



***Step 4:***  
***Final Version***  
***of the***  
***Budget Act of 2023***

**June 26, 2023**



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## **Senator Toni G. Atkins**

**President pro Tempore**

## **Senator Nancy Skinner**

**Chair, Committee on Budget and Fiscal Review**

### **Senator John Laird**

**Chair, Subcommittee 1**

### **Senator Josh Becker**

**Chair, Subcommittee 2**

### **Senator Caroline Menjivar**

**Chair, Subcommittee 3**

### **Senator Stephen C. Padilla**

**Chair, Subcommittee 4**

### **Senator Maria Elena Durazo**

**Chair, Subcommittee 5**

### **Evolution of the State Budget**

- **Step 1: Senate Key Values.....Released in March**
- **Step 2: Detailed Senate Budget Plan.....Released in April**
- **Step 3: Senate Version.....Released Late May**
- **Step3.1: Legislature’s Version.....Released Mid-June**
- **Step 4: *Final Version*.....*Included***



## Introduction

The Final Version of the Budget Act of 2023 is contained in SB 101, as amended by the identical bills AB/SB 102.

The Budget Act of 2024 is built off the solid original proposal from the Governor, improved through the Legislative process that included over 120 public hearings, and finalized with negotiations with the Administration.

All told, the Budget Act of 2023 contains \$310.3 billion in total spending, including \$225.9 billion from the General Fund. The budget contains \$31.7 billion in solutions to close the budget gap and includes a total General Fund Reserves of \$37.8 billion.

With last year's projected record surplus turning out to not as high as expected, the budget faced a projected shortfall for the 2023-24 fiscal year. Prior to Democrats taking full control of the state's finances in 2011, even minor budget challenges led to painful ongoing cuts to schools, universities, and safety net programs.

Thanks to a decade-plus of responsible budgeting, this is no longer the case. Even in the face of a meaningful budget gap, the Budget Act of 2023 not only meets the primary goal of protecting the progress of recent years, but it also builds reserves to record highs, and makes key targeted program improvements and investments that will further improve the lives of Californians – as outlined throughout this document.

## Summary

### ➤ Meets Top-Two Priorities for the State Senate:

- First, the Final Version protects the progress of recent years with:
  - No ongoing cuts to core programs.
  - No middle class tax increases.
  - Maintains planned program increases for schools, higher education, CalWORKs and SSI/SSP grants, Medi-Cal expansions, and more.
- Second, the Final Version continues responsible budgeting practices and continues providing historic reserve levels – even while closing a budget gap approaching \$30 billion. This includes fully protecting the Safety Net Reserve, which the Administration proposed cutting in half.



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➤ **Significant Improvements to the Governor's Proposal:**

- **Schools and Community Colleges:** Provides \$2.1 billion increase.
- **Child Care and State Preschool Rates:** Provides \$1.4 billion General Fund over two years to supplement reimbursement rates for all child care providers, plus \$1.2 billion Proposition 98 General Fund and \$312.6 million General Fund for California State Preschool programs for the same purpose, subject to a ratified agreement and future legislation.
- **Child Care and State Preschool Fees:** Waives child care and state preschool fees through September 30, 2023 and implements permanent family fee reform beginning October 1, 2023. Under the new family fee structure, families below 75 percent of state median income will pay no fee for subsidized child care, and families at or above 75 percent state median income will pay fees capped at one percent of monthly income.
- **Higher Education:** Avoids cuts and delays to infrastructure and student housing projects by shifting costs to bonds, expands financial aid programs to provide debt free college to foster youth, and provides ongoing increases to student support programs.
- **Public Transit:** Provides \$5.1 billion for transit across four years, with 100% flexibility for capital and operations expenses and accountability provisions.
- **Medi-Cal:** Implements allocations of available funds from the Managed Care Organizations (MCO) tax to provide \$2.7 billion of reimbursement rate increases and other investments annually beginning in 2025 through 2029.
- **CoveredCA:** Provides \$82.5 million (\$165 million ongoing) from penalty funds to lower copays and deductibles of CoveredCA plans beginning January 1, 2024.
- **Nursing:** Provides \$300 million to expand nursing programs at Community Colleges over a five year period beginning in 2024-25.
- **CalWORKs Grants.** Provides \$500 million in ongoing funds beginning in 2024-25 to turn temporary 10 percent grant increase into a permanent grant increase to support California's most vulnerable families.



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- **Safety Net Reserve:** Rejects proposed use of the Safety Net Reserve for purposes not intended for the reserve.
- **Greenhouse Gas Reduction Fund (GGRF):** Provides \$2.1 billion in additional GGRF funding.
- **Climate and Energy:** Provides \$1.25 billion for climate and energy programs to protect key investments in Coastal Resilience and Clean Energy.
- **Public Safety:** Includes the Legislature's intent to close additional prisons. Requires CDCR to produce a preliminary (August 15, 2023) and final (November 15, 2023) assessment of state prison operational and housing requirements to assist the Legislature in making decisions related to prison closures.
- **Strengthens Out-Year Commitments:** Continues to "protect our progress" with actions to key programs:
  - Sets clear expectation and intent that funding to combat the homelessness crisis will continue into 2024-25.
  - Provides \$289 million for the Middle Class Scholarship program in 2024-25 to maintain current level of the program in that school year. The funding level for 2024-25 needs to be set in this budget, since the California Student Aid Commission needs to make award decisions for the 2024-25 school year during the 2023-24 budget year.
  - As mentioned above, makes temporary CalWORKs grant increase permanent, beginning in 2024-25.



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## Key Charts

### **Budget Act of 2023 General Fund Summary** (dollars in millions)

**2023-24**

**RESOURCES:**

Prior Year Balance	\$26,352
Revenues/Transfers	\$208,688
<b>Total Resources</b>	<b>\$235,040</b>

**EXPENDITURES:**

Proposition 98	\$77,457
Proposition 28 Arts and Music Education	\$938
Non-Proposition 98	\$145,196
Prop 2 Infrastructure/Deferred Maintenance	\$2,337
<b>Total Expenditures</b>	<b>\$225,928</b>

**FUND BALANCES:**

	\$9,112
<i>Reserve for Encumbrances</i>	\$5,272

**BUDGET RESERVES:**

Regular Reserve (SFEU)	\$3,840
Safety Net Reserve	\$900
Budget Stabilization Account	\$22,252
Public School System Stabilization Account	\$10,831
<b>Total Reserves</b>	<b>\$37,823</b>





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## Summary of Solutions

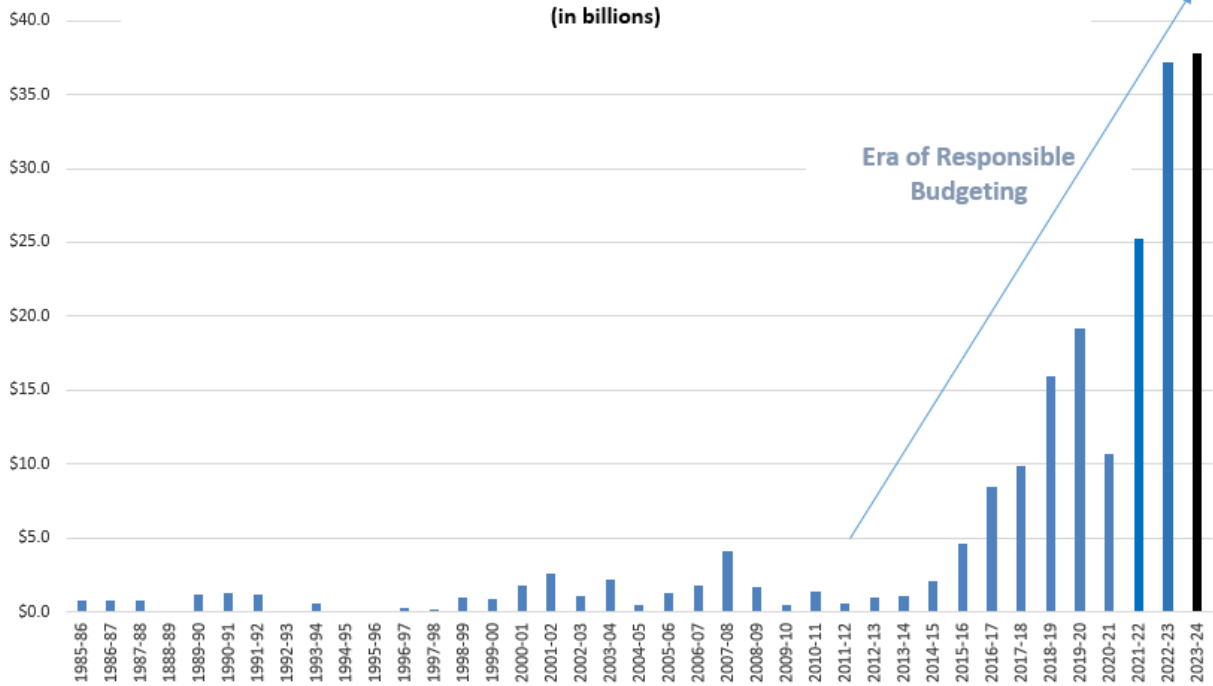
(in billions)

Type	Amount
Delayed	\$7.9
Reductions/Pull Backs	\$8.1
Trigger Reductions	\$0.3
Fund Shift	\$9.3
Revenue/Borrowing	\$6.1
<b>Total Solutions</b>	<b>\$31.7</b>

## Budget Act of 2023 Continues Responsible Budgeting

### History of Budget Act General Fund Reserves

(in billions)





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<b>Budget Package Bill List</b>	
<b>Bill Number</b>	<b>Topic</b>
SB 101	Budget Act of 2023 (primary)
AB/SB 102	BB Jr for Budget Act of 2023
AB/SB 103	BB Jr for Budget Act of 2022
AB/SB 114	Education
AB/SB 115	Education (Prop 28)
AB/SB 116	Child Care
AB/SB 117	Higher Education
AB/SB 118	Health
AB/SB 119	MCO Tax
AB/SB 120	Human Services
AB/SB 121	Developmental Services
AB/SB 122	Resources
AB/SB 123	Energy 1
AB/SB 124	Energy 2
AB/SB 125	Transportation
AB/SB 127	General Government 1
AB/SB 128	General Government 2
AB/SB 129	Housing and Homelessness
AB/SB 130	Labor
AB/SB 131	Revenue and Taxation
AB/SB 132	Film Tax Credit
AB/SB 133	Courts
AB/SB 134	Public Safety





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## **Earlycare – K-12 Education**

- Approves the increases to the Local Control Funding Formula that were included in the 2022-23 Budget.
- Approves the 8.22 percent cost-of-living adjustment for the Local Control Funding Formula and affected categorical programs.
- Approves \$300 million ongoing Proposition 98 General Fund for the equity multiplier, in addition to changes to the state's accountability system.
- Fully funds the current year costs and budget year costs of universal school meals.
- Approves \$250 million one-time Proposition 98 General Fund for the expansion of the Literacy Coaches and Reading Specialists Grant program.
- Approves \$20 million one-time Proposition 98 General Fund for the Bilingual Teacher Professional Development Grants.
- Approves an increase to the base grant for county offices of education to provide differentiated assistance, costing \$11.9 million ongoing Proposition 98 General Fund starting in 2023-24.
- Approves an ongoing \$3.5 million Proposition 98 General Fund to distribute opioid antagonists to schools.
- Approves the use of screening instruments on students for risk of reading difficulties, and the requirement that local educational agencies serving students in kindergarten through second grade to adopt one or more screening instruments approved by the state beginning in 2025-26.

### ***Changes to Key Governor's Proposals:***

- Approves \$80 million ongoing Proposition 98 General Fund for county offices of education that operate county juvenile court and community schools, with additional measures to support justice-involved youth.
- Significantly restores the proposed reduction the Arts, Music, and Instructional Materials Discretionary Block Grant, so that the total proposed \$1.8 billion reduction is now \$200 million.



- Restores the K-12 Learning Recovery Emergency Block Grant from the proposed \$2.5 billion reduction to a delay of \$1.1 billion, to be appropriated beginning in 2025-26.
- Significantly reduces the reliance of one-time funds to cover ongoing costs of LCFF.
- Includes \$15 million Proposition 98 General Fund for the commercial dishwasher grant program outside of the Kitchen Infrastructure and Training Funds.

### ***Approval of Key New Legislature Proposals:***

- Builds a pipeline for administrators of color by funding \$10 million Proposition 98 General Fund for the Diverse Education Leaders Pipeline Initiative.
- Waives child care and state preschool fees through September 30, 2023 and implements permanent family fee reform beginning October 1, 2023. Under the new family fee structure, families below 75 percent of state median income will pay no fee for subsidized child care, and families at or above 75 percent state median income will pay fees capped at one percent of monthly income.
- Provides \$1.4 billion over two years to supplement reimbursement rates for all child care providers, subject to collective bargaining between the state and Child Care Providers United. Provides \$1.2 billion Proposition 98 General Fund and \$312.6 million General Fund for the same purpose for California State Preschool programs in the 2023-24 and 2024-25 fiscal years, subject to a ratified agreement and future legislation.
- Requires the state to develop and conduct a cost-based method to inform the setting of a new structure for child care reimbursement rates, based on the recommendations of the Joint Labor Management Committee between the state and Child Care Providers United and the recommendations of the Rate and Quality stakeholder workgroup.



## **Higher Education**

### ***Approval of Key Governor's Proposals:***

- Approves proposed base increases for UC, CSU, and CCC systems.
- Approves shift in finance support for various UC and CSU capital outlay projects to UC and CSU-issued bonds.
- Approves solution that preserves Higher Education Student Housing Grant Program funding for affordable student housing projects across UC and CSU.
- Delays \$200 million (\$100 million in 2022-23 and \$100 million in 2023-24) of support for the construction of an Institute for Immunology and Immunotherapy at the University of California, Los Angeles (UCLA) to fiscal year 2024-25.
- Approves proposed delay to Library Infrastructure Grant Program.
- Approves continued implementation of 2021 Budget Act agreement to fund nonresident enrollment reduction plan at UC Berkeley, UCLA, and UC San Diego campuses.
- Approves funding to bolster safe spaces, learning communities, and other support services for LGBTQ+ students that attend community colleges across the state.
- Increases support for UC Division of Agriculture and Natural Resources, and categorical programs at community colleges such as the Adult Education Program, apprenticeship programs, CalWORKs student services, campus child care support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and mandates block grant.
- Provides the California Student Aid Commission with additional staffing to support its increased financial aid program workload.

### ***Changes to Key Governor's Proposals:***

- Preserves Higher Education Student Housing Grant Program funding for current and planned CCC affordable housing projects by shifting all General Fund support to bonds.



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- Rejects funding delay for 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 for the purposes of this program. This Fund will provide zero-interest loans to qualifying campuses at UC, CSU, and CCC for the purposes of constructing affordable student, faculty, and staff housing.
- Rejects proposed cut to community college COVID-19 Recovery Block Grant and instead provides districts the flexibility to spend funding amongst initiatives to address COVID-19 learning loss, increase recruitment and retention, and support facilities maintenance and instructional equipment.
- Instead of one-time support, includes \$5 million General Fund in 2023-24 and \$3 million in 2024-25 and ongoing for the Ralph J. Bunche Center for African-American Studies at UCLA.

### ***Approval of Key New Legislature Proposals:***

- Maintains proposed 2023-24 funding for the Middle Class Scholarship for the 2024-25 school year to maintain efforts to reach goal of Debt Free College.
- Makes foster youth the first population to achieve Debt Free College by expanding the Student Success Completion Grant for CCC foster youth students and the Middle Class Scholarship for CSU and UC foster youth students. Changes will cover their total cost of attendance.
- Increases ongoing funding to address basic needs and rapid rehousing demands, support students with disabilities, and support mental health services at CSU and UC.
- Provides \$16.951 million Proposition 98 General Fund in 2023-24 and ongoing for a COLA to basic needs centers, mental health services, rapid rehousing, NextUp, MESA, Puente, veteran's resource centers and Umoja programs at community colleges.
- Provides \$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.
- Provides \$3 million to the Center for Healthy Communities at CSU Chico to address the continued crisis of food insecurity on college and university campuses.



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## **Resources and Environmental Protection**

### ***Approval of Key Governor's Proposals:***

- Approves proposals for an additional \$290 million for flood protection.
- Approves proposal to continue implementation of water rights modernization.
- Approves trailer bill language proposal that would align the state's EV supply equipment payment standards with federal standards.

### ***Changes to Key Governor's Proposals:***

- Restores \$298.2 million General Fund to the State Coastal Conservancy and a total of \$80 million to Ocean Protection Council (OPC) for purposes of coastal resilience.
- Restores \$44 million General Fund to the Wildlife Conservation Board for the Cascades and Higher Sierra Upper Watersheds Program and the Land Acquisition and Habitat Enhancement Program for purposes of water resilience.
- Fully restores \$20 million General Fund to the Department of Fish and Wildlife for fine-scale vegetation management.
- Provides an additional \$22 million to various departments for stream gages.
- Restores \$23.5 million General Fund to the California Conservation Corps for local conservation corps.
- Restores \$107 million General Fund to the Equitable Building Decarbonization Programs at CEC and CARB.
- Restores \$34.4 million to the Sustainable Agriculture Package, specifically for the Farm to Community Food Hubs, Healthy Refrigeration Grants, Urban Agriculture, and New and Beginning Farmer Training.
- Provides \$550 million Greenhouse Gas Reduction Fund for the Zero Emission Vehicle Package, including:
  - \$80 million Greenhouse Gas Reduction Fund to CARB for Clean Cars 4 All.



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- \$100 million Greenhouse Gas Reduction Fund to CEC for Equitable At-Home Charging.
- \$80 million Greenhouse Gas Reduction Fund to CARB for Drayage Trucks and Infrastructure.
- \$85 million Greenhouse Gas Reduction Fund to CEC for Drayage Trucks and Infrastructure.
- \$145 million Greenhouse Gas Reduction Fund to CEC for Clean Trucks, Buses and Off-Road Equipment.
- \$60 million Greenhouse Gas Reduction Fund to CARB/CalSTA for Community-Based Plans, Projects and Support/Sustainable Community Strategies.
- Provides \$100 million General Fund for the Clean Energy Reliability Investment Plan (CERIP), including:
  - \$11 million to GO-Biz for permitting/interconnection.
  - \$4 million to CEC for transmission.
  - \$19 million to CEC for Demand Side Grid Support (DSGS).
  - \$1 million to CEC for administration.
  - \$33 million to CPUC for community solar.

### ***Approval of Key New Legislature Proposals:***

- Provides \$17 million for Monterey fish screens.
- Provides \$9.5 million General Fund to the Ocean Protection Council for an Intertidal Biodiversity DNA Barcode Library.
- Provides \$75 million General Fund for the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program.
- Provides \$25 million General Fund for the Enteric Fermentation Incentive Program.





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- Provides \$35 million General Fund for CalFresh Market Match.
- Provides \$5 million for Organics Transition.
- Provides \$10 million General Fund to CEC for Building Energy Benchmarking Program.
- Provides \$10 million General Fund to CEC for Technical Assistance for Federal Tax Credits.



## **Human Services**

### ***Approval of Key Governor's Proposals:***

- Approves the creation of the new Summer EBT program, which will provide \$40 per month in summertime food benefits to approximately four million children beginning in Summer 2024, bringing about \$480 million in federally funded food benefits to California.
- Approves a 3.6 percent increase to CalWORKs grants to continue efforts for No Child in Deep Poverty and an 8.6 percent increase to SSP grants. Increases for both programs are in accordance with Budget Act of 2022 agreement.
- Approves the expansion of the California Food Assistance Program for adults age 55 and older, regardless of immigration status, to begin in late 2025, instead of January 2027 as proposed in the Governor's January budget.
- Approves \$150 million for the Rapid Response program, which funds sheltering and humanitarian support at the Southern border.
- Approves improvement to EBT card security to protect CalFresh and CalWORKs families from theft.
- Approves a new grant program to advance older adult behavioral health and continue the Older Adult Friendship line.
- Approves proposals to adjust developmental services rates for Independent Living Services, reduce caseload ratios for young children with developmental disabilities, and expand trauma-informed care for foster youth in the developmental services system.
- Approves proposals to improve health care and provide activity stipends for children in the child welfare system.
- Increases access to In-Home Supportive Services for children with disabilities.

### ***Changes to Key Governor's Proposals:***

- Rejects \$450 million withdrawal from the Safety Net Reserve, which is inconsistent with the purpose of the Reserve to protect the CalWORKs and Medi-Cal programs during economic downturns.



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- Extends the state's Home and Community-Based Services Spending Plan for one year. This includes program extensions for the In-Home Supportive Services Career Pathways program, the Senior Nutrition Infrastructure program, and other programs serving older adults and people with disabilities.
- Adds additional resources to reduce the backlog of caregiver background checks that are exacerbating workforce issues in child care, foster care, and senior care settings.

### ***Approval of Key New Legislature Proposals:***

- Makes the 2022 10 percent CalWORKs grant increase permanent, preventing a cut to CalWORKs grants in 2024.
- Initiates the CalFresh Minimum Nutrition Benefit Pilot Program, a \$15 million pilot program to raise monthly minimum food benefits to \$50 minimum from the current minimum of \$23.
- Requires the Department of Social Services, in partnership with the Department of Education, to maximize participation in the Summer EBT program to ensure all eligible children have an opportunity to receive federally funded food benefits in the summer months.
- Improves service access and equity for individuals with developmental disabilities by supporting the development of standard procedures, requiring reporting on intake timelines and outcomes at Regional Centers, and removing barriers that delay access to medical services.
- Extends the CalFresh Fruit and Vegetable Pilot Project, which provides matching dollars for purchasing fruits and vegetables with EBT cards.
- Extends the CalFresh Safe Drinking Water pilot, preventing families from experiencing a drop in their CalFresh benefits used to purchase safe drinking water.
- Provides \$8 million to provide a one-time increase to the current rates paid to foster family agencies to support stability for children in foster care.
- Extends the Opportunities for Youth program serving unaccompanied minors.



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- Expands the Stop the Hate program to fund community-based organizations providing services to victims of hate incidents.
- Requires a stakeholder process to analyze the costs and benefits of approaches that transition collective bargaining with In-Home Supportive Services (IHSS) providers from the current model to a statewide or regional model.



## Health

### ***Approval of Key Governor's Proposals:***

- Approves continued implementation of key Senate and Administration priorities, including expansion of Medi-Cal to all adults regardless of immigration status, the Children and Youth Behavioral Health Initiative, and the Community Assistance, Recovery, and Empowerment (CARE) Act.
- Approves implementation of Behavioral Health Payment Reform to reduce administrative burdens and improve care quality in the county behavioral health system.
- Approves expansion of CalAIM to support temporary housing assistance for those whom housing is necessary in order to provide health care services.

### ***Changes to Key Governor's Proposals:***

- Rejects delays to critical health care workforce programs, such as nursing, community health workers, addiction medicine, and social work to improve access to behavioral health.
- Rejects the Governor's Managed Care Organization (MCO) Tax proposal to spend additional revenue over 8-10 years and instead invests \$2.7 billion annually beginning in 2025 through 2029, to improve reimbursement rates and make other investments in primary care, specialty care, hospitals, clinics, community health workers, behavioral health capacity, reproductive health care, abortion access, and workforce development.

### ***Approval of Key New Legislature Proposals:***

- Ends diversion of Covered CA penalty funds intended to be used to lower costs of Covered CA plans. Subsidies will be increased by \$82.5 million on January 1, 2024, to eliminate health care deductibles and reduce copays for 900,000 Californians, and \$165 million annually thereafter.
- Makes investments in naloxone and opioid overdose prevention and reversals in harm reduction centers to bring resources closer to those in need.



## **Transportation**

### ***Approval of Key Governor's Proposals:***

- Approves proposal to continue funding for homeless encampment clean up on state highways.
- Approves proposal to equip all uniformed California Highway Patrol employees with body worn cameras.

### ***Changes to Key Governor's Proposals:***

- Rejects the \$2 billion proposed net reductions of the Transportation Infrastructure Package, including \$1 billion in 2023-24 and \$1.5 billion in 2024-25 and a delay of \$500 million to 2025-26. These funds are 100% flexible for capital and operations expenses and contingent on meeting specified accountability provisions.
- Requires Caltrans to report on the outcomes of the Encampment Coordinator Team, who will support statewide efforts to address homelessness within the highway system right of way.

### ***Approval of Key New Legislature Proposals:***

- Provides \$1.1 billion to CalSTA across 2023-24, 2024-25, 2025-26 and 2026-27 for the Zero Emission Transit Capital Program, which will provide 100% flexibility for capital and operations expenses and be contingent on meeting specified accountability provisions.
- Adopt trailer bill language that limits Caltrans from charging self-help counties with countywide sales tax measures dedicated to transportation improvements more than 10 percent for administration indirect cost recovery.





## **Housing and Homelessness**

### ***Approval of Key Governor's Proposals:***

- Provides \$1 billion in Homeless Housing, Assistance, and Prevention (HHAP) funding to support Round 5 of local efforts to reduce and prevent homelessness.
- Requires regional planning and establishes additional accountability mechanisms for local spending of homelessness reduction and prevention resources across programs including, but not limited to, HHAP – pending finalization of corresponding trailer bill language.

### ***Changes to Key Governor's Proposals:***

- Fully funds the California Dream for All shared-equity down payment assistance program for first-time homebuyers by rejecting \$200 million in proposed cuts.
- Fully funds the Accessory Dwelling Unit Grant Program, thus facilitating the continued production of these “missing middle” housing options by rejecting \$50 million in proposed cuts.
- Retains \$50 million for the CalHome affordable housing retention and rehabilitation program, by partially rejecting \$100 million in proposed cuts.
- Retains \$82.5 million for the Foreclosure Intervention and Housing Preservation Program (\$32.5 million above and beyond the Governor's proposed level of funding) while still achieving budget year savings through deferral of \$345 million previously allocated to the program.

### ***Approval of Key New Legislature Proposals:***

- Announces the intent to fund an additional year (“Round 6”) of the Homeless Housing, Assistance, & Prevention (HHAP), enabling local initiatives to make investments in solutions to homelessness over a longer time-horizon.
- Advances deployment of \$360 million in HHAP funding previously set-aside for use as “bonus” awards.



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- Directs \$100 million to the Housing and Community Development Department's flagship affordable housing development program: Multi-Family Housing Program.
- Directs CalHFA to refine program eligibility to ensure the California Dream for All down payment assistance program lifts up first-time homebuyers from historically-excluded communities and authorizes CalHFA to pursue innovative partnerships with charitable foundations and private entities in order to replenish and expand the pool of funds available for the program – pending finalization of corresponding trailer bill language.
- Provides \$2 million to assist border communities with temporary shelter for recently arrived asylum seekers.



## **General Government**

### ***Approval of Key Governor's Proposals:***

- Approves Film Tax Credit extension and refundability proposal, with additional reporting requirements and support for the Career Pathways Program.
- Approves proposal to subject Incomplete Non-Grantor Trusts to the California Income Tax, with an exception for trusts with specified charitable distributions.
- Approves \$120 million for the CalCompetes Grant Program with priority given to applications involving semiconductor manufacturing in order to leverage federal CHIPS Act dollars.
- Approves \$78.1 million for the CalVolunteers - Youth Job Corps program and doubles funding for the CalVolunteers - Climate Action Corps.
- Invests \$50 million in the Fresno Public Infrastructure Plan designed to revitalize downtown Fresno and lay the groundwork for infill housing development through transportation, water, and greenspace public works projects. Also indicates the intent to allocate \$100 million to the Plan in 2024-25 and again in 2025-26.

### ***Changes to Key Governor's Proposals:***

- Approves the Governor's proposed changes to the New Employment Credit with updates to provide additional support for hiring for lithium extraction, lithium battery manufacturing, and electric aviation industries, in addition to semiconductor development and manufacturing.
- Approves the proposed funding for the Department of General Services Richards Boulevard building, but shift the funding to lease revenue bonds.

### ***Approval of Key New Legislature Proposals:***

- Excludes from gross income for any qualified taxpayer, amounts received in settlements associated with either the 2019 Kincade Fire in the County of Sonoma, or the 2020 Zogg Fire in the Counties of Tehama and Shasta.
- Provides \$5 million for an outreach and media campaign to attract businesses and visitors to California as a haven for civil rights and reproductive freedom.



## **Labor and Workforce Development**

### ***Approval of Key Governor's Proposals:***

- Approves proposed second round of funding for EDDNext modernization project
- Approves proposed solutions for Emergency Medical Technician Training and Apprenticeship Innovation Fund
- Preserves funding that supports women and nonbinary individuals in the construction workforce
- Approves \$750 million withdrawal to the supplemental Unemployment Insurance debt payment
- Approves \$500 million withdrawal to Unemployment Insurance small business relief
- Approves a one-time loan of \$306 million from the Unemployment Compensation Disability Fund to the General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance for the 2023 calendar year

### ***Changes to Key Governor's Proposals:***

- Rejects proposed cut to the California COVID-19 Worker Outreach Project, supports a \$25 million Labor and Workforce Development Fund appropriation in 2023-24, and renames the program to the California Worker Outreach Project
- Rejects proposed cut to California Youth Leadership Corps program that provides community change learn-and-earn career pathways to community college students from historically underrepresented backgrounds.
- Strengthens a Department of Industrial Relations (DIR) proposal to help address wage claim processing times by: 1) Establishing a Workers Rights Enforcement Grant Program that will provide grants to eligible public prosecutors to defray costs expended on state labor law enforcement and serve the public purpose of enhancing labor law enforcement to assist workers in combating wage theft, preventing unfair competition, and protecting state revenue, and 2) Providing resources for worker outreach as well as recruitment, hiring, and retention efforts to increase staffing levels at DIR's Division of Labor Standards and Enforcement.



### ***Approval of Key New Legislature Proposals:***

- Includes \$35 million Labor and Workforce Development Fund in 2023-24 to expand the Domestic Worker and Employer Education and Outreach Program. Trailer bill language eliminates the July 1, 2024 inoperative and January 1, 2025 repeal dates related to the program, making this program permanent.
- Provides \$5 million General Fund in 2023-24 for the Breaking Barriers to Employment grant program at the California Workforce Development Board.
- Creates a zero-emission jobs roadmap for the state to identify the actions needed to meet California's zero-emissions goals with minimal displacement of existing workers.



## **Justice and Public Safety**

### ***Approval of Key Governor's Proposals:***

- Approves funding to implement free phone calling at state prisons, as required by SB 1008 (Becker), Chapter 827, Statutes of 2022.
- Approves and builds upon efforts to close prisons to reflect the declining incarcerated population.
- Approves expanded funding for the court system, including resources for ongoing courthouse construction, facility maintenance, and trial court operations.
- Maintains funding for the Court Appointed Special Advocate Program.
- Approves expansion of the Prison to Employment Initiative to federal prisons.
- Provides funding for rehabilitative and programming reforms at San Quentin State Prison.

### ***Changes to Key Governor's Proposals:***

- Provides \$40 million for the Public Defense Pilot Program.
- Provides additional funding for the Nonprofit Security Grant, bringing the total allocation from \$10 million proposed in the May Revision to \$20 million.
- Provides \$21 million for a gun buyback program and \$4 million for education and outreach in multiple languages around Gun Violence Restraining Order and Domestic Violence Restraining Orders at Cal OES.

### ***Approval of Key New Legislature Proposals:***

- Provides \$21 million for rehabilitative programming in prisons statewide.
- Expands access to justice by providing support for legal aid recruitment and retention programs and \$1.2 million in additional criminal fee relief.
- Funds a statewide UC based depository & public database for police records.





- Provides \$3 million for additional enforcement of tenant rights.
- Provides \$2.3 million for sexual and domestic violence prevention programs, \$7 million for services for victims of human trafficking, and \$10 million for Family Justice Centers, which assist victims of crime in accessing legal services.