or rehabilitate properties including, but not limited to, hotels and motels, into permanent housing for persons experiencing homelessness and who are also at risk of COVID-19 or other communicable diseases. Tribal Homekey provides financial support for similar housing activities undertaken by tribes.

\$850 million was appropriated to Homekey 3.0. This allocation was initially composed of \$435 in federal funding and \$301 million in one-time state General Fund.

HCD administers Homekey 3.0 separately from Tribal Homekey. Homekey 3.0 applications for \$736 million in total funding were due by August 28, 2023, with awards made 60-90 days after applications. Then, in November 2023, HCD made supplemental awards of around \$114 million derived from administrative savings and funding recaptured from earlier Homekey rounds. With respect to Tribal Homekey, HCD issued a Notice of Funds Available in totaling \$75 million in funding in July of 2023. HCD indicates that it is accepting applications and will make awards for these funds through November of 2024.

- **Housing Accelerator Program.** The Housing Accelerator Program is designed to provide supplemental funding to affordable housing projects that have received awards from other HCD programs but were unable to secure tax-exempt bond allocations or low-income housing tax credits.

\$250 one-time General Fund million was included in the 2022 Budget Act. This General Fund allocation supplemented \$1.75 billion in federal resources from the federal Coronavirus State Fiscal Recovery Fund.

HCD reports that all Housing Accelerator Program awards have been made and 58 projects received funding.

- **Infill Infrastructure Grant (IIG) Program.** The IIG Program provides financial assistance for capital improvements that are integral to, or needed for, the development of affordable and mixed income housing in locations that were previously developed or are surrounded by existing development. Examples of eligible uses include utility service improvements, streets, transit facilities, and site preparation, among other things.

The 2023 Budget Act appropriated \$225 million in one-time General Fund. In addition, there was \$200 million one-time General Fund in the 2022 Budget Act, \$250 million one-time General Fund in the 2021 Budget Act and \$300 million one-time General Fund in the 2019 Budget Act. These General Fund allocations supplemented existing bond funding for the program.

HCD makes IIG Program awards on separate procedural tracks, depending on the type of project and the size of the jurisdiction seeking the award. Grant awards to large jurisdictions for catalytic qualifying infill areas encumbered all available funding for that category in August of 2023. HCD is currently accepting applications for IIG awards totaling \$129 million for both qualifying infill projects and catalytic qualifying infill areas from small jurisdictions and will make awards on a rolling basis in 2024. Finally, HCD has indicated that it expects to issue a Notice of Funds Available for IIG grants (both qualifying infill projects and adaptive reuse) totaling \$207 million in May 2024, with awards anticipated in December 2024.

- **Joe Serna Jr. Farmworker Housing Grant Program.** The Serna Grant Program supports affordable housing access for low-income agricultural employees and their families through multifamily housing development projects and homeownership assistance programs.

In fiscal year 2021-22, \$50 million one-time General Fund was allocated to the grant program with an additional \$50 million one-time General Fund included in the 2022 Budget Act. These General Fund allocations supplemented existing bond funding for the program.

HCD administers Serna Grants on separate procedural tracks: single-family homeownership grants and multifamily housing projects. On the homeownership side, HCD last made awards in August 2023 and has indicated that it expects to issue a Notice of Funds Available for Serna homeownership grants totaling \$24 million in June 2024, with awards anticipated around the end of the calendar year. On the multifamily project side, HCD is expected to issue awards for the previous round of funding imminently. It anticipates releasing a new Notice of Funds of Fund Available totaling \$108 million for Serna multifamily housing projects in May 2024, with awards to follow around the end of the calendar year.

- **Manufactured Housing Opportunity and Revitalization (MORE) Program.** The MORE program provides forgivable loans for the acquisition, conversion to resident organization ownership, rehabilitation, reconstruction and replacement of mobilehome parks, as well the remediation of health and safety items of both parks and individual mobilehomes.

HCD was provided \$75 million one-time General Fund in the 2023 Budget Act and \$25 million one-time General Fund in the 2022 Budget Act for this program.

For its most recent round of MORE awards, HCD made just over \$136 million available. It began receiving applications on June 30, 2023 and will issue awards on a rolling basis through June 30, 2024 or until the funding has been exhausted.

- **Multi-Family Housing Program.** HCD’s flagship affordable housing development subsidy program, MHP provides loans to assist the new construction, rehabilitation, and conversion of affordable rental housing, both permanent and transitional.

\$325 million one-time General Fund was appropriated in the 2023 Budget Act with an additional \$100 million one-time General Fund in the 2022 Budget Act.

HCD was scheduled to make the most recent round of MHP awards in late December 2023 or early 2024. In its corresponding Notice of Funds Available, HCD estimated that it would award \$236 million in MHP, while making it clear that the amount could rise depending on fund availability.

- **Portfolio Reinvestment Program (PRP).** PRP is intended to help maintain the affordability of housing projects that HCD previously funded by extending and restructuring affordability agreements; extending loan maturity dates; providing new low-interest long-term loans for rehabilitation; and providing forgivable loans to capitalize short-term operating subsidies. The Legislature appropriated \$50 million one-time General fund in the 2022 Budget Act and \$100 million one-time General fund in the 2023 Budget Act.

HCD has announced it will accept applications for \$112 million in grants in the late spring of 2024, with awards issued on a rolling basis until the end of 2024 or funds are exhausted, whichever is sooner.

- **State Excess Sites Local Government Matching Grant (LGMG) Program.** LGMG provides grants to match local government contributions to predevelopment and development of affordable housing on excess state sites. The budget included \$3 million in one-time General fund in the 2019 Budget Act, \$45 million in the 2021 Budget Act and \$25 million in the 2023 Budget Act.

HCD has awarded all of its LGMG funding through three rounds of LGMG funding. It most recently made over \$63 million in Round 3 LGMG awards in September 2023 to eleven different projects. There are no further LGMG rounds currently scheduled.

- **Transitional Age Youth Program (TAY).** The TAY program encompasses three funding streams: the Housing Navigation and Maintenance Program (HNMP), the Transitional Housing Program (THP), and the Transitional Housing Plus Housing Supplement Program (THP-SUP). Together, these programs provide counties with funding to help young adults aged 18 to 24 years find and maintain housing, with priority given to those formerly in the foster care or probation systems.

The 2023 Budget Act provides \$33.3 million for THP, \$13.7 million for HNMP, and \$9 million for THP-SUP.

Under the TAY program, HCD allocates funding to counties for all three funding streams simultaneously. For the most recent round of funding, HCD anticipates notifying counties of their respective allocations at the end of January 2024. Acceptance letters are due back to HCD in the first quarter of 2024.

- **Veteran Housing and Homeless Prevention Program (VHHP).** VHHP offers long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families.

These General Fund allocations supplemented existing bond funding for the program with \$50 million in the 2023 Budget Act and \$50 million in the 2022 Budget Act.

HCD expects to award the current round of VHHP grants in late December 2023 or in January 2024. HCD anticipates releasing a new Notice of Funds Available totaling \$47.5 million for VHHP in May 2024, with awards to follow around the end of the calendar year.

California Housing Finance Agency (CalHFA)

- **Accessory Dwelling Unit Development Grants.** The ADU program at CalHFA is intended to assist low-income homeowners to overcome barriers to building ADUs on their property. The program provides “up to \$40,000 towards pre-development and non-reoccurring closing costs associated with the construction of the ADU, including site prep, architectural designs, permits, soil tests, impact fees, property survey, and energy reports.”

\$25 million was appropriated in the 2023 Budget Act, \$50 million in the 2022 Budget Act and \$81 million in the 2021 Budget Act.

CalHFA made current year grants available for reservation through its lender network on December 11, 2023. On December 28, 2023, CalHFA announced that all available grants had been reserved. All prior year funding has also been fully encumbered.

- **California Dream for All (DFA).** The California Dream for All program is designed to help low- and moderate-income Californians achieve homeownership for the first time, opening up a key path to building intergenerational wealth. The program offers shared-appreciation loans to eligible first-time homebuyers so that they can make a 20 percent down payment toward the purchase of their new home. Reaching this down payment threshold unlocks financial benefits for the homebuyers in reduced interest and mortgage insurance payments. When the program participants go to sell their home sometime later, the California Dream for All program receives back the money it contributed to the down payment, plus 20 percent of any accrued value in the home. These amounts then return to the pool of funds that the program can use to assist still more first-time California homebuyers. In this way, the program is intended to be financially self-sustaining.

\$520 million in one-time General Fund has been appropriated for the program (\$500 million in the 2022 Budget Act and \$20 million in the 2023 Budget Act.)

CalHFA administered a first phase of \$300 million in DFA loans in spring 2023. The entire amount was reserved within eleven days of offer. Of these reservations, approximately \$35 million “fell out” (meaning that home purchase did not ultimately take place). As a result, CalHFA expects to have \$255 million available for a second phase of DFA loans and to open the corresponding reservation process in spring 2024.

California Tax Credit Allocation Committee

- **State Low-Income Housing Tax Credit Program (State LIHTC).** The State’s LIHTC program provides competitively-based financial support to affordable housing development projects. The California Tax Credit Allocation Committee (CTCAC) within the California Treasurer’s Office administers the State LIHTC program.

\$500 million one-time General Fund in the 2023 Budget Act was appropriated for the program. In addition, \$500 million one-time General Fund was included in the 2022 Budget Act, \$500 million one-time General Fund in the 2021 Budget Act and \$500 million General Fund in the 2020 Budget Act.

CTCAC awards tax credits from the State LIHTC program at regularly scheduled Committee meetings throughout the year. CTCAC made its last round of awards on December 6, 2023 and is scheduled to make its next tax credit awards in May 2024.

Corrections Implementation Snapshot

IMPLEMENTATION UPDATES:

California Department of Corrections and Rehabilitation (CDCR)

- **San Quentin Rehabilitation Center.** The 2023 budget included \$360.6 million one-time Public Buildings Construction Fund and \$20 million one-time General Fund to build a new center focused on rehabilitation, education, and workforce development and make various other facility improvements at San Quentin Rehabilitative Center (formerly San Quentin State Prison). In September 2023, CDCR contracted with McCarthy Construction for the educational and vocational center project. Design for the project has begun, and it is expected that demolition will begin in Spring 2024, with construction anticipated to start in Summer 2024 and be completed in December 2025. As of December 2023, CDCR has not spent any of the \$20 million General Fund. The recommendations of the Advisory Council are being finalized and are anticipated to be released in January 2024.
- **Facility Deactivations.** The 2023 budget reflected the closures of California City Correctional Facility and the California Correctional Center, and the deactivations of facilities at six institutions. The facility closures at the six institutions have all been completed, with the final facility closed October 27, 2023. California City Correctional Facility's incarcerated population have all been transferred out as of October 31, 2023, and the department is conducting final closure activities.
- **Juvenile Justice Realignment.** The 2023 budget reflects the closure of the Division of Juvenile Justice on June 30, 2023. As of December 1, 2023, there were nineteen CDCR staff remaining for post-closure activities and county transition teams. As of January 1, 2024, there will be two remaining CDCR staff assisting with the county transition team.
- **Family Visitation.** The 2023 budget included \$522,000 ongoing General Fund and statutory changes to facilitate family visitation. CDCR plans to have the scanning of documents implemented in May 2024 and is working on updating the allowable items in its operations manual.
- **Phone Calls and Tablets.** The 2023 budget reflected the implementation of SB 1008 (Becker), Chapter 827, Statutes of 2022, which requires CDCR to provide free voice calling to incarcerated individuals. The number of minutes used fluctuates from month to month, and was impacted by whether or not an institution had tablets yet. As of September 2023, all institutions had tablets. In October 2023, the incarcerated population used 123 million minutes of calling system wide. As of mid-November 2023, the department had spent \$12.2 million of the \$28.5 million budgeted for phone calling in 2023-24.
- **Visitation.** All institutions are currently providing three days of in-person visitation. Video visitation is not available, but incarcerated individuals can make video calls from the tablets.

- **Rehabilitative Investment Grants for Healing and Transformation.** The 2023 Budget Act included \$21 million General Fund for Rehabilitation Investment Grants for Healing and Transformation (RIGHT) 2.0 to support community based, nonprofit organizations for the purpose of delivering trauma-informed, rehabilitative and/or restorative justice programming in California correctional institutions. The department collected applications through November 28, 2023, and is in the process of reviewing the applications.
- **Correctional Video Surveillance.** Recent budgets have provided CDCR with funding to expand audio video surveillance systems (AVSS) statewide. Thirteen institutions have completely implemented AVSS, with ten of those institutions also including body-worn cameras. Implementation at eighteen institutions is in-progress, although eight were delayed due to supply chain issues. Of those, two are anticipated to complete implementation by the end of December 2023, with the remaining six completed by June 2024. The final ten institutions will begin construction over the next few months, with expected full implementation complete by the end of April 2025.
- **California Advancing and Innovating Medi-Cal.** CDCR is in the process of becoming a fully billable Medi-Cal entity. CDCR and California Correctional Health Care Services (CCHCS) were approved for \$15 million in federal funding for information technology system implementation, and they are currently in the planning phases.
- **Community Reentry Centers.** The 2022 budget included \$40 million General Fund per year for three years for the expansion of pre-release community reentry programs. CDCR has executed contracts for two new locations. The first is with Mental Health Systems for a Fresno location with 114 beds, requiring a facility renovation. The second is with Amity for a new-build site in Sacramento with 150 beds. Construction is anticipated to start in late 2024 and is estimated to take 18 months to complete. In addition, CDCR has released a Request for Information for potential additional sites, with responses due in December 2023.
- **Integrated Substance Use Disorder Treatment Program (ISUDTP).** As of December 15, 2023, 23,686 individuals had substance use disorder treatment provided through the ISUDTP at CDCR, including 16,597 individuals receiving medication assisted treatment (MAT) and 10,253 receiving cognitive behavior interventions. Statewide, upon release, 97 percent of MAT patients are provided Naloxone, 95 percent are provided MAT medications, and 91 percent have an established post-release community healthcare provider appointment.¹
- **Health Care Facility Improvement Project (HCFIP).** Since June 2023, all HCFIP projects have been completed at the California Correctional Institution, the Correctional Training Facility, and North Kern State Prison. There are nine prisons (Sierra Conservation Center, Wasco State Prison, Pleasant Valley State Prison, Solano State Prison, Valley State Prison, Substance Abuse Treatment Facility, Corcoran State Prison, California Men’s Colony, and the Central California Women’s Facility) with between one and four subprojects remaining, with estimated completion dates between December 2023 and September 2025.

¹ <https://cchcs.ca.gov/isudt/dashboard/>

Public Safety Implementation Snapshot

IMPLEMENTATION UPDATES:

Board of State and Community Corrections (BSCC)

- **Retail Theft Grants.** The 2022 budget included \$255 million across three years to local law enforcement and \$30 million across three years to district attorneys through grants administered by BSCC. On September 14, 2023, BSCC awarded a total of \$242 million to thirty-one city police departments and 7 sheriff offices, and \$24.9 million to thirteen district attorney offices. The grant periods run from October 1, 2023 to June 1, 2027.¹
- **Missing and Murdered Indigenous People Grant.** The 2022 budget included \$4 million per year for three years for grants to help California tribes locate and identify missing Indigenous persons. The 2023 budget included an additional \$12 million one-time for this program. BSCC awarded the first cohort of grants on September 14, 2023, totaling \$2.44 million to four proposals. BSCC is accepting applications for the second cohort until March 15, 2024.²
- **Mobile Probation Centers.** The 2022 budget included \$20 million one-time General Fund for grants to county probation departments to implement mobile service centers. In April 2023, the BSCC Board awarded 25 county probation departments a total of \$17.6 million.³
- **Peace Officer Wellness.** The 2022 budget included \$50 million for city and county law enforcement agencies for the purpose of improving officer wellness and expanding mental health sources. The funding was allocated based on a formula, and distributed in late 2022. Annual reports are due from the agencies in December 2023 and 2024, and a final report is due in December 2025.⁴
- **Transitional Housing Services.** The 2022 budget provided \$3 million one-time General Fund to BSCC for transitional housing for youth discharged by the Board of Juvenile Hearings or by the juvenile court following the closure of the Division of Juvenile Justice. A total of \$2.2 million has been allocated to two counties and to a statewide foundation, and \$1.1 million has been disbursed. A total of 78 youth have been served.

California Governor's Office of Emergency Services (Cal OES)

- **Next Generation (NG) 9-1-1 and 9-8-8 Implementation.** Cal OES is tasked with implementing NG 9-1-1 and the new 9-8-8 system. For the switch to NG 9-1-1, all 442 Public Safety Answering Points are ready to transition, and nineteen have already transitioned. The remaining locations will be migrated over by December 2024, and the legacy 9-1-1 system is expected to be decommissioned in early 2025. In addition, Cal OES, along with an external vendor, have

¹ <https://www.bscc.ca.gov/organized-retail-theft-vertical-prosecution-grant-program/>

² <https://www.bscc.ca.gov/missing-and-murdered-indigenous-people-grant-program/>

³ <https://www.bscc.ca.gov/mobile-probation-service-centers-grant-program/>

⁴ <https://www.bscc.ca.gov/officer-wellness-and-mental-health-grant-program/>

developed and tested 9-8-8 technology which supports calling, texting, and chatting to the 12 Lifeline centers that respond to the calls, and includes transfers and interoperability with the 9-1-1 system. Subject to interagency coordination, Cal OES anticipates completing the 9-8-8 technology upgrade by July 2024.

- **Gun Buyback Program.** The 2023 budget included \$21 million realigned from the Board of State and Community Corrections for gun buyback programs. Cal OES intends to distribute this funding through both large events in population centers and through competitive grants to other interested local law enforcement agencies, with the programs initiating in early 2024.
- **Gun Violence Restraining Order (GVRO) and Domestic Violence Restraining Order (DVRO) Outreach.** The 2023 budget included \$4 million for education and outreach in multiple languages around GVROs and DVROs. Cal OES plans to solicit potential contractors in early 2024 to facilitate a statewide education and outreach campaign, building on Cal OES's existing efforts to develop multi-lingual materials and educational resources.⁵
- **Nonprofit Security Grant.** \$40 million is available for the Nonprofit Security Grant Program in the 2023-24 fiscal year. Cal OES collected proposals through October 27, 2023, and received an estimated 940 eligible applications totaling \$192 million. Cal OES is currently reviewing the applications.
- **Flexible Assistance for Survivors Pilot Grant Program.** The 2022 budget included \$50 million one-time General Fund to establish a grant program for community-based organizations to provide flexible assistance to survivors of crime. The advisory committee is in the process of developing the program, and it is anticipated that a request for proposals will be released in January 2024.

Department of Justice (DOJ)

- **Tenant Protection Enforcement.** The 2023 budget included \$3 million Unfair Competition Law Fund and eight positions ongoing to expand the work of the Civil Law section related to the enforcement of tenant protections. The DOJ is in the process of filling the newly allocated positions. In the meantime, the DOJ has redirected approximately 4,000 staff hours on this effort.
- **Advisory Council on Improving Interactions Between Law Enforcement and the Intellectual and Developmental Disabilities Community.** The 2023 budget included \$531,000 per year for three years to implement SB 882 (Eggman), Chapter 899, Statutes of 2022 and establish an Advisory Council on Improving Interactions Between Law Enforcement and the Intellectual and Developmental Disabilities Community. The appointments are in the process of being filled. In the meantime, the DOJ, the Governor's Office, and the Fair Political Practices Commission have been developing rules and preparing the appointed members. It is anticipated that the first meeting will be held in early 2024.
- **Retail Theft Task Force.** The 2022 budget included \$6 million per year for three years for statewide coordination and prosecution efforts related to organized retail theft. The DOJ has filled five positions and is in the process of hiring 11 additional positions to fill its Northern and

⁵ <https://www.caloes.ca.gov/gunsafety/>

Southern California teams. The DOJ anticipates the positions to be largely filled by spring 2024. The DOJ has several active investigations in partnership with local, state, and federal agencies, and has been involved in bringing charges in several cases⁶.

- **Fentanyl Enforcement Program.** The 2022 budget included \$7.9 million General Fund in 2022-23 and \$6.7 million ongoing to establish the Fentanyl Enforcement Program to target statewide fentanyl-trafficking criminal networks. The DOJ has filled 18 of 25 positions, and is in the process of filling the remaining positions. The DOJ anticipates the remainder to be largely filled by early 2024. The program is organized into three regional teams in the Bay Area, Los Angeles, and San Diego. All three teams have active investigations with local, state, and federal partners.

California Victim Compensation Board (Cal VCB)

- **Forced or Involuntary Sterilization Compensation Program.** The 2021 Budget included \$4.5 million for reparations for individuals who survived forced or involuntary sterilizations while under the state's custody. Statutory changes to the program structure, including setting the final payment at \$20,000 and extending the program by six months to allow for all pending appeals to be processed, were included in the 2023 budget. As of November 30, 2023, 112 applications had been approved. Of these, 104 final payments had been processed and eight were pending approval or an updated address. Additionally, 33 applications were in process or pending, and two appeals were in review.
- **Trauma Recovery Centers.** The 2022 budget included \$23 million General Fund one-time available over three years to expand Trauma Recovery Centers (TRCs). As of December 1, 2023, \$17.3 million has been expended and encumbered. This included additional funding to eleven TRCs with annual budgets under \$1.1 million, additional grants to fifteen existing TRCs, funding to establish two regional pilots in Northern and Central California, and funding for Flexible Emergency Cash Assistance, which was utilized by eighteen TRCs. Cal VCB also executed a contract with UC San Francisco in June 2023 to provide technical assistance to TRCs.
- **Outreach.** The 2022 budget included \$3 million one-time Restitution Fund for outreach and education related to the victim compensation program. In June 2023, Cal VCB executed a contract for this funding, and as of November 30, 2023, \$34,217 had been invoiced.

Commission on Peace Officer Standards and Training (POST)

- **Peace Officer Certification.** The 2022 budget included \$23 million General Fund in 2022-23 and \$20.6 million and 127 positions ongoing to implement SB 2 (Bradford and Atkins), Chapter 409, Statutes of 2021. The 2023 budget included an additional \$4.5 million in 2023-24 and \$3.9 million ongoing to fund Office of Administrative Hearings costs, and \$6.1 million one-time in fiscal year 2023-24 and \$5.3 million in 2024-25 and 2025-26 to fund Department of Justice legal costs related to SB 2. POST has staffed 89 positions and has 45 vacancies.

As of December 8, 2023, POST has received 21,364 misconduct reports from 615 reporting agencies. POST determined 13,442 of those meet the definition of serious misconduct and opened cases. Of those, 35 percent have been closed. There are 99 active immediate temporary

⁶ <https://oag.ca.gov/bi/retail-crime#press>

suspensions, and seven notices of intent to revoke certification have been issued. Of these seven, three are under review and the remaining four resulted in default revocations. POST anticipates that the required annual report to the Legislature will be available by the end of 2023.

Judiciary Implementation Snapshot

IMPLEMENTATION UPDATES:

- **Community Assistance, Recovery, and Empowerment (CARE) Act Implementation.** The budget included \$55.5 million General Fund in 2023-24, \$106.9 million General Fund in 2024-25, and \$133.0 million General Fund in 2025-26 and ongoing for the Judicial Branch to implement the CARE Act pursuant to SB 1338 (Umberg), Chapter 319, Statutes of 2022.

The CARE Act is being implemented in phases. The seven counties in Cohort 1 (Glenn, Orange, Riverside, San Diego, San Francisco, Stanislaus, and Tuolumne) began implementation by October 1, 2023. Los Angeles County began implementation by December 1, 2023. The remaining 50 counties in Cohort 2 will begin implementing the CARE Act by December 1, 2024. All the fiscal year 2022-23 and 2023-24 funding for court operations and planning has been disbursed to the courts in accordance with the implementation schedule. From October 7 to November 17, an estimated 108 petitions were submitted.

The Judicial Council has also worked with health and human services partners to develop materials and trainings for the courts, partner entities, and the public. Nineteen training courses have been completed and four are in progress. Training is in progress for Cohort 2 Judicial Officers. Funding for legal counsel has been allocated by the State Bar and was distributed as of November 29, 2023. The Office of the State Public Defender was also provided with resources to train public defenders.

- **Judgeships.** The 2022 budget included \$42.6 million in 2022-23 and \$42.3 million ongoing for 23 new judgeships, and \$53.9 million General Fund in associated facility modifications and new construction. All of these judgeships have been filled, with the last appointments on October 5, 2023. There are four associated capital projects estimated to be completed in 2025, and seven associated support projects: six that are estimated to be completed in 2024 and one in June 2025.
- **Civil Assessment.** The 2022 budget included a reduction in the maximum civil assessment from \$300 to \$100, and a change in the way civil assessment revenue is distributed. At least 19 courts have chosen to stop civil assessments as a matter of court policy, although judges retain the authority to impose civil assessments in individual cases.
- **Court-Based Firearm Relinquishment.** The 2022 budget included \$40 million for court-based firearm relinquishment programs. \$20 million has been distributed to eight courts and partner law enforcement agencies through two rounds of grant cycles. The Judicial Council recently collected applications for another cycle of funding, which is open to both new applicants and existing grantees. In addition, the Judicial Council requested proposals for an external program evaluator, and is working with current grantees to identify promising models to assist other courts in project planning and expending the remaining funding.
- **Courthouse Lactation Rooms.** The 2022 budget included \$15 million for facility modifications to courthouses to expand access to lactation rooms to members of the public (e.g. attorneys and their clients) in addition to courthouse employees. The Judicial Council initially planned for the installation of 81 lactation rooms in 24 counties, costing an estimated \$11.3 million. The

installation of those rooms is in progress, and 44 additional sites are being evaluated for the remaining funding.

- **Court Interpreter Funding.** The Judicial Council awarded \$2.5 million in Cycle 1 and \$2.6 million in Cycle 2 for the Court Interpreter Employee Incentive Grant established in the 2021 budget. This funding is available until June 30, 2024. \$6.8 million was reallocated in the 2023 budget for the California Court Interpreter Workforce Pilot Program, which is anticipated to be implemented in spring 2024.
- **Court Reporter Funding.** The 2021 budget included \$30 million ongoing to increase the number of court reporters in family law and civil law cases. In 2022-23, the courts spent \$20.4 million of this allocation.
- **Federal Byrne State Crisis Intervention Program Funding.** The 2023-24 budget included \$5.9 million in 2023-24 and \$5.7 million in 2024-25 and 2025-26 in federal funding for the Judicial Council to improve the execution of firearm relinquishment orders and expand collaborative courts. The state is in the process of finalizing the federal award, and anticipates that the funding will be received in spring 2024.

Labor Implementation Snapshot

IMPLEMENTATION UPDATES:

Previous Investments

- **California Youth Leadership Program.** The Budget Act of 2022 included \$60 million General Fund over three years (\$20 million in each 2022-23, 2023-24, and 2024-25) to invest in career pathway programs at community colleges. This program is in its final year of state funding. Since receiving funding in 2022-23, the California Youth Leadership Corp (CYLC) has expanded upon its community college partnerships to include De Anza College, Los Angeles Trade Tech College, Riverside City College, East Los Angeles College, Los Angeles Mission College, Fresno City College and San Bernardino Valley College. The remaining funding will allow CYLC to sustain and expand its work and serve thousands of community college students across the state.
- **California Workplace Outreach Program (CWOP).** The Budget Act of 2023 shifted \$25 million in support to Labor and Workforce Development Fund for 2023-24 for the last year of CWOP. Additionally, the budget renamed the California COVID-19 Workplace Outreach Program to the California Workplace Outreach Program. Department of Industrial Relations (DIR) invited six University of California labor and agriculture education centers to submit proposals to coordinate and administer grants to CBOs to perform outreach and education activities on improving workplace health and safety and working conditions for California workers by expanding awareness and outreach on labor laws and resources related to COVID-19. The outreach efforts are the continuance of CWOP 2020-2023. DIR finalized contracting in June 2023 and disbursed the \$25 million appropriated in 2022-23 in June 2023. The program is in its final year of state funding.
- **High Road Training Partnerships (HRTTP) in Health and Human Services.** The 2022 Budget Act included \$135 million General Fund over three years, to recruit, train, hire, and advance California's health and human services sectors. The HRTTP Allied Healthcare Initiative was included in the California Workforce Development Board's larger HRTTP Resilient Workforce Program (RWP). Funding was awarded through regional grants with partners including community colleges, workforce boards, employers, and non-profit organizations. Due to the volume of HRTTP applications received to date and spending of virtually all funding, the HRTTP RWP application cycles planned for October 2023 and January 2024 are cancelled.
- **Women in Construction Priority Unit.** The 2022 Budget Act included \$15 million General Fund in 2022-23 and ongoing and statutory language that requires the Department of Industrial Relations (DIR) to establish a Women in Construction Priority Unit to coordinate and help ensure collaboration across DIR's subdivisions and maximize state and federal funding to support women and nonbinary individuals in the construction workforce. The Equal Representation in Construction Apprenticeship Grant, administered by DIR and the Division of Apprenticeship Standards (DAS) distributed \$25 million dollars to increase opportunities in the construction industry for women, non binary, and underserved communities to cover the costs of child care and bolstering outreach.

- **California Youth Apprenticeship Program.** The 2022 Budget Act included \$20 million General Fund in 2022-23, \$20 million in 2023-24 and \$25 million in 2024-25 to establish the Youth Apprenticeship Grant Program. In February 2023, the DAS launched the California Youth Apprenticeship Committee, comprised of representatives from youth, youth serving organizations, labor, employers of youth, K–12 schools, community colleges, and the public workforce system. DAS completed planning in Fall 2023, including the funding details for planning and implementation grants, target population, and eligibility criteria. The first round of grants will open in January or February 2024 with \$25 million in available funding.
- **Apprenticeship Innovation Fund (AIF).** The 2023 Budget Act reduced the total three-year investment for this program to \$135 million. If there is sufficient General Fund in January 2024, then this reduction will be restored. Between November 2023 and January 2024, DAS sought feedback on the first round of AIF grants through a public comment survey.

Transportation Implementation Snapshot

IMPLEMENTATION UPDATES:

Transit

- **Accountability.** SB 125 (Skinner), Chapter 54, Statutes of 2023, requires the California State Transportation Agency (CalSTA) to develop and implement an accountability program for the \$5.1 billion allocated through the Zero-Emission Transit Capital Program and the General Fund component of the Transit and Intercity Rail Capital Program (TIRCP). CalSTA has published the final guidelines for this program on September 29, 2023. Currently, regions are currently developing the accountability documents and reporting required for first year funding, to be submitted by December 31, 2023.
- **Task Force.** SB 125 (Skinner, 2023) requires CalSTA to establish and convene the Transit Transformation Task Force on or before January 1, 2024, and include representatives from the department, various local agencies, academic institutions, nongovernmental organizations, and other stakeholders. The first meeting took place on December 19, 2023 and the task force will meet every two months beginning in February 2024.

Transportation Package

- **TIRCP.** In 2023, CalSTA awarded about \$3.6 billion General Fund through the Transit and Intercity Rail Capital Program and \$350 million General Fund for High Priority Grade Crossing Improvement and Separation Projects. CalSTA awarded \$2.54 billion of this funding to existing projects as the first grants of TIRCP Cycle 6 on January 31, 2023, and awarded \$690 million to new projects on April 24, 2023. CalSTA awarded \$251.5 million to High Priority Grade Crossing Improvement and Separation Projects on July 6, 2023. CalSTA awarded the remaining \$98.5 million to grade separation projects through the Port and Freight Infrastructure Program.
- **Active Transportation Program.** The California Transportation Commission (CTC) has begun Cycle 7 of the program in August 2023. This cycle anticipates \$555.5 million in funding over four years. Currently, the Commission staff is holding workshops and site visits prior to drafting the program guidelines. CTC expects to adopt the program guidelines and release a call for projects by March 2024.

Supply Chain Package

- **Port and Freight Infrastructure Program.** On July 6, 2023, CalSTA awarded \$1.2 billion to 15 projects across the state through the Port and Freight Infrastructure Program. This funding will be spread over the next several years, through 2025-26.

APPENDIX

Timeline for the 2024-25 Senate Budget Bill i
Assignments of the Senate Budget Committee Staff ii
California State Budget Historyiii

TIMELINE FOR THE 2024-25 BUDGET BILL

Wednesday	January 10	Governor submits State Budget to the Legislature.
Wednesday	January 10	Committee releases <i>Summary of Governor's Proposed 2024-25 Budget</i> .
Monday	January 15 (est.)	Legislative Analyst submits <i>The 2024-25 Budget: Overview of the Governor's Budget</i> .
Tuesday	January 23	Committee conducts overview hearing of the Governor's Proposed 2024-25 Budget.
Thursday	February/March	Budget Subcommittee hearings begin.
Thursday	March 21	Spring Recess begins upon adjournment of session.
Monday	April 1	Department of Finance submits Finance Letters.
Tuesday	May 14 (est.)	Governor delivers May Revision to the Legislature.
Saturday	June 15	Legislature must pass budget to meet constitutional deadline for passage of the budget.
Saturday	June 29	Governor signs 2024-25 Budget.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

STAFF ASSIGNMENTS

OVERALL BUDGET	ELISA WYNNE SCOTT OGUS
CORRECTIONS AND PUBLIC SAFETY	DR. NORA BRACKBILL
EDUCATION	
K-12 EDUCATION	YONG SALAS
HIGHER EDUCATION	DR. CHRISTOPHER FRANCIS
EARLY CHILDHOOD EDUCATION	ELIZABETH SCHMITT
ENERGY	EUNICE ROH
ENVIRONMENTAL PROTECTION	JOANNE ROY
HOUSING AND COMMUNITY DEVELOPMENT	TIMOTHY GRIFFITHS
JUDICIARY	DR. NORA BRACKBILL
LABOR AND EMPLOYEE COMPENSATION	DR. CHRISTOPHER FRANCIS
HEALTH	SCOTT OGUS
HUMAN SERVICES	ELIZABETH SCHMITT
RESOURCES	JOANNE ROY
TAXES AND REVENUES	ELISA WYNNE
STATE ADMINISTRATION	DIEGO EMILIO J. LOPEZ
TRANSPORTATION	EUNICE ROH
COMMITTEE SECRETARY	SANDY PEREZ
COMMITTEE ASSISTANT	SAMUEL LANCHESTER

CALIFORNIA STATE BUDGET HISTORY

Fiscal Year	Bill and Chapter No.	Date Passed and Chaptered		Total Budget (\$ Billions)
1965-66	AB 500/757	6-18	6-30	4.0
1966-67 ^a	SB 1XX/2	6-30	6-30	4.7
1967-68	AB 303/500	6-29	6-30	5.0
1968-69	SB 240/430	6-28	6-29	5.7
1969-70	SB 255/355	7-3	7-3	6.3
1970-71	AB 525/303	7-4	7-4	6.6
1971-72 ^b	SB 207/266	7-2	7-3	6.7
1972-73 ^c	SB 50/156	6-15	6-22	7.4
1973-74	AB 110/129	6-28	6-30	9.3
1974-75	SB 1525/375	6-28	6-30	10.3
1975-76	SB 199/176	6-26	7-1	11.5
1976-77	SB 1410/320	7-1	7-2	12.6
1977-78	AB 184/219	6-24	6-30	14.0
1978-79	AB 2190/359	7-5	7-6	18.8
1979-80	SB 190/259	7-12	7-13	21.5
1980-81	AB 2020/510	7-16	7-16	24.5
1981-82c	SB 110/99	6-15	6-28	25.0
1982-83	AB 21/326	6-30	6-30	25.3
1983-84	SB 123/324	7-19	7-21	26.8
1984-85c	AB 2313/258	6-15	6-27	31.0
1985-86c	SB 150/111	6-13	6-28	35.0
1986-87c	AB 3217/186	6-12	6-25	38.1
1987-88	SB 152/135	7-1	7-7	40.5
1988-89	AB 224/313	6-30	7-8	44.6
1989-90	SB 165/93	6-29	7-7	48.6
1990-91	SB 899/467	7-28	7-31	51.4
1991-92	AB 222/118	6-20/7-4	7-16	55.7
1992-93	AB 979/587	8-29	9-2	57.0
1993-94	SB 80/55	6-22	6-30	52.1
1994-95	SB 2120/139	7-4	7-8	57.5
1995-96	AB 903/303	8-2	8-3	56.8
1996-97	SB 1393/162	7-8	7-15	61.5
1997-98	AB 107/282	8-11	8/18	67.2
1998-99	AB 1656/324	8-11	8-21	71.9
1999-00	SB 160/50	6/16	6/29	81.3
2000-01	AB 1740/52	6/22	6/30	99.4
2001-02	SB 739/106	7/21	7/26	103.3
2002-03	AB 425/379	9/1	9/5	98.9
2003-04	AB 1765/157	7/29	8/2	98.9
2004-05	SB 1113/208	7/29	7/31	105.3
2005-06	SB 77/38	7/7	7/11	117.3
2006-07	AB 1801/47	6/27	6/30	131.4
2007-08	SB 77/171	8/21	8/24	146.5
2008-09	AB 1781/268 & AB 88/269	9/16	9/23	144.5
2009-10	SBx3 1/1 & ABx4 1/1	2/20 – 7/23	2/19 - 7/28	119.2
2010-11	SB 870/712	10/7	10/8	125.3
2011-12	SB 87/ 33	6/28	6/30	129.5
2012-13c	AB 1464/21 & AB 1497/29	6/15	6/27	142.4
2013-14c	AB 110/20	6/14	7/1	145.3
2014-15c	SB 852/25	6/15	6/20	156.4
2015-16c	AB 93/10, SB 97/11, SB 101/321	6/15, 6/19 9/11	6/19, 6/24 and 9/22	167.6
2016-17c	SB 826/23, AB 1622/44, AB 1623/318, AB 1613/370	6/15, 6/30, 8/24, /31	6/27, 7/1, 9/13, and 9/14	170.9
2017-18c	AB 97/14, AB 120/22, SB 108/54, AB 98/12 SB 107/53	6/15,6/15, 6/26, 6/15, 6/26	6/21, 6/27 and 7/10	183.3
2018-19c	SB 840/29, SB 841/31, SB 856/30 SB 862/449	6/14, 6/14, 6/25, 8/30	6/27, 6/27, 6/27 9/17	201.4

^a 1966 Second Extraordinary Session.

^b First year budget was to be enacted by June 15.

^c June 15 constitutional deadline met.

CALIFORNIA STATE BUDGET HISTORY

Fiscal Year	Bill and Chapter No.	Date Passed and Chaptered		Total Budget (\$ Billions)
2019-20c	AB 74/23, AB 72/1, AB 91/39, AB 110/80, SB 106/55, SB 109/363	6/15, 2/13, 6/20, 7/11, 9/13 6/24,	6/27, 2/13, 7/1, 7/12, 7/1, 9/27	214.8
2020-21c	SB 74/6, AB 89/7, SB 115/40	6/15, 6/26, 8/31	6/29, 6/29, 9/9	202.1
2021-22c	AB 85/4, AB 128/21, AB 161/43, AB 164/84, SB 85/14, SB 89/1, SB 129/69, SB 170/240 Enacted 2023 - AB 100/3 and AB 103/33	2/22, 6/14, 7/8, 7/15, 4/12, 1/28, 6/28, 9/9 Enacted 2023 - 5/4 and 6/27	2/23, 6/28, 7/9, 7/16, 4/13, 1/29, 7/12, 9/23 Enacted - 5/15/23 and 6/30/23	262.6
2022-23c	SB 154/43, AB 178/45, AB 179/249, SB 115/2, SB 119/9, AB 180/44 Enacted 2023 - SB 104/189 and SB 105/862	6/15, 6/29, 8/31, 2/7, 3/14, 6/29 Enacted 2023 – 9/11 and 9/14	6/27, 6/30, 9/6, 2/9, 3/14, 6/30 Enacted 2023 – 9/13 and 10/13	307.9
2023-24c	SB 101/12 and AB 102/38	6/15 and 6/27	6/27 and 7/10	310.8