

2021-22 State Budget



The June 28th Package

Highlights

K-12 Highlights

- For K-12 education this includes significant investments:
 - Provides a cost-of-living-adjustment for the Local Control Funding Formula of 5.07 percent, a \$3.2 billion ongoing increase in Proposition 98 funding in the 2021-22 fiscal year.
 - Provides a total of \$11 billion in one-time Proposition 98 funding to fully pay off K-12 deferrals.
 - Increases the Local Control Funding Formula concentration grant percentage from 50 percent to 65 percent of the base grant, providing an addition \$1.1 billion in ongoing Proposition 98 funds to local educational agencies with enrollment of 55 percent or greater of low income, English learner, and foster youth students. Funds are to be used for increasing staffing at school sites to provide additional direct services to students, including custodial services.
 - Creates an Expanded Learning program to provide funding for afterschool and summer school enrichment programming targeted at low-income students. In 2021-22, the budget provides \$1 billion ongoing Proposition 98, and \$753.1 million one-time Proposition 98 funds, growing to \$5 billion ongoing Proposition 98 funding at full implementation for all classroom-based local educational agencies. Funds would be provided on a per average daily attendance (ADA) count of low-income, English learner and foster youth students in grades TK-6.
 - Expands the California Community Schools Partnership Program with \$3 billion in one-time Proposition 98 funding through 2028, and aligns program requirements to Healthy Start program best practices, with planning, launch, and ongoing coordination grant types.
 - Increases special education funding by \$396 million ongoing Proposition 98 funding, increasing the per ADA statewide base rate for the special education formula. In addition, increases the special education funding formula by \$260 million ongoing Proposition 98 funding to include funding for specified services for children aged 3-5 years old in the formula. Also applies a COLA of 4.05 percent to the special education formula.
 - Provides \$550 million in one-time Proposition 98 funding to invest in increased support for special education alternative dispute resolution and

learning recovery supports for special education students associated with impacts due to the COVID-19 pandemic.

- Provides \$1.5 billion one-time Proposition 98 funds for a new Educator Effectiveness Block Grant available over five years to provide professional development for teachers, administrators, and other in-person staff.
 - Provides \$1.3 billion in one-time Proposition 98 funding for various teacher recruitment, retention, and professional development programs.
 - Provides \$547.5 million in one-time Proposition 98 funding for the A-G Completion Grant Program, which includes funding to all LEAs to improve A-G completion rates through staff development, pupil supports, additional A-G access, high school learning loss, credit recovery, and covering AP fees for students.
 - Increases the Career Technical Education Incentive Grant by \$150 million ongoing Proposition 98 General Fund and increases the positive consideration for existing high-quality regional-based career technical education programs.
 - Launches the Universal School Meals Program, with an increase in state meal reimbursements by \$54 million in the 2021-22 fiscal year and \$650 million ongoing Proposition 98 funding beginning in 2022-23, to cover the costs of offering breakfast and lunch for all students.
 - Provides an additional \$130 million in ongoing Proposition 98 funding for increasing the number of LEA-based state preschool slots.
- Adopts universal Transitional Kindergarten (TK) as part of a mixed delivery system for early education, phasing in expanded age eligibility to full implementation in 2025-26 and rebenching the Proposition 98 Guarantee to provide ongoing funding for the TK expansion of approximately \$2.7 billion at full implementation.

Higher Education Highlights

- Provides \$50 million one-time to support local library infrastructure, \$35 million to support local projects to expand broadband access and upgrade equipment to access high speed connectivity, and \$389 million to support library facilities, technology infrastructure upgrades and devices for loaning and lending.

- Provides \$259 million ongoing to restore base funding to UC, and provides an increase of \$173.2 million ongoing (five percent) to UC's base.
- Provides \$68 million to increase resident undergraduate enrollment by 6,230 students at UC, and \$31 million to begin a five year process to reduce non-resident enrollment at UC Berkeley, UC Los Angeles, and UC San Diego to 18 percent.
- Provides \$30 million to fund the UC San Diego Hillcrest Medical Center facility, \$15 million for UC Riverside's Center for Environmental Research and Technology, \$25 million for UC Riverside's School of Medicine clinical facilities, \$15 million for the UCLA Labor Center, \$50 million for the Charles Drew University of Medicine and Science facilities, and \$325 million to support deferred maintenance.
- Provides a \$32.1 million ongoing increase to UC Agriculture and Natural Resources Division.
- Provides \$15 million ongoing to support student mental health and \$22.5 million one-time to support the Student Academic Preparation and Educational Partnerships (SAPEP).
- Provides \$299 million ongoing to restore base funding at CSU, and provides a \$185 million ongoing General Fund (five percent) increase for CSU.
- Provides \$81 million ongoing General Fund to increase CSU undergraduate enrollment by 9,434 slots, and \$1 million ongoing to increase enrollment at Stanislaus State, Stockton Center.
- Provides \$15 million ongoing to support CSU student mental health, \$15 million ongoing to support student basic needs, and \$30 million one-time for emergency financial aid.
- Provides \$25 million to establish the Center for Equity in Innovation and Technology at CSU Northridge, \$433 million one-time and \$25 million ongoing to support Humboldt state's transition to a polytechnic university, \$54 million to fund the replacement of the Acacia building at Stanislaus State Stockton Center, \$60 million one-time to address CSU Dominguez Hills infrastructure needs, and \$325 million to address deferred maintenance.
- Increases financial aid awards to students, as follows:

- Provides \$15 million ongoing to create the Foster Youth Cal Grant Access Award, which provides foster youth Cal Grant recipients an access award of up to \$6,000.
 - Eliminates the age and time out of high school eligibility requirements for Cal Grant, for CCC students. This would provide 130,000 more CCC students access to Cal Grant.
 - Provides a cost-of-living adjustment to the private non-profit tuition award of \$9,084.
 - Provides \$515 million beginning in 2022-23 to reboot the Middle-Class Scholarship to expand to low-income and middle income students to help address the total cost of attendance. This is funded at 33 percent, and will phase in to 100 percent overtime, which would result in debt free college for CSU and UC students.
- Provides \$2 billion one-time to create the Capacity and Affordable Student Housing Fund to be used over four years to support higher education capital outlay facilities at UC and CSU for capacity expansion and acquisition, and funding to support the public segments in developing affordable student housing.
 - Provides \$1.45 billion to fully pay-down the CCC deferrals.
 - Provides \$371.2 million ongoing Proposition 98 to provide a five percent cost-of-living adjustment to CCC apportionments, and extends the hold harmless provision of the Student Centered Funding Formula by one year to 2024-25.
 - Provides \$30 million ongoing Proposition 98 to support basic needs centers and coordinators, \$30 million ongoing Proposition 98 to support student mental health programs, \$100 million one-time Proposition 98 to support student basic needs, and \$250 million one-time in emergency financial aid.
 - Provides an increase of \$42.4 million ongoing Proposition 98 for the Strong Workforce Program, \$15 million ongoing increase to support the California Apprenticeship Initiative, \$12.5 million ongoing for a COLA on adult education.
 - Provides various investments for student support services: \$4.9 million ongoing for Umoja, \$8 million ongoing for MESA, \$7 million ongoing for Puente Program, \$20 million ongoing for EOPS, \$10 million ongoing to support the Rising Scholars, \$1.3 million ongoing for Historically Black Colleges and Universities Transfer Pathways, and \$24 million ongoing for the Student Equity and Achievement Program.

- Provides \$100 million ongoing to increase the number of full-time faculty at CCCs and \$10 million ongoing and \$90 million one-time to increase part-time faculty office hours.
- Provides \$511 million one-time Proposition 98 General Fund to address deferred maintenance needs.

Resources, Environmental Protection and Energy Highlights

- ***Climate Resiliency.*** Approximately \$3.7 billion Climate Resiliency Package, which includes the following categories of spending:
 - Regional Climate Resilience (e.g., regional climate resilience projects).
 - Urban Climate Resilience (e.g. urban greening, cooling/resilience centers, Transformative Climate Communities).
 - Watershed Protection (e.g., multibenefit flood protection, urban streams and rivers).
 - Fish and Wildlife Protection.
 - Agriculture and Food Supply Resilience (e.g., Farmland Protection Program, research on GHG reduction of agriculture).
 - Coastal Protection (e.g., wetlands restoration and sea-level rise projects).
- ***Wildfire Package.*** Approximately \$1 billion (General Fund and Greenhouse Gas Reduction Fund) Wildfire Prevention and Resilience Package, which includes the following categories of spending with details to be determined in a final agreement among the Senate, Assembly, and Governor:
 - Resilient Wildlands (e.g., forest health and stewardship of state-owned lands).
 - Wildfire Fuel Breaks (e.g., fire prevention grants and prescribed fire & hand crews).
 - Community Hardening (e.g., defensible space inspectors).
 - Science-Based Management (e.g., research and adaptive management).

- Forestry Sector Economic Stimulus (e.g., workforce and market development).
- **Water and Drought Package.** Approximately \$3 billion for Water and Drought Package, which includes the following categories of spending and details to be determined in a final agreement among the Senate, Assembly, and Governor:
 - Immediate Community Assistance for Water and Drought Relief.
 - Emergency Drought Water-Use Efficiency.
 - Sustainable Groundwater Management.
 - Resilient Water Infrastructure Projects.
 - Recycled Water.
 - Stormwater Management.
 - Protecting Fish & Wildlife from Drought Impacts.
 - Water Quality.
 - Water Data and Forecast Improvements.
 - Helping Ratepayers, Community Water Systems, Waste Water Treatment Works, and Public Utilities Recover from COVID-19 Economic Impacts.
- **Ag Package.** \$874 million for a Sustainable Agriculture Budget Plan, which includes the following categories of spending:
 - Transition to Safer, Sustainable Pest Management (in lieu of increase in mill assessment, provide two years of bridge funding).
 - Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program.
 - Agricultural Burning.
 - Alternative Manure Management Program.

- **Zero Emission Vehicles.** Provides \$2.7 billion in 2021-22, and \$3.9 billion over three years, for a variety of zero emission vehicle programs. This includes multi-year investments in drayage trucks, transit buses, and school buses, as well as \$500 million for ZEV infrastructure and \$525 million for the Clean Vehicle Rebate Project.
- **Other Key Highlights:**
 - \$493 million for deferred maintenance projects for Parks, CalFire, Department of Water Resources, Exposition Park, and the California Conservation Corps.
 - \$500 million for cleanup of brownfields.
 - \$143 million and a total of 617 positions ongoing to add 30 new hand crews to provide vegetation management, hazardous fuel reduction projects, and wildland fire suppression.
 - \$735 million for a variety of investments to help the state meet its clean energy goals, with details to be finalized in subsequent legislation.

Health Highlights

- More than \$4.4 billion dollars over five years to create a new, modern, and innovative behavioral health system for youth ages 0 to 25, including \$205 million for the Mental Health Student Services Act to fund school and county mental health partnerships to support the mental health and emotional needs of children and youth as they return to schools and everyday life.
- Builds the foundation for a 21st century public health system to address preventable death and disease, reduce health disparities, and support an agile public health workforce, with \$300 million annually beginning in 2022-23. These investments will be governed by statutory changes developed in collaboration with the Administration later in the legislative session.
- Invests \$63.1 million one-time for the California Reducing Disparities Project, which supports local programs to reduce mental health disparities.
- \$48 million in the first year, growing to \$1.3 billion, to expand eligibility for full-scope Medi-Cal coverage to income-eligible adults age 50 and older, regardless of immigration status.

- More than \$2.2 billion for competitive grants to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. These funds include an allocation of \$150 million, combined with \$55 million of federal funding, to support mobile crisis support teams to assist youth and adults experiencing a behavioral health crisis.

Human Services Highlights

- The elimination of funding suspensions across an array of essential health and human services programs, including the permanent elimination of the 7 percent reduction in IHSS service hours.
- Over \$800 million in investments above what is proposed in the Governor's May Revision to protect and aid older, vulnerable adults, including restoring 50 percent of the remaining 2009 SSI/SSP grant cut. The Legislature intends to restore the remaining 50 percent of the cut in the 2023-24 budget year. Other investments include increased access to food and technology to combat hunger and isolation among seniors.
- \$30 million over the next two years to automate a targeted implementation of an expansion of the California Food Assistance Program to all regardless of immigration status and over \$200 million in aid to California food banks.
- A phasing in of \$1.2 billion to fund increased rates within the developmental services system with a five-year implementation plan with a focus on quality outcomes for consumers within the system.
- Budget year investments that total more than \$200 million within the CalWORKs program to fight poverty and racial injustice, including grant increases and an increase to the income disregard for program applicants of \$360. Note that these investments will ramp up and increase in the out years.
- Over \$1 billion to be spent over four years for various housing and homelessness program administered by the Department of Social Services aimed at the most vulnerable California residents, including seniors and children living in poverty.
- Subject to final agreement on details, implements strong rate reform and rate increases for child care and state preschool providers which helps ensure providers can be fairly compensated and run successful businesses that provide vital services for families.

- Increases child care access by 120,000 slots in the 2021-22 fiscal year in Alternative Payment, General Child Care, Migrant Child Care, bridge program for foster children, and prioritizes ongoing vouchers for essential workers currently receiving short-term child care. Over a five year period, these slots increase to 206,500 total ongoing slots.
- Provides a variety of one-time investments to stabilize providers growing out of the pandemic, including stipends and hold harmless policies. Provides \$250 million in one-time investments in child care facilities (\$100 million in federal funds, and \$150 million in General Fund).

State Administration and General Government Highlights

➤ ***Supporting our Veterans.***

- Includes an increase of \$5.4 million General Fund ongoing to support County Veteran Service Officers.
- Includes \$25 million to support aging veterans and veterans with disabilities who have experienced chronic homelessness.
- Provides \$20 million to help fund 1,200 permanent supportive housing units for homeless and at-risk veterans at the West Los Angeles VA Medical Center Campus.

➤ ***Investments in Arts and Culture.***

- Provides \$60 million for the California Creative Corps, and provides \$40 million is dedicated to Creative Youth Development Programs, and targets programs in underserved communities.
- In addition to investing in the arts, the budget includes \$50 million to provide nonprofit performing arts organizations additional relief through the Governor's Office of Business and Economic Development.
- Includes additional relief for museums, independent venues, and other live events who have been impacted by the pandemic.

➤ ***Enhancing our Economic Recovery.***

- The Golden State Stimulus II provides \$8.1 billion in tax rebates to Californians making under \$75,000. This includes additional stimulus for

ITIN filers with dependents and brings the state's total Golden State Stimulus payments to \$11.9 billion.

- Includes additional \$1.5 billion in small businesses and non-profit grants, bringing the total investment in the Small Business COVID-19 Relief Grant Program to \$4 billion.
 - Provides \$50 million for grants to micro-businesses.
 - Provides tax credits that support small business hiring and the hiring of homeless individuals, encourage the rehabilitation of historic buildings, and support the donations of fresh fruit or vegetables to food banks.
 - Expands the Film and Television Tax Credit to encourage production in California and establishes a new credit for productions made in the qualifying sound stages.
 - Augments the Cal Competes Tax Credit by \$110 million on a one-time basis and includes \$120 million to establish the Cal Competes Grant Program.
 - Includes \$95 million one-time federal ARPA funds for the California Office of Tourism, within GO-Biz, which works closely with Visit California.
- **Affordable Housing.** Provides significant investment in developing, constructing, and preserving affordable and livable housing, including:
- \$1.75 billion to alleviate the backlog in affordable housing construction.
 - \$300 million for the preservation of existing affordable housing.
 - \$500 million for the creation of a Foreclosure Intervention Housing Preservation program.
 - \$130 million for the development, maintenance, and preservation of farmworker housing.
 - \$600 million for planning and implementation grants to help local governments plan for and meet their goals under their Sustainable Community Strategies.
- **Homeownership.** Provides \$100 million in 2021-22 to expand CalHFA's homebuyer assistance program and begins the process of developing the California Dream for All First Time Homebuyer Program.

Public Safety, Corrections, and the Judiciary Highlights

- Reduces the debt of low-income Californians by eliminating various criminal administrative fees, including the elimination of the civil assessment, subject to legislation enacted later this year. The budget agreement includes \$151 million General Fund in 2021-22, \$151 million in 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and ongoing to backfill the revenue associated with the eliminated fees.
- Provides \$140 million in 2021-22 and \$70 million ongoing from the General Fund to support programs and practices statewide that reduce pre-trial detention.
- Restores \$200 million ongoing General Fund (\$176.9 million for the trial courts and \$23.1 million for the state-level judiciary) to allow courts to re-open temporarily closed courtrooms and process case backlogs which have accumulated during the pandemic. Also, includes an additional \$72 million General Fund ongoing to support trial court operations.
- Includes \$60 million General Fund for allocation by the Judicial Council to trial courts to address backlogs and workload delays resulting from the COVID-19 Pandemic.
- Expands essential legal service resources through an Access to Justice package. This specifically includes:
 - \$50 million General Fund in 2021-2022 and \$20 million ongoing General Fund augmentations to the Equal Access Fund to provide resources to legal aid organizations.
 - \$10 million General Fund in 2021-22 to address pandemic-related operational costs and dependency caseload increases. Additionally the budget includes up to \$30 million in 2021-22 and ongoing to correct for any shortfall in federal funding.
 - \$16.5 million General Fund in each of 2021-22 and 2022-23 to the County Law Libraries to backfill lost revenue.
 - \$200,000 General Fund in 2021-22 to Funding of Court Appointed Special Advocate LA to provide advocacy for youth in foster care in LA County's child welfare system.

- \$200,000 General Fund in 2021-22 for a committee to study and recommend changes to structure and operation of the Commission on Judicial Performance.
- Delivers \$80 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure.
- Includes \$12.3 million General Fund in 2021-22, \$25.1 million in 2022-23, \$47.0 million in 2023-24, and \$58.4 million annually thereafter for the Judicial Branch to support statewide court operations to allow individuals the ability to adjudicate all infractions online, including processing ability to pay determinations.
- Provides \$200 million one-time General Fund across the next three fiscal years for the Board of State and Community Corrections to expand the California Violence Intervention and Prevention (CalVIP) program. CalVIP provides competitive grants to cities and community-based organizations to support services such as community education, diversion programs, outreach to at-risk transitional age youth, and violence reduction models.
- Creates a “Rehabilitation, Re-entry and Recidivism Reduction” package of \$200+ million starting in 2021-22 for career development, rehabilitative programming, local support for individuals to remain out of the criminal justice system, and removal of barriers to successful re-entry.
- Provides \$27.6 million General Fund in 2021-22 and \$7 million ongoing for the new Office of Youth and Community Restoration (OYCR) under the Health and Human Services Agency to support the continuum of youth justice in the state to improve youth outcomes, reduce and eliminate racial disparities, and enhance public safety. Of the amount provided in the budget year, \$20 million shall be available to the OYCR to provide technical assistance, disseminate best practices and issue grants to counties and probation departments for the purpose of transforming the juvenile justice system to improve outcomes for justice involved youth.
- Includes \$12 million General Fund one-time to the CDCR for 60 minutes of telephone calls to each incarcerated person every two weeks at no cost to the incarcerated person or the person receiving the telephone call. This will be in addition to, and will not supplant, the existing 15 minutes every two weeks of no-cost telephone calls currently provided to incarcerated persons or the persons receiving telephone calls. As well, includes 60 electronically transmitted outgoing written messages, equivalent to an email or instant message, per month at no cost to the incarcerated person or the person with whom they are communicating.

- Includes \$1.75 million General Fund for a one-year Board of Parole Hearings pilot to require state-appointed attorneys to provide an additional hour of counsel to incarcerated persons before they are interviewed for their comprehensive risk assessment and to represent them before the full board if their case is referred to the full board for review at a monthly executive meeting. This shall include at least one hour of counsel, education, and advice on the importance of the comprehensive risk assessment and its role in the parole decision making decision making process.
- Includes supplemental reporting language for a long-term prison infrastructure plan to limit unnecessary General Fund expenditures.
- Adds a third day of in-person visitation on Fridays at all institutions. In addition, provides visitors with free transportation on select days throughout the year to all prisons via chartered busses.
- Supports Survivors of Hate Crimes.
 - The Budget includes \$110 million for the Department of Social Services, in collaboration with the Department of Fair Employment and Housing and the Commission on the Asian Pacific Islander Affairs, to support survivors of hate crimes and organizations that work to encourage community engagement, escort community members, and build cross-racial community healing and training.
 - Provides \$10 million to the University of California, Riverside, and available to other campuses, to provide language support for scientific surveys for communities that were historically not accessed in this way.
 - Provides \$10 million to Stop AAPI Hate.
 - Provides \$10 million for ethnic media outlets through a grant program at the California State Library, in collaboration with the Commission on the Asian Pacific Islander Affairs.
 - Provides \$5 million for the Peer Social Media Network.
- Invests in survivors.
 - Includes \$175 million General Fund for various programs to support survivors of domestic violence, sexual violence, human trafficking and forced sterilization.

- Includes \$50 million for homeless youth emergency services and housing programs.

Transportation Highlights

- Provides \$3 billion in funding for transportation infrastructure across the state, including for active transportation projects and projects identified for completion prior to 2028, subject to additional legislative action.
- Provides roughly \$2 billion in special funds and federal funds for streets, roads, and highway projects.
- Provides \$400 million over two years for a State and Local Transportation Adaptation program.

Labor Highlights

- Provides up to \$330 million one-time for the Employment Development Department to address deferred workloads.
- Extends the sunset date for the Paid Family Leave Wage replacement rate by one additional year.
- Provides \$120 million to expand High Roads Training Partnerships and High Road Construction Careers at the Workforce Development Board, \$50 million to expand HRTPS and HRCCS to align with community college (CCC) pathways and to provide competitive grants for local boards to establish regional partnerships with CCCs.
- Provides \$50 million to expand Employment Training Panel in high demand sectors, including information technology, advanced manufacturing, healthcare and public sector employers.
- Creates the Community Economic Resilience Fund and provides \$600 million in federal funds to establish the fund.
- Provides up to \$14 million in special funds for the Department of Industrial Relations to hire up to 70 positions in the Cal/OSHA.
- Provides \$11.8 million one-time and \$6.8 million ongoing to increase language access services at the Employment Development Department.

- Provides \$11.8 million one-time General Fund to update and refocus the EDD's Business System Modernization project.