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CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502
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Agenda

June 26, 2024

9:00 a.m. – 1021 O Street, Room 1200

<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
1. AB 108	Gabriel	Budget Act of 2024
2. AB 109	Gabriel	Budget Act of 2023
3. AB 153	Committee on Budget	Education Finance
4. AB 155	Committee on Budget	Higher Education
5. AB 156	Committee on Budget	Resources
6. AB 159	Committee on Budget	Health
7. AB 160	Committee on Budget	Medi-Cal Managed Care Organization Provider Tax
8. AB 161	Committee on Budget	Human Services

9. AB 162	Committee on Budget	Developmental Services
10. AB 163	Committee on Budget	Early Learning and Childcare
11. AB 164	Committee on Budget	State Government
12. AB 166	Committee on Budget	Housing
13. AB 168	Committee on Budget	Public Safety
14. AB 169	Committee on Budget	Public Safety Juvenile Justice
15. AB 170	Committee on Budget	Courts
16. AB 171	Committee on Budget	Employment
17. AB 173	Committee on Budget	Transportation
18. AB 174	Committee on Budget	Resources: California Environmental Quality Act
19. AB 175	Committee on Budget	Taxation

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair
2023 - 2024 Regular

Bill No:	AB 108	Hearing Date:	June 26, 2024
Author:	Gabriel		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Elisa Wynne		

Subject: Budget Act of 2024

Summary: This is a Budget Bill Junior associated with the Budget Act of 2024. This bill makes technical and substantive changes to the Budget Act.

Background: On June 13, 2024, the Legislature passed AB 107 (Gabriel), which represented the Legislature's budget. This bill makes changes to AB 107. The 2024-25 budget includes total spending of approximately \$293 billion, of which \$211.5 billion is from the General Fund.

Proposed Law: Specifically, this bill:

Education

1) K-12 Education

- 2) Deposits \$1.1 billion into the Public School System Stabilization Account, otherwise known as the Proposition 98 Rainy Day Reserves.
- 3) Appropriates \$5 million Proposition 98 General Fund for the California Teachers Collaborative for Holocaust and Genocide Education to continue its work.
- 4) Removes expenditure authority of \$20 million for the California Regional Ethnic Studies Collaborative.
- 5) Restores the Inclusive Early Education Expansion Program to \$100 million Proposition 98 General Fund.
- 6) Eliminates the reversion account for funds allocated to the California State Preschool Program from the General Fund.
- 7) Appropriates \$5 million General Fund for Save the Children.
- 8) Augments the Classified School Employee Summer Assistance Program by \$9 million General Fund for a one-time appropriation in 2024-25.
- 9) Re-appropriates funding to support updates to teacher testing from the 2021 Budget Act.

- 10) Makes various technical federal fund adjustments for programs under the Department of Education.

Higher Education

- 11) Includes legislative intent to defer the University of California 2026-27 base increase of \$240.8 million General Fund from 2026–27 to 2027–28 and provide a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.
- 12) Includes legislative intent to defer the University of California 2026-27 nonresident reduction plan funding of \$31 million General Fund from 2026–27 to 2027–28 and provide a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.
- 13) Includes legislative intent to defer the California State University 2026-27 base increase of \$252.2 million General Fund from 2026–27 to 2027–28 and provide a one-time back payment of this amount, along with an ongoing base increase of this amount in 2027-28.
- 14) Appropriates \$5 million to support planning or implementation costs of up to two projects that bring together higher education campuses of the University of California, California State University or California Community Colleges at a single location to offer certificate or degree programs that support state or local workforce needs.
- 15) Updates an apportionments deferral under the California Community Colleges for the 2025–26 fiscal year from \$231.7 million Proposition 98 General Fund to \$243.7 million Proposition 98 General Fund.
- 16) Provides \$12 million one-time Proposition 98 General Fund through the reappropriation of unspent funds from categorical programs to support the continued development of e-Transcript California.
- 17) Appropriates \$750,000 on a one-time basis to support competitive grants for the preservation and public accessibility of Lesbian, Gay, Bisexual, Transgender, and Queer archives statewide.
- 18) Includes \$330,000 General Fund in 2024-25 and ongoing to support the Assembly Fellows Program.
- 19) Deletes legislative intent provisions related to the implementation of the Cal Grant Reform Act.

Resources

- 20) Appropriates \$8.3 million to cover repair costs for the African-American Museum at Exposition Park.
- 21) Shifts \$33.2 million for the California Nutrition Incentive Program from the Greenhouse Gas Reduction Fund to the General Fund

- 22) Shifts \$17.9 million to drought and flood relief for small farmers from the Greenhouse Gas Reduction Fund to the General Fund and includes provisional language to expand the program to all climate impacts.
- 23) Shifts \$14.4 million for the Farm to Community Food Hubs Program from the Greenhouse Gas Reduction Fund to the General Fund.
- 24) Eliminates the reduction of \$30 million to the Farm to School Incubator Grant.
- 25) Maintains an appropriation of \$2 million General Fund annually to the California Natural Resources Agency (CNRA) for the Marine Mammal Center.
- 26) Appropriates \$1 million to CNRA for the exclusive purposes of funding abandoned water vessel and road vehicle removal that cause or contribute to contamination of the Sacramento River.
- 27) Appropriates \$2 million to CNRA for the Museum of Tolerance.
- 28) Reverts \$27.7 million from CNRA that was allocated for the Museum Grant Program.
- 29) Eliminates proposed reversion of \$124.4 million General Fund from CNRA that was allocated for large scale habitat projects related to Voluntary Agreements.
- 30) Reverts \$6 million General Fund from the California Environmental Protection Agency (CalEPA) that was allocated for Environmental Justice Action Grants.
- 31) Reduces the amount of funding from \$40 million to \$25.1 million General Fund to the Governor's Office of Land Use and Climate Innovation allocated for the Integrated Climate Adaptation and Resiliency Program (also known as ICARP) Extreme Heat and Community Resilience Grant Program.
- 32) Appropriates \$2.6 million to the Department of Forestry and Fire Protection (CalFire) for deferred maintenance and special repair projects at existing CalFire facilities to accommodate additional hand crews.
- 33) Maintains \$5.74 million General Fund to CalFire for Ecological Monitoring, Research, and Adaptive Management.
- 34) Appropriates \$10.4 million General Fund to CalFire to provide funding to the University of California, San Diego's ALERTCalifornia for purposes of digital imagery to support its fire camera mapping system.
- 35) Appropriates \$31.6 million General Fund to CalFire for the acquisition phase of establishing a new, additional CalFire training facility. Total estimated cost of this project is \$631.5 million.
- 36) Appropriates \$600,000 General Fund to the California Department of Fish and Wildlife (CDFW) to be available for the Wolf-Livestock Compensation Program.

- 37) Reverts \$1.3 million General Fund from CDFW that was allocated for the Biodiversity Conservation Program.
- 38) Appropriates \$200,000 General Fund to the Wildlife Conservation Board (WCB) for purposes of preparing a study to develop recommendations for the conservation and enhancement of the Sonoma Valley Wildlife Corridor, Sonoma Creek and other public trust resources of the former Sonoma Developmental Center. Among other things, the study shall include a baseline of current habitat conditions and wildlife use of the property and consider the possible direct and cumulative impacts on wildlife and habitat from the redevelopment plans of the property for the proposed siting of a new CalFire regional headquarters and fire station, and addition of portions of the property to Jack London State Historic Park.
- 39) Appropriates \$10 million General Fund to WCB for purposes of restoring Point Reyes coastal lands.
- 40) Eliminates a proposed reversion of \$70 million to WCB for purposes of protecting fish and wildlife from changing conditions.
- 41) Appropriates \$5 million to WCB for a grant to the Great Redwood Trail Agency for purposes of developing the Great Redwood Trail.
- 42) Restores a total of \$37 million General Fund to WCB, for purposes of improving watershed protection and climate resiliency, as follows: (a) \$18.5 million for competitive grants through the Cascades and High Sierra Upper Watersheds Program; and (b) \$18.5 million for competitive grants through the Land Acquisition and Habitat Enhancement Program.
- 43) Appropriates \$6.75 million to the Department of Parks and Recreation (Parks) to support the Library Parks Pass Program.
- 44) Reverts \$10 million from Parks that was allocated for purposes of reducing the risks of fire, flood, inundation, and sea level rise.
- 45) Reverts \$20.5 million from Parks that was allocated for deferred maintenance.
- 46) Reverts \$11.1 million from Parks that was allocated for the California Cultural and Arts Installations in the Parks Program.
- 47) Reverts \$1.7 million from Parks that was allocated for the Dos Rios State Park.
- 48) Reverts \$87 million General Fund from the Department of Water Resources (DWR) that was allocated for Systemwide Flood Risk Reduction.
- 49) Reverts \$7.3 million General Fund from DWR that was allocated for the Small Supplier Water Conservation Assistance Program.
- 50) Appropriates \$30 million General Fund to DWR for the state's share of the no federal share of state and federally authorized flood control projects that increase the level of flood protection for multiple counties and disadvantaged communities.

- 51) Appropriates \$73.5 million to the State Water Resources Control Board (SWRCB) for grants or loans for water recycling projects.
- 52) Specifies that a 2024-25 appropriation of \$40 million for environmental conservation related to SB 846 (Dodd), Chapter 239, Statutes of 2022 and the decommissioning of the Diablo Canyon Power Plant shall be paid for out of the Greenhouse Gas Reduction Fund and used for acquisition of the Wild Cherry Canyon property in San Luis Obispo County for conservation, public access, and recreational purposes, as specified.

Energy, Utilities, and Air Quality

- 53) Includes a transfer of \$400 million General Fund to the Diablo Canyon Extension Fund.
- 54) Includes \$9.5 million General Fund for Central Procurement at the Department of Water Resources—in total, spread out as follows: \$500,000 in 2023-24, \$9.5 million in 2024-25, and \$22 million in 2025-26.
- 55) Includes \$75 million for Demand Side Grid Support or Distributed Electricity Backup Assets at the California Energy Commission (CEC).
- 56) Includes \$25 million Greenhouse Gas Reduction Fund (GGRF) for Equitable Building Decarbonization at the CEC.
- 57) Includes \$20 million for the Investments in Strategic Reliability Assets at the Department of Water Resources.
- 58) Shifts \$53 million from the General Fund to GGRF for Emerging Opportunities at California Air Resources Board (CARB).
- 59) Shifts \$36 million from GGRF to General Fund for Offshore Wind Infrastructure at CEC.

Health

- 60) Authorizes expenditure authority of \$151 million from the Medi-Cal Provider Payment Reserve Fund to support targeted rate increases and other investments in the Medi-Cal program, which will grow to \$1.24 billion in 2026-27, including:
- a) Rate increases for primary care services, specialist services, emergency department physician services, office visits and preventive services, obstetric services, non-specialty mental health services, vaccine administration, vision and optometric services;
 - b) Rate increases for abortion and family planning access;
 - c) Supplemental funding for federally qualified health centers and rural health clinics (beginning 2026);
 - d) Funding for the Medi-Cal Workforce Pool (beginning 2027);
 - e) Rate increases for air ambulances;
 - f) Rate increases for private duty nursing services (beginning 2026);

- g) Providing continuous coverage for children in Medi-Cal from age zero to five (beginning 2026);
 - h) Rate increases for community-based adult services;
 - i) Rate increases for congregate living health facilities;
 - j) Rate increases for community health workers (beginning 2026);
 - k) Rate increases for non-emergency medical transportation (beginning 2026)
 - l) Rate increases for pediatric day health centers.
- 61) Eliminates funding for the California Health and Human Services (CalHHS) Innovation Accelerator, including \$1 million for state operations included for 2024-25.
- 62) Continues legislative restoration of \$108.9 million for workforce programs at the Department of Health Care Access and Information (HCAI) to maintain award commitments, but allocates those dollars to the fiscal years in which those programs were originally authorized.
- 63) Corrects funding sources for the Administration's Behavioral Health Transformation proposal for Department of Health Care Services (DHCS), related to the Behavioral Health Services Act, resulting in a net increase in General Fund expenditure authority of \$11.4 million.
- 64) Increases expenditure authority from the Managed Care Enrollment Fund to support DHCS administration of targeted rate increases related to the tax on managed care organizations (MCO tax).
- 65) Increases General Fund offset available from the proposed increase to the MCO tax by \$785 million.
- 66) Transfers \$900 million from the Safety Net Reserve Fund to the General Fund.
- 67) Authorizes expenditure authority from the Opioid Settlements Fund of \$4 million for the California Bridge Program, but allows funding to instead be used for the Naloxone Distribution Project, if DHCS receives federal grant funds for that purpose of at least \$4 million annually for three years.
- 68) Reverts General Fund expenditure authority of \$450.7 million for the final round of the Behavioral Health Continuum Infrastructure Program. Additional rounds will be supported by Proposition 1 bond funding.
- 69) Reduces state operations expenditures at the Department of Public Health (CDPH) for the Future of Public Health by \$8 million General Fund, representing a 7.95 percent reduction.
- 70) Reduces local assistance support to local health jurisdictions for the Future of Public Health by \$15.9 million General Fund, representing a 7.95 percent reduction.
- 71) Reverts unspent General Fund expenditure authority of \$41.5 million from state operations at CDPH for the Future of Public Health remaining from the 2023-24 fiscal year.

- 72) Restores exemption from the Public Contract Code for the Youth Suicide Reporting and Crisis Response Pilot Program.
- 73) Transfers \$5 million from the AIDS Drug Assistance Program (ADAP) Rebate Fund to the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund to support services related to care and treatment for TGI individuals living with HIV and AIDS.
- 74) Reverts unspent General Fund expenditure authority of \$28.8 million from 2023-24 for the Children and Youth Behavioral Health Initiative Public Education and Change Campaign.
- 75) Requires the Department of Finance to augment expenditure authority from the Health Care Affordability Reserve Fund by \$3 million to support health care coverage for striking workers, pursuant to AB 2530 (Wood), Chapter 695, Statutes of 2022, if the existing \$2 million appropriation is insufficient.
- 76) Requires the Department of Finance to notify the Legislature if the augmentation of authority to support health care for striking workers is implemented, as well as when the appropriation for the program is fully exhausted.

Housing & Homelessness

- 77) Allocates \$575,000 in 2024-25 General Fund to Homes 4 Families for a veterans housing program.
- 78) Provides \$2 million in 2024-25 General Fund to the City of Santa Cruz for one-time, temporary operational support of an emergency homeless shelter, tent camp, and safe parking site from July 1, 2024 through June 30, 2025, when greater receipts from the recently enacted local sales tax will be available for this purpose.
- 79) Allocates \$1 million in 2024-25 General Fund for project review and community engagement related to development of an affordable housing, mixed-income, small business support, and worker-training project at an Employment Development Department surplus property in Los Angeles.
- 80) Restores \$2.4 million in General Fund allocations in 2024-25 and annually thereafter for the Surplus Lands Act Unit at the Housing and Community Development Department pursuant to SB 791 (Cortese), Chapter 366, Statutes of 2021.
- 81) Reverts \$10 million from the 2023-24 allocation to the Multifamily Housing Program back to the General Fund, leaving a balance of \$315 million in the program.
- 82) Restores an additional \$10 million to the Regional Early Action Program (REAP 2.0), thus reducing the cut to the program to \$40 million out of the original \$600 million allocation.

Human Services and Child Care

- 83) Reduces the developmental services budget by \$306.23 million General Fund to reflect a six-month delay of developmental services provider rate reform to January

1, 2025. This includes a conforming reduction of \$777,000 General Fund to the Department of Rehabilitation.

- 84) Appropriates \$10 million General Fund to continue the development of Department of Developmental Services (DDS) state-operated Complex Needs Residential Program.
- 85) Adjusts the reduction to local child support agencies to reflect a decrease of \$6 million General Fund in 2023-24 and 2024-25.
- 86) Includes an approximately \$8 million adjustment to reflect the costs of funding 11,038 new General Child Care slots in 2024-25 and ongoing, partially funded by increased federal funds.
- 87) Re-appropriates a total of \$47 million in Emergency Child Care Bridge funds from 2023-24 to 2024-25.
- 88) Authorizes the Department of Finance to increase expenditure authority by \$2.4 million to implement the federal Fiscal Responsibility Act pilot for the CalWORKs program.
- 89) Re-appropriates up to \$92.5 million General Fund for the Home Safe program from 2022-23, available for encumbrance or expenditure until June 30, 2026.
- 90) Re-appropriates up to \$100 million General Fund for the Housing and Disability Advocacy Program from 2022-23, available for encumbrance or expenditure until June 30, 2026.
- 91) Appropriates \$2 million General Fund for county probation departments to report specified data on secure youth treatment facilities to the Office of Youth and Community Restoration, and requires the Office to publish an annual report of findings.
- 92) Appropriates \$10 million General Fund to continue the California Fruit and Vegetable EBT Pilot Project.
- 93) Appropriates \$500,000 General Fund for the Madera Food Bank Warehouse Expansion Project.
- 94) Appropriates \$9 million General Fund for the Department of Social Services (CDSS) to fund local diaper and wipe distributions for low-income families with infants or toddlers.
- 95) Appropriates \$5 million General Fund for the Guaranteed Income Pilot Program to provide grant funding to prioritize entities serving adults 60 years of age or older.
- 96) Appropriates \$250,000 General Fund for CDSS for the Center for Immigrant Protection to provide supportive services and programming for the transgender immigrant community.

General Government

- 97) Transfers budget allocations for the CalVolunteers program, the Office of Community Partnerships and Strategic Communications, and the Youth Empowerment Commission to the newly created Governor's Office of Service and Community Engagement where those programs will now be housed.
- 98) Transfers budget allocations for the Zero Emissions Vehicle Program and the California Jobs First program to the Governor's Office of Business and Economic Development, where those programs will now be housed.
- 99) Increases funding for the College Corps program by \$15 million for a total of \$78.1 million in 2024-25.
- 100) Increases funding for the Youth Job Corps program by \$15 million for a total of \$83.1 million in 2024-25.
- 101) Restores \$9.4 million to the Climate Action Corps in 2024-25 and annually thereafter and temporarily shifts this expense from the General Fund to the Greenhouse Gas Reduction Fund.
- 102) Restores \$1.5 million to the Neighbor-to-Neighbor program in 2024-25 to provide for staffing to administer and closeout existing grants.
- 103) Provides \$3.7 million in 2024-25 and again in 2025-26 to the Governor's Office of Planning and Research (soon to be known as the Governor's Office of Land Use and Climate Innovation) for information technology infrastructure needs.
- 104) Appropriates \$300,000 in 2024-25 to the Office of Community Partnerships and Strategic Communications for an award to the nonprofit organization Self-Help for the Elderly, to support outreach and engagement with immigrants, limited-English proficient individuals, seniors, and people with disabilities about extreme heat, water conservation, Individual Taxpayer Identification Numbers, and mental health.
- 105) Reverts \$50 million from the Local Government Budget Sustainability Fund back to the General Fund.
- 106) Allocates \$10 million in 2024-25 General Fund to Imperial County for support of implementation of the Lithium Valley Specific Plan and repeals a prior allocation to Imperial County for the same amount for less specific projects consistent with the purposes behind the Local Government Budget Sustainability Fund.
- 107) Reappropriates \$10.4 million from 2023-24 to 2024-25 for the California State Payroll System Project to onboard a system integrator.
- 108) Appropriates \$800,000 General Fund to the State Auditor to conduct an audit of Mendocino County by January 1, 2026.

- 109) Reduces state operations for the Franchise Tax Board by \$2 million ongoing General Fund to reflect removing additional funding for California Earned Income Tax Credit (CalEITC) outreach grants.

Transportation

- 110) Provides \$2 million General Fund for the Sonoma-Marín Area Rail Transit (SMART) District for freight rail operations and capital, and deferred maintenance.
- 111) Provides \$8 million General Fund to Crescent City for the Pebble Beach Bank Stabilization Project.
- 112) Provides \$5 million General Fund for bike lanes connecting disadvantaged communities to higher education facilities and job centers.
- 113) Includes \$100 million General Fund for the Active Transportation Program—in total, \$600 million over six years (subject to appropriation beginning 2026-27).

Labor and Workforce

- 114) Reduces 2024-25 appropriation for the High Road Training Partnerships in Health and Human Services from \$45 million General Fund to \$30 million General Fund in 2024-25.
- 115) Increases 2024-25 appropriation for High Road Training Partnerships at the California Workforce Development Board from \$8.3 million to \$15 million. The final budget agreement reflects \$15 million General Fund one-time in 2024-25 instead of \$25 million General Fund over three fiscal years.
- 116) Increases 2024-25 appropriation for California Jobs First Program from \$41.7 million to \$50 million. This reflects a restoration of \$150 million General Fund support for the program over the 2024-25, 2025-26, and 2026-27 fiscal years.
- 117) Appropriates \$3 million General Fund in 2024-25 for an advanced industry workforce development tool that will fund partnerships between the Labor and Workforce Development Agency and higher education institutions to develop artificial intelligence certificate programs in support of worker training.
- 118) Deletes provisions related to Department of Industrial Relations vacancies and hiring processes, Item 7350-401, due to its inclusion in the employment trailer bill.
- 119) Adds provisional budget bill language for the California Workplace Outreach Project 2024-25 appropriation.
- 120) Does not include General Fund savings associated with the proposed elimination of the telework stipend. This item is not included in the budget agreement.
- 121) Makes technical amendments to various items under CalPERS.

Public Safety

- 122) Appropriates \$4 million for the Department of Justice's small client legal workload.
- 123) Provides \$5 million to the Department of Justice to provide technical assistance to local and tribal law enforcement agencies in their efforts to identify and investigate missing and murdered indigenous individuals.
- 124) Appropriates \$4.4 million and 25 positions for the California Department of Corrections and Rehabilitation (CDCR) related to the Condemned Inmate Transfer Program.
- 125) Provides \$7.4 million for the Employee Health Program at CDCR.
- 126) Provides \$20 million to address the medical program shortfall at CDCR.
- 127) Provides \$38.5 million for contract medical costs at CDCR.
- 128) Provides \$23 million for utilities costs at CDCR.
- 129) Provides \$5.8 million for CDCR to address fee increases from the Department of Technology and Department of General Services.
- 130) Reappropriates \$12 million from 2023-24 for various capital outlay projects at the San Quentin Rehabilitation Center.
- 131) Provides \$4.5 million and additional staff for handling complaints of staff misconduct at CDCR.
- 132) Removes the additional baseline reduction at CDCR, beyond the statewide operations and vacancy reductions, and includes intent language that the statewide reductions avoid impacting rehabilitative and reentry programming and family connection.
- 133) Provides \$6 million for CDCR to pay for supervisor positions at the Prison Industry Authority.
- 134) Provides \$2.4 million for The Joint Commission accreditation at CDCR.
- 135) Reduces funding for maintenance at deactivated prisons by \$5 million and includes provisional reporting language.
- 136) Maintains \$4 million in the Prison Industries Revolving Fund.
- 137) Provides \$17.25 million to the Board of State and Community Corrections for the Missing and Murdered Indigenous People Grant program.
- 138) Provides \$2.6 million to New Economics for Women for the purpose of domestic violence shelter property acquisition, improvements, and operational costs.

139) Includes various provisional language related to CDCR, including requiring reporting on Specialized Treatment for Optimized Programming, plans for establishing statewide in-reach efforts as available under California Advancing and Innovating Medi-Cal (CalAIM), and alternatives to incarceration for individuals who are advanced in age, disabled, or have significant medical needs.

140) Includes provisional language specifying the intent of the Legislature to review the allocation methodology for the Community Corrections Performance Incentive grant program.

141) Makes a variety of other technical changes.

Fiscal Effect: This bill, when combined with SB 107 (Gabriel), and various trailer bills, reflects a state spending plan that totals \$293 billion, of which \$211.5 billion is from the General Fund.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 109	Hearing Date:	June 26, 2024
Author:	Gabriel		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Elisa Wynne		

Subject: Budget Act of 2023

Summary: This bill is a Budget Bill Junior associated with the Budget Act of 2023-24. This bill makes technical and substantive changes to the Budget Act.

Proposed Law: On June 13, 2024, the Legislature passed AB 107 (Gabriel), which represented the Legislature's budget. This bill makes changes to the Budget Act of 2023-24. Specifically, this bill:

K-12 Education

- 1) Aligns the encumbrance period for \$6 million in federal Individuals with Disabilities Education Act funds with the Golden State Teacher Grant Program deadlines.
- 2) Makes technical adjustments to the California State Preschool Program.

Energy, Utilities, and Air Quality

- 3) Includes \$50 million for the Broadband Loan Loss Reserve Program at the California Public Utilities Commission.
- 4) Provides \$119.5 million Greenhouse Gas Reduction Fund (GGRF) for the Zero Emission Vehicles (ZEV) Fueling Infrastructure Grants at the California Energy Commission (CEC).
- 5) Provides \$157 million GGRF for Drayage Trucks & Infrastructure at CEC.
- 6) Provides \$28.5 million GGRF for Transit Buses & Infrastructure at CEC.
- 7) Provides \$71.3 million GGRF for Clean Trucks, Buses, and Off-Road Equipment at CEC.
- 8) Includes \$5 million GGRF for the Hydrogen program at CEC.
- 9) Includes \$20 million GGRF for the Carbon Removal program at CEC.
- 10) Includes \$23 million GGRF for the Incentives for Long Duration Storage program at CEC.

Health

- 11) Continues legislative restoration of \$108.9 million for workforce programs at the Department of Health Care Access and Information (HCAI) to maintain award commitments, but allocates those dollars to the fiscal years in which those programs were originally authorized.
- 12) Increases General Fund expenditure authority of \$175.9 million for the Department of Health Care Services (DHCS) to reflect changes in the Medi-Cal Local Assistance Estimate for the 2023-24 fiscal year.

Human Services

- 13) Reflects increased federal funds for energy programs and community services under the Department of Community Services and Development.
- 14) Reflects increased federal funds for local assistance under the Department of Social Services.

General Government

- 15) Appropriates \$5.9 million General Fund for the Secretary of State to address costs related to the Election and Voter Information Guide.
- 16) Specifies that of the funds available for support of the California Department of Tax and Fee Administration from the Integrated Waste Management Fund, \$809,000 is available for activities associated with Covered Battery-Embedded Recycling Fee implementation.
- 17) Allocates \$2 million to Los Angeles County to be delivered to the Coalition for Humane Immigrant Rights (CHIRLA) in support of qualified immigrant rights organizations that are part of the L.A Welcomes Collective for work in Los Angeles County shelters.

Transportation

- 18) Provides \$1.4 billion General Fund and \$133.2 million Greenhouse Gas Reduction Fund (GGRF) for the Competitive Transit and Intercity Rail Capital Program at the California State Transportation Agency (CalSTA).
- 19) Provides \$1.5 billion General Fund and \$463 million GGRF for the Formula Transit and Intercity Rail Capital Program at CalSTA.

Other

- 20) Makes various changes to legislative priorities.
- 21) Makes a variety of other technical changes.

Fiscal Effect: This bill amends the Budget Act of 2023-24 to conform to the budget agreement reached between the Administration and the Legislature. The resulting amendments are mostly technical and any changes to funding are reflected in the overall scoring of the 2024 budget package.

This bill results in net savings of \$478.3 million, assumed within scoring of the overall 2024 budget three party agreement.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 153	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Yong Salas		

Subject: Education finance: education omnibus budget trailer bill

Summary: This bill provides for statutory changes necessary to enact the TK-12 related statutory provisions of the Budget Act of 2024.

Proposed Law: This bill makes various statutory changes to implement the TK-12 education provisions of the 2024-25 budget. Specifically, this bill:

- 1) Protects funding for TK-12 local educational agencies:
 - a) Authorizes the withdrawal of the Public School System Stabilization Account, or the Proposition 98 Reserves, in 2023-24 to fund \$5.3 billion in Local Control Funding Formula costs and \$2.6 billion in deferred, unallocated TK-12 categorical programs.
 - b) Authorizes the deferral of \$3.6 billion Proposition 98 General Fund from 2023-24 to 2024-25, and the deferral \$246 million Proposition 98 General Fund for TK-12 programs from 2024-25 to 2025-26.
 - c) Establishes an obligation schedule for \$6.2 billion General Fund from 2022-23, which will begin in 2026-27 with \$544.2 million General Fund per year until 2035-36.
 - d) Provides additional time for the 2022-23 Proposition 98 certification process, and requires the Department of Finance to include the calculation of “spike protection,” if applicable, with its published calculations.
- 2) Fully funds the Local Control Funding Formula and funds a 1.07 percent cost-of-living-adjustment, and makes technical and clarifying changes.
- 3) Clarifies that local educational agencies provide resources related to the support of specified protected classes to certificated schoolsite employees.
- 4) Prohibits local educational agencies from adopting or approving the use of instructional materials or curriculum that would subject students to unlawful discrimination, and imposes fiscal penalties on local educational agencies that are found in violation.

- 5) Includes technical changes to adjust transitional kindergarten average daily attendance computation for charter schools, and aligns transitional kindergarten curriculum to the California Preschool/Transitional Kindergarten Learning Foundations.
- 6) Includes the County Office Fiscal Crisis and Management Assistance Team as part of the consultation during the development of the K-12 Audit Guide.
- 7) Updates the statute related to the charging authority of the County Office Fiscal Crisis and Management Assistance Team to reflect teleconferencing and other remote work options as part of its services.
- 8) Makes the following changes related to the Learning Recovery Emergency Block Grant:
 - a) Includes professional development and coaching for the Mathematics Framework and the English Language Arts/English Language Development Framework for California Public Schools: Kindergarten through Grade 12 as an eligible expenditure of the Learning Recovery Emergency Block Grant.
 - b) Specifies that any unencumbered funds from the Learning Recovery Block Grant as of July 1, 2024 are to be used for purposes of the settlement, and a needs assessment on identified student need related to academic performance on English Language Arts and Mathematics, as well as chronic absenteeism, must be done before further spending can occur. This bill also allows that assessments done for other programs or during the differentiated assistance process for identified local educational agencies can be leveraged for this provision.
 - c) Requires the Local Control and Accountability Plan (LCAP) to include actions supported by the Learning Recovery Block Grant funds address student needs as identified by the needs assessment, and the rationale for selecting these actions.
 - d) Adds a provision to the Learning Recovery Block Grant statute to encourage local educational agencies to contract or partner with community-based organizations with a track record of success serving high-need students to deliver services or programs funded by the block grant.
- 9) Clarifies the Uniform Complaint Procedure complaints around LCAP adoption/approval include any member of the public.
- 10) Clarifies reporting deadlines related to the following categorical programs:
 - a) The Arts, Music, Instructional Materials Block Grant
 - b) In-Person Instruction and Expanded Learning Opportunities Grants
 - c) A-G Completion Improvement Grant Program

- d) Kitchen Infrastructure and Training Grants
 - e) Educator Workforce Investment Grant
- 11) Makes technical and clarifying changes to the state's accountability system, including clarifying that the Local Control and Accountability Plan update be presented as part of a non-consent item, the submission deadlines for local indicators on the Dashboard, the geographic lead agency selection process, among others.
- 12) Removes statutory prohibitions on successive-year instructional material adoptions for English Language Arts/English Language Development and Mathematics and other clarifying changes.
- 13) Specifies that the Governor's appointments of six Deputies to the Executive Director of the State Board of Education of are exempt from state civil service.
- 14) Authorizes local educational agencies, beginning July 1, 2025, to earn additional average daily attendance (ADA), up to ten days or the number of absences by the student, through attendance recovery programs, as specified. States legislative intent that the attendance recovery programs shall not negatively impact expanded learning programs, and that local educational agencies use evidence-based strategies to address absenteeism.
- 15) Requires local educational agencies to include instructional continuity plans as part of its school safety plans, as specified.
- 16) Beginning July 1, 2025, local educational agencies that had school closures or a material decrease in attendance are required to provide an affidavit that certifies that:
- a) It has a local governing board or body-adopted school safety plan that includes instructional continuity plans.
 - b) Either (1) it has provided pupil engagement and instruction as specified in its school safety plan, or (2) it has not provided pupil engagement and instruction due to extenuating circumstances, and describes the support it provided either during or immediately after the closure or material decrease.
 - c) If applicable, a copy of the state or local public health or public safety order that required school closure.
- 17) Makes changes to the Expanded Learning Opportunities Program:
- a) Clarifies that any unencumbered funds from allocations provided in the Budget Acts of 2021 and 2022 be returned to the state by September 30, 2024.
 - b) Includes the returned funds from the Budget Acts of 2021 and 2022 in the calculations for the 2024-25 rates, up to \$2,000 per pupil, for local educational agencies with less than 75 percent unduplicated pupil percentages.

- c) Allows funds for Expanded Learning Opportunities Programs to be used for attendance recovery programs if the attendance recovery programs are administered in conjunction with expanded learning programs on the schoolsite.
 - d) Allows local educational agencies two years, instead of one, to spend allocated expanded learning opportunities program funds.
 - e) Starting for the 2025-26 fiscal year, requires local educational agencies to declare their intent to operate expanded learning opportunities programs.
 - f) Makes other technical amendments.
- 18) Authorizes the Department of Finance to address any shortfall or excess of local redevelopment agency property taxes for special education programs with General Fund.
- 19) Appropriates \$25 million one-time Proposition 98 General Fund for professional development related to the literacy screener for reading difficulties, and makes technical changes to allow ongoing funding to be provided through the K-12 Mandates Block Grant process.
- 20) Abolishes the Test Development and Administrative Account on July 1, 2024.
- 21) Streamlines the transcript review process for subject matter competence related to educator credentialing, and clarifies that the basic skills proficiency requirement is met if the applicant holds a baccalaureate degree.
- 22) Makes technical changes to clarify teacher mis-assignment monitoring, and other technical changes.
- 23) Authorizes candidates who are seeking their PK-3 early childhood education specialist credential to participate in the early completion option.
- 24) Suspends the authority of local educational agencies to layoff certificated and classified employees between July 1, 2024 and July 1, 2025.
- 25) Clarifies the eligibility and visitation requirements that are part of the WorkAbility program.
- 26) Allows the California Department of Education to deposit fees collected from the California Proficiency Program into a Special Deposit Fund Account, to be appropriated without regard to fiscal year, for the department's support of the program.
- 27) Authorizes up to \$2.5 million federal funds to support Homeless Education Technical Assistance Centers, as specified.
- 28) Clarifies provisions of SB 291 (Newman), Chapter 863, Statutes of 2023, related to pupil recess.

- 29) Specifies that revenues received by the Corporation for Education Network Initiatives in California (CENIC) for completed projects be used to sustain administrative costs for both the Department of Education and CENIC, in addition to broadband projects, until fully exhausted.
- 30) Requires the Department of Education to develop model referral protocols for addressing student behavioral health concerns by January 1, 2025, requires local educational agencies to certify that its employees received youth behavioral training by July 1, 2029.
- 31) Allows local educational agencies to offer the alternative diploma pathways to students who were in grade 10 or higher in the 2022-23 school year.
- 32) Appropriates \$2 million ongoing Proposition 98 General Fund to a county office of education technical assistance center focused on inclusive college opportunities for students with intellectual disabilities.
- 33) Adjusts the set-aside percentages for the California Community Schools Partnership program between the implementation grants and the extension grants, among other technical changes.
- 34) Extends the date for the State Board of Education and local educational agencies to adopt the IDEA addendum.
- 35) Supports the drawdown of federal funds to continue to implement the Universal Meals program by:
 - a) Requiring monthly direct certification matching through CALPADS.
 - b) Requiring the Department of Education to develop an electronic Student Benefit Form that can be used for both Local Control Funding Formula and federal meal eligibility purposes.
 - c) Providing flexibility for local educational agencies to operate its meal programs under specified federal meal service provisions.
- 36) Makes several changes related to the California College Guidance Initiative:
 - a) States the legislative intent that high school students have broad support and assistance services to help students successfully complete and submit a Free Application for Federal Student Aid or California Dream Act application.
 - b) Requires community college districts to submit students' courses and grades to eTranscriptCA.
 - c) Requires the California School Information Services, in consultation with the Department of Education, to create and maintain a list of Student Information Services vendors.

- d) Requires local educational agencies to submit students' grade point average and transcript information to the California College Guidance Initiative.
 - e) Requires local educational agencies to ensure that 11th graders complete financial aid lessons on CaliforniaColleges.edu, in a manner developed in partnership with the California Student Aid Commission.
 - f) Requires a representative of the local educational agency to have a district administrator account on the CaliforniaColleges.edu platform.
 - g) Other statutory changes, as specified.
- 37) Clarifies the deadline for special education local plan areas to submit claims for extraordinary cost pool funds.
- 38) Makes technical changes to the fiscal penalties imposed for insufficient textbooks.
- 39) Eliminates \$550 million General Fund planned for 2024-25 for the Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant program.
- 40) Requires the County Office Fiscal Crisis and Management Assistance Team, in consultation with subject matter experts, to provide recommendations related to funding and financing mechanisms related to judgments and settlements from child sexual abuse lawsuits.
- 41) Appropriates one-time \$20 million Proposition 98 General Fund for professional development to support the Mathematics Framework.
- 42) Removes the intent to fund \$500 million Proposition 98 General Fund for the Hybrid and Zero-Emission Truck and Voucher Incentive Project and for related infrastructure in 2024-25.
- 43) Eliminates planned funding for the School Facility Program in 2024-25.
- 44) Modifies the Golden State Teacher Grant program, as follows:
- a) For the 2024-25 fiscal year only, reduces award amounts to \$10,000 and \$5,000 with a reduced service requirement, as specified, and excludes intern credential program participants.
 - b) Limits the California Student Aid Commission to award no more than \$50 million for applicants that submitted applications in 2023-24.
 - c) Requires the Commission to prioritize awards for applicants with the lowest income, beginning on July 1, 2024.
 - d) Requires the Commission to establish up to three application periods each year.
- 45) Requires the Department of Education to revise the science safety handbook, as specified.

- 46) Appropriates \$1.3 million General Fund to support William S. Hart Union High School District infrastructure.
- 47) Appropriates \$2.1 million ongoing Proposition 98 General Fund for the Sacramento County Office of Education to contract with the California Department of Parks and Recreations to provide 4th graders in public schools access to California State Parks.
- 48) Appropriates \$4 million one-time Proposition 98 General Fund for a county office of education to research high-quality, data-supported models of hybrid and remote learning at public schools, and provide guidance, support and resources to local educational agencies to build their own hybrid and remote learning programs.
- 49) Appropriates \$7 million one-time Proposition 98 General Fund for a county office of education to contract with a nonprofit organization to provide curriculum-embedded performance tasks for science.
- 50) Requires the Marin County Office of Education to provide a report to the Joint Legislative Budget Committee and the Department of Finance, as specified.
- 51) Makes other various technical amendments.

Fiscal Effect: This bill makes various appropriations.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 155	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Christopher Francis		

Subject: Higher education budget trailer bill

Summary: This bill makes necessary changes to implement the higher education provisions adopted as a part of the Budget Act of 2024.

Proposed Law: This bill makes various statutory changes to implement the higher education provisions of the 2024-25 budget. Specifically, this bill:

- 1) **Nursing Program Support at California Community Colleges (CCC).** Establishes the Rebuilding Nursing Infrastructure Grant Program to expand nursing programs and partnerships, address nursing shortages, and increase, educate, and maintain the next generation of registered nurses through the community college system. The Budget Act of 2024 supports this program with \$60 million Proposition 98 General Fund per year for five years, starting in 2024-25, with CCC Strong Workforce Program funding.
- 2) **Higher Education Student Housing.** Establishes the financing structure for a statewide lease revenue bond program to support the construction of 13 community college affordable student housing facilities selected in the Budget Acts of 2022 and 2023 as a part of Higher Education Student Housing Grant Program. Amongst other provisions, requires the Board of Governors of the California Community Colleges, a participating college, and the State Public Works Board to enter into an agreement for each student housing project that includes, among other things, performance expectations of the parties related to the acquisition, design, and construction or renovation of the student housing project. Makes additional changes to facilitate the construction of affordable student housing projects selected in prior budget acts.
- 3) **Middle Class Scholarship (MCS) Deadline Extension for Returning and Continuing Students.** Provides returning and continuing students with additional time to submit a Free Application for Federal Student Aid and receive a MCS award for the 2024-25 award year. The deadline would be extended from May 2, 2024 to July 1, 2024 to renew their awards for the 2024-25 award year only.
- 4) **Part-Time Faculty Office Hours Reimbursement.** Increases the reimbursement rate for districts from 50 percent to 90 percent to encourage increased usage of the program by districts, provide office hours, and incentivize spending of funds in the Part-Time Faculty Office Hours categorical program.

Requires the allocation to any district in a fiscal year to not exceed 90 percent of the total costs of the compensation paid for those office hours.

- 5) **Cohort Default Rate and Cal Grant Institutional Eligibility.** Requires the California Student Aid Commission to use the three-year cohort default rate from 2020 (instead of the most recent rate) to determine whether an institution is eligible to participate in the Cal Grant program in the 2024-25 award year. Institutions are required to have a cohort default rate below 15.5 percent to participate in the Cal Grant program. Makes technical amendments to delete provisions that sunset on July 1, 2023.
- 6) **Removing Statute to Establish an Auxiliary Organization and Associated Reporting Language.** Removes the California Student Aid Commission's authority to establish an auxiliary organization for the purpose of providing operational and administrative services for the participation by the commission in the Federal Family Education Loan Program, or for other activities approved by the commission and determined by the commission to meet specified requirements. This authority is no longer necessary.
- 7) **CCC Apportionments Deferrals.** Defers \$446.4 million Proposition 98 General Fund from 2023-24 to 2024-25. In addition, defers \$243.7 million Proposition 98 General Fund from 2024-25 to 2025-26.
- 8) **CCC Reserves.** Uses \$545.9 million Proposition 98 General Fund from the Public School System Stabilization Account (PSSSA) to support apportionments costs in 2023-24.
- 9) **CCC Reappropriations.** Uses PSSSA to cover 2023-24 costs incurred because of a 2022-23 deferral for certain categorical program funds. Specifically, uses \$241.8 million Proposition 98 General Fund from the PSSSA to cover a 2022-23 categorical program deferral in 2023-24.
- 10) Makes various technical and clarifying amendments.

Fiscal Effect: This bill is a budget trailer bill within the overall 2024-25 budget package to implement actions related to higher education, and makes various appropriations.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 156	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Joanne Roy		

Subject: Public resources: omnibus budget trailer bill

Summary: This bill is the omnibus Resources budget trailer bill. It contains provisions necessary to implement the 2024 Budget Act.

Proposed Law: This bill:

- 1) **Covered Electronic Waste (E-Waste) Recycling Fee Subaccount Abolishment.** Eliminates the E-Waste Recycling Fee Subaccount and would instead require those fees to be deposited into the E-Waste Recovery and Recycling Account.
- 2) **Vulnerable Community Clean-Up General Fund Solution.** Appropriates \$553.9 million (from the General Fund, Greenhouse Gas Reduction Fund, and Toxic Substances Control, and revises the allocation period over three fiscal years (2021-22, 2022-23, and 2023-24) for specified activities, such as discovery, cleanup, and investigation of contaminated properties.
- 3) **Coastal Wetlands Fund Abolishment.** Effective June 30, 2024, abolishes the Coastal Wetlands Fund in the State Treasury, requires any remaining balance, assets, liabilities, and encumbrances to be reverted to the General Fund, and repeals the law relating to the expenditure of moneys in the fund.
- 4) **Oil Spill Prevention and Administration Fund.** Increases the limit on the proposed appropriation for oil spill response activities (e.g., equipping, operating, and maintaining the network of oiled wildlife rescue and rehabilitation stations and proactive oiled wildlife search and collection rescue efforts) from \$2.5 million to \$3.25 million.
- 5) **Dedicated Fish and Game Preservation Fund Realignment — Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund.** Includes various adjustments to the Fish and Game Preservation Fund's dedicated accounts, California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund, Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund, and Nesting Bird Habitat Incentive Program Account, Fish and Game Preservation Fund, resulting in an increase of \$3.22 million in 2024-25 and \$2.62 million ongoing. These adjustments align the accounts' expenditure authority with revenues to help the Department of Fish and Wildlife maintain stability, structural balance, and workload for the funds.

- 6) **Adventure Pass Program.** Indefinitely extends provisions related to the California State Park Adventure Pass to any child in grade 4, or grade 4 equivalent, who is a California resident.
- 7) **Division of Boating and Waterways Federal Alignment.** Among other things, redefines “personal watercraft, as specified; prohibits a person from operating a personal watercraft with an engine cut-off switch, as specified; prohibit a person from operating a recreational vessel underway with a child under 13 years of age unless certain conditions are met.
- 8) **Central Valley Flood Protection Board (CVFPB): Flood Risk Management Fund.** Expands the types of actions that moneys in the Flood Risk Management Fund may be expended by CVFPB to any type of service for which it charges fees pursuant to Water Code Section 8535.
- 9) **Authorization to Transfer Ownership of Leviathan Mine Site.** Authorizes the Department of General Services to convey all or a portion of the Leviathan Mine Site to any entity if the Director determines that the conveyance is in the best interest of the state; and requires the net proceeds from the disposition of the site be deposited into the Deficit Recovery Bond Retirement Sinking Fund Subaccount.
- 10) **Amendment to Federal Trust Fund Authority for Emerging Contaminants.** Authorizes the State Water Resources Control Board, upon appropriation of funds by the Legislature, to provide grants and direct expenditures to public water systems that serve small or disadvantaged communities to address emerging contaminants in those communities, consistent with the federal grant terms, as provided.
- 11) **Department of Forestry and Fire Protection (CalFire): Sonoma Lake Napa Unit Headquarters and St. Helena Fire Station: Relocate Facility: Wildlife Corridor.** Requires CalFire and the Department of General Services to, among other things, do the following: ensure that the performance criteria for the design, siting, acquisition, planning, and construction of CalFire’s Sonoma Lake Napa Unit Headquarters and Glen Ellen Fire Station conserve and protect to the greatest extent feasible the habitat, open space, and wildlife resources of the area within the property that is designated as a Habitat Connectivity Corridor and Community Separator to the greatest extent feasible; avoid and minimize impacts to the Habitat Connectivity Corridor and Community Separator to the greatest extent feasible; and mitigate any other environmental impacts related to the design, siting, acquisition, planning, and construction of those facilities and related infrastructure.
- 12) **CalFire Wildfire Resiliency Reporting Requirement.** Requires CalFire to annually provide a report related to the department’s wildfire prevention and resilience work, as specified.
- 13) **Angel Island State Park: Ferry Service Contract.** Authorizes the Department of Parks and Recreation to negotiate a service contract with an entity to do business in the state as a ferry operator, for the transport of passengers via ferry service between the City of Tiburon and Angel Island State Park.

- 14) **Department of Conservation (DOC): Oil & Gas Well Capping and Abandonment.** Eliminates a one-time expenditure authorization for 2025-26 and authorizes the Geologic Energy Management Division (CalGEM) to make a one-time \$7.5 million expenditure for 2026-27 of \$7.5 million only if there is a dedicated appropriation from a fund other than the Oil, Gas, and Geothermal Administrative Fund for 2026-27 for specified purposes.
- 15) **Department of Toxic Substances Control: Generation and Handling Fee.** Clarifies types of projects/actions that may be exempted from paying the generation and handling fee; and authorizes emergency rulemaking authority to implement the exemption review process. This bill is intended to ensure, prospectively, that fee payers are paying what they owe under existing law, beginning with waste that was generated in 2023, for which the fees are due in the 2024-25 fiscal year. This bill allows the state to collect unpaid fees from prior years; but does not add any new fees, nor does it require any additional reporting or payment by entities that have paid what they owe in prior years.
- 16) **Wolf Livestock Compensation Program.** Authorizes the Department of Fish and Wildlife to allocate federal funds and donations to pay for the deterrence of wolf presence near livestock, the impacts of wolf presence on livestock, and for verified loss of livestock for participating ranchers.
- 17) **Steelhead Report Card.** Extends the sunset date for the steelhead trout fishing report-restoration card from January 1, 2025, to January 1, 2027.
- 18) **Climate Investment Plan.** Exempts the Department of Finance from including updates to the Climate Investment Plan for the 2025-26 budget. Existing law requires the department to include updates to the Climate Investment Plan every three years with the release of the Governor's budget proposal.
- 19) **Recycling: Convenience Zones: Handling Fees.** Requires the per-container handling fee to be set until June 30, 2026, at an amount that is not less than the amount of the per-container handling fee that was in effect on July 1, 2023. This bill also requires, from July 1, 2026, until June 30, 2027, the per-container handling fee to be established using a methodology established by the Department of Resources Recycling and Recovery (CalRecycle) in regulations reflecting the cost of providing and maintaining recycling in convenience zones by handling fee recipients.
- 20) **Clean Cars 4 All.** Requires the California Air Resources Board (CARB) to consider specified metrics in allocating funding under the Clean Cars 4 All Program. This bill requires CARB to annually report to the Legislature the amount of funding allocated by CARB to the statewide Clean Cars 4 All Program and to each local district Clean Cars 4 All program and detailed performance metrics for the state and local programs, as specified.
- 21) **Diablo Canyon Power Plant: Loan: Report.** Requires the Department of Water Resources (DWR), in consultation with the Public Utilities Commission and the State Energy Resources Conservation and Development Commission, to provide a biannual report, on or before February 1 and August 1 of each year until December

31, 2030, to the Legislature on the status of a \$1.4 billion loan from DWR to the company licensed to operate the Diablo Canyon power plant.

Fiscal Effect: The funding related to the changes in this bill is contained in the Budget Act of 2024.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 159	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 24, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Health

Summary: This bill is an omnibus health trailer bill, and contains changes to implement the 2024-25 budget.

Proposed Law: This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2024. Specifically, this bill:

Various Departments

- 1) Revises statutory references to the Mental Health Services Fund to instead refer to the Behavioral Health Services Fund, and makes other technical changes consistent with SB 326 (Eggman), Chapter 790, Statutes of 2023, the Behavioral Health Services Act.

California Health Facilities Financing Authority (CHFFA)

- 2) Extends the availability of funding for CHFFA to administer the Distressed Hospital Loan Program from June 30, 2026, to December 31, 2031, to align with the terms of loans awarded under the program.

Department of Health Care Services (DHCS)

- 3) Implements the Medi-Cal Provider Payment Increases and Investments Act. Authorizes DHCS to implement provider payment increases and investments utilizing revenue from the tax on managed care organizations (MCO Tax), implemented by AB 119 (Committee on Budget), Chapter 13, Statutes of 2023, augmented by SB 136 (Committee on Budget and Fiscal Review), Chapter 6, Statutes of 2024, and proposed for additional augmentation in the Budget Act of 2024. These provider payment increases and investments include the following components:
 - a. Physician and Non-Physician Health Professional Services Rates – Beginning January 1, 2026, authorizes reimbursement rate increases for certain physician and non-physician health professional services, to achieve the following targets as a percentage of reimbursement rates, including geographic adjustments, available in the federal Medicare program:

- i. Evaluation and management codes for primary care and specialist office visits, preventative services, and care management – 95 percent of Medicare reimbursement rates.
- ii. Obstetric services – 95 percent of Medicare reimbursement rates.
- iii. Evaluation and management codes for emergency department physician services – 90 percent of Medicare reimbursement rates.
- iv. Non-specialty mental health services – 87.5 percent of Medicare reimbursement rates.
- v. Vaccine administration – 87.5 percent of Medicare reimbursement rates.
- vi. Optometric services – 87.5 percent of Medicare reimbursement rates.
- vii. Other evaluation and management codes – 80 percent of Medicare reimbursement rates.
- viii. Other procedure codes commonly utilized by primary care, specialist, and emergency department providers – 80 percent of Medicare reimbursement rates.

Allocations from the Medi-Cal Provider Payment Reserve Fund (MPPRF) are expected to be approximately \$377 million in 2025-26 and \$753 million in 2026-27 and annually thereafter, to support these rate increases.

- b. Emergency Department Physicians – Beginning January 1, 2025, authorizes reimbursement rate increases to emergency department physicians, consistent with the physician and non-physician health professions services rates described above. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$50 million in 2024-25, which will grow to \$100 million in 2025-26 and annually thereafter, to support these rate increases.
- c. Abortion Services – Beginning January 1, 2025, authorizes base reimbursement rate increases for eligible providers rendering Medi-Cal covered abortion services and a supplemental payment program for family planning services offered under the Family Planning, Access, Care, and Treatment (Family PACT) program. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$45 million in 2024-25, which will grow to \$90 million in 2025-26 and annually thereafter, to support these rate increases and supplemental payments.
- d. Clinic 340B Supplemental Payment Transition – Beginning January 1, 2025, authorizes the transition of 340B supplemental payments for federally qualified health centers and rural health clinics to a directed payment program. Beginning January 1, 2026, authorizes an increase the amount of directed payments utilizing allocations from the MPPRF. Allocations from the MPPRF are expected to be \$25 million in 2025-26 and \$50 million in 2026-27 and annually thereafter, to support the increase in directed payments.

- e. Ground Emergency Medical Transportation – Beginning January 1, 2025, authorizes reimbursement rate increases for ground emergency medical transportation. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$25 million in 2024-25, which will grow to \$50 million in 2025-26 and annually thereafter, to support these rate increases.
- f. Emergency Medical Air Transportation Services – Beginning January 1, 2025, authorizes reimbursement rate increases for emergency medical air transportation services. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$4 million in 2024-25, which will grow to \$8 million in 2025-26 and annually thereafter, to support these rate increases.
- g. Community-Based Adult Services – Beginning January 1, 2025, authorizes reimbursement rate increases for community-based adult services. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$4 million in 2024-25, which will grow to \$8 million in 2025-26 and annually thereafter, to support these rate increases.
- h. Congregate Living Health Facilities – Beginning January 1, 2025, authorizes reimbursement rate increases for congregate living health facilities. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$4 million in 2024-25, which will grow to \$8 million in 2025-26 and annually thereafter, to support these rate increases.
- i. Pediatric Day Health Centers – Beginning January 1, 2025, authorizes reimbursement rate increases for pediatric day health care centers. The proposed 2024 Budget Act includes expenditure authority from the MPPRF of \$2 million in 2024-25, which will grow to \$3 million in 2025-26 and annually thereafter, to support these rate increases.
- j. Private Duty Nursing – Beginning January 1, 2026, authorizes reimbursement rate increases for private duty nursing services. Allocations from the MPPRF are expected to be \$31 million in 2025-26 and \$62 million in 2026-27 and annually thereafter, to support these rate increases.
- k. Non-Emergency Medical Transportation – Beginning January 1, 2026, authorizes reimbursement rate increases for non-emergency medical transportation. Allocations from the MPPRF are expected to be \$13 million in 2025-26 and \$25 million in 2026-27 and annually thereafter, to support these rate increases.
- l. Community Health Workers – Beginning January 1, 2025, authorizes reimbursement rate increases for community health worker services to 100 percent of the rate paid by the Medicare program.
- m. Hearing Aid Benefit Caps – Authorizes an increase to the current \$1,510 cap on hearing aid benefits in Medi-Cal and the Hearing Aid Coverage for Children Program, consistent with the increased reimbursement rate increases for physician and non-physician professional services.

- n. Continuous Coverage for Children 0-5 – Beginning January 1, 2026, authorizes continuous eligibility for Medi-Cal coverage for children ages zero to five. Allocations from the MPPRF are expected to be \$17 million in 2025-26 and \$33 million in 2026-27 and annually thereafter, to support this eligibility change.
 - o. Elimination of AB 97 Provider Rate Reductions – Exempts physician and non-physician services, and abortion services, from the ten percent provider rate reductions implemented pursuant to AB 97 (Committee on Budget), Chapter 3, Statutes of 2011.
 - p. Contingent Enactment Provisions – Repeals and eliminates all provider payment increases and investments included in the Medi-Cal Provider Payment Increases and Investments Act, as reflected above, if voters approve an initiative regarding the MCO Tax during the November 5, 2024, statewide general election.
- 4) Sunsets the Major Risk Medical Insurance Program (MRMIP) effective December 31, 2024.
 - 5) Eliminates requirements that health plans or insurers inform rejected applicants or dependents about the availability of MRMIP.
 - 6) Requires MRMIP plans to inform program subscribers of the December 31, 2024, transition of coverage and information about applying to Medi-Cal or the California Health Benefit Exchange, as well as continuity of care requirements with existing providers.
 - 7) Requires plan-based enrollers to assist MRMIP subscribers in applying to Medi-Cal or the California Health Benefit Exchange for other health care coverage.
 - 8) Requires DHCS to, beginning November 1, 2024, until the transition of MRMIP is complete, provide monthly updates to the Assembly Committees on Health and Budget and the Senate Committees on Health and Budget and Fiscal Review.
 - 9) Authorizes DHCS to contract with an entity to administer a school-linked statewide behavioral health provider network, as part of the Children and Youth Behavioral Health Initiative statewide fee schedule.
 - 10) Requires providers of medically necessary schoolsite services participating in the school-linked statewide behavioral health provider network to comply with administrative requirements established by the contracted entity, and submit all claims for reimbursement through the entity unless the provider has a direct contract with a health plan, insurer, or Medi-Cal managed care plan.
 - 11) Authorizes DHCS to establish and charge a fee on participating health care service plans, insurers, or Medi-Cal managed care plans to cover the reasonable cost of administering the school-linked statewide behavioral health provider network.
 - 12) Allows DHCS to reimburse providers for administration of the COVID-19 vaccine in alignment with current vaccine reimbursement structures.

- 13) States the intent of the Legislature not to appropriate funds to support a cost-of-doing-business adjustment for county workers that determine eligibility for Medi-Cal beneficiaries during the 2024-25, 2025-26, 2026-27, and 2027-28 fiscal years.
- 14) Designates certain University of California hospitals to allow continued reimbursement of designated and non-designated public hospitals in the Medi-Cal program.
- 15) Streamlines and consolidates authority for the District and Municipal Hospital Directed Payment Program into the statutory framework for the Designated Public Hospital Enhanced Payment Program.
- 16) Authorizes the assessment of an administrative fee of up to five percent on intergovernmental transfers of funds provided to DHCS for hospital financing programs.
- 17) Authorizes DHCS to establish a new, or revise one or more existing, directed payment reimbursement methodologies to increase reimbursements to children's hospitals.
- 18) Continuously appropriates General Fund expenditure authority of \$115 million annually to support new or revised children's hospital directed payment reimbursement methodologies.
- 19) Authorizes DHCS to reduce the increased reimbursements to children's hospitals under the directed payment reimbursement methodology by up to \$75 million annually if voters approve an initiative that results in increased reimbursement rates to children's hospitals.
- 20) Authorizes DHCS, beginning July 1, 2024, and continuing until June 30, 2027, to use revenue collected from quality sanctions penalties on Medi-Cal managed care plans to support the nonfederal share of expenditures in the Medi-Cal program, instead of its current authorized use to address workforce issues and improve access in the program.
- 21) Deletes the requirement that remaining funds from the clinic workforce stabilization retention payment program be transferred to HCAI to support primary care workforce development programs in clinics.

California Department of Public Health (CDPH)

- 22) Authorizes appropriation of funds received pursuant to the settlement in *People v. JUUL Labs, Inc.* to support programs that help address, prevent, and reduce youth use of e-cigarettes.
- 23) Authorizes CDPH to implement a fee schedule for changes in health facility licensure that aligns fee revenues with workload costs, assesses penalties for untimely payment, and harmonizes notification requirements for all licensees.

- 24) Authorizes CDPH's Office of Oral Health, in consultation with various stakeholders, to support the establishment of community-based clinical education rotations for dental students in their final year or dental residents.
- 25) Authorizes the AIDS Drug Assistance Program (ADAP) at CDPH to make several program enhancements using ADAP Rebate Fund, including:
- a. Beginning January 1, 2025, or as soon as is technically feasible thereafter, increase financial eligibility standards for ADAP and the Pre-Exposure and Post-Exposure Prophylaxis Assistance Program (PrEP-AP) from 500 percent of the federal poverty level to 600 percent of the federal poverty level.
 - b. Beginning January 1, 2025, or as soon as is technically feasible thereafter, increase the cap on premium payments from \$1,938 to \$2,996 per month for the Office of AIDS Health Insurance Premium Payment (OA-HIPP) program, the Employer-Based HIPP program, and the Medicare Premium Payment Program.
 - c. Beginning January 1, 2025, or as soon as is technically feasible thereafter, modify the ADAP formulary to an open formulary.
 - d. Allocate \$5 million annually for three years, beginning July 1, 2024, to the Transgender, Gender Nonconforming, and Intersex (TGI) Wellness and Equity Fund to fund services related to care and treatment for eligible individuals living with HIV and AIDS.
 - e. Allocate \$10 million annually for three years, beginning July 1, 2024, to fund the Harm Reduction Supply Clearinghouse to fund HIV prevention supplies to California syringe access programs.
 - f. Allocate \$200,000, available until June 30, 2027, to support a needs assessment and analysis to identify needs for client navigation and retention services for clients enrolled in a Ryan White HIV/AIDS Program through the Office of AIDS.
 - g. Allocate \$200,000, available until June 30, 2027, to support a needs assessment and analysis aimed at understanding potential needs for PrEP Navigation Services Program.
 - h. Allocate \$5 million, available until June 30, 2027, to distribute funding to a community-based organization to make internal and external condoms available if SB 954 (Menjivar) becomes effective, aimed at preventing the transmission of HIV and sexually transmitted infections.
- 26) Requires CDPH to submit, as part of the 2025-26 Governor's Budget, a plan for modernization and expansion of ADAP and related programs with a focus on addressing the epidemic of HIV/AIDS in California. The plan is required to be developed in consultation with stakeholders and the Legislature and should consider whether activities are an eligible use of ADAP Rebate Fund, the availability of funding, and whether the activities advance access to services.

- 27) Authorizes the Women, Infants and Children (WIC) Program to establish requirements for purchase of authorized food through online shopping through bulletin authority rather than regulations.
- 28) Extends the deadline for publishing WIC bulletins from 120 to 180 days after the stakeholder comment period.
- 29) Requires WIC authorized vendors approved for online shopping to maintain a fixed physical location in California.
- 30) Requires CDPH to establish a process to collect stakeholder feedback regarding online vendors and, to the extent feasible within existing resources, regularly monitor the impact that online purchases made through the WIC program have on reducing barriers to healthy food for people who live in food deserts, as well as the impact that online WIC purchases have on increasing the size of food deserts or the number of food deserts in California.
- 31) Authorizes CDPH to establish a syndromic surveillance system to collect public health and medical data in near real time to detect and investigate changes in the occurrence of disease in the population and support responses to emerging public health threats.
- 32) Requires general acute care hospitals with an emergency department to submit required data electronically to the syndromic surveillance system established by CDPH, as well as to any syndromic surveillance systems established by local health departments.
- 33) Requires all data collected for the syndromic surveillance system to be confidential, and only authorizes sharing of data, under specified conditions, with state government entities, local health departments, and the federal Centers for Disease Control and Prevention. Data may also be shared, at the discretion of CDPH, with persons with a valid scientific interest after approval of the Committee for the Protection of Human Subjects.
- 34) Repeals the continuous appropriation of General Fund resources to backfill declining Proposition 56 tobacco tax revenue that supports the CDPH state dental program.

Department of State Hospitals (DSH)

- 35) Requires DSH to notify a local sheriff when a placement in a facility becomes available for a person committed to DSH who is not in the custody of the local sheriff, and make reasonable attempts for 90 days to coordinate delivery by the sheriff and transport the person to a DSH facility.
- 36) Requires an automatic stay of a commitment to DSH by the court, and authorizes removal of the person from the pending placement list, if the local sheriff has not delivered a person committed to DSH to a facility within 90 days after the department's written notice.

- 37) Clarifies the number of days a patient may remain in a DSH facility after filing a certificate of restoration.
- 38) Clarifies the conditions under which a person restored to competency may remain at a DSH facility for the purposes of maintaining competency, and clarifies the conditions under which an order for involuntary administration of anti-psychotic medications may be continued or newly authorized.
- 39) Provides authority for DSH to assist discharging patients with obtaining California identification cards.
- 40) Changes the timeline from quarterly to monthly for DSH's contracted diversion programs to report diversion data to DSH.
- 41) Requires private or public entities holding medical or mental health treatment records for a person committed to a DSH facility to release those records within 10 calendar days, upon written request from DSH, to maintain continuity of care.
- 42) Requires private or public entities holding medical or mental health records for a person committed to a DSH facility to comply with all applicable state and federal privacy laws prior to disclosure, and prohibits DSH from releasing such records for certain criminal or civil proceedings.

California Health Benefit Exchange (Covered California)

- 43) Authorizes the \$600 million loan from the Health Care Affordability Reserve Fund to the General Fund adopted in the 2023 Budget Act to be repaid in annual installments of \$200 million per year in 2026-27, 2027-28, and 2028-29.

Multiple Departments

- 44) Revises statutory provisions regarding the implementation of a \$25 minimum wage for health care workers, including the following changes:
 - a. Delays implementation of the increase to the health care minimum wage until either of the following occur:
 - i. The Department of Finance notifies the Joint Legislative Budget Committee on or before October 15, 2024, that agency cash receipts for the period from July 1, 2024, through September 30, 2024, are at least three percent higher than projected at the time the 2024 Budget Act was enacted. If this notification occurs, the health care minimum wage would be effective October 15, 2024.
 - ii. DHCS notifies the Joint Legislative Budget Committee that it has initiated the data retrieval necessary to implement an increase to the hospital quality assurance fee beginning January 1, 2025, which would fund increases to supplemental Medi-Cal program payments to hospitals that could support hospitals in complying with, and partially mitigate the Medi-Cal program costs of, the health care minimum wage. If this notification occurs, the health care

minimum wage would be effective the earlier of January 1, 2025, or 15 days after the notification to the Joint Legislative Budget Committee.

- b. Revises the definition of contracted or subcontracted employees to be paid the applicable minimum wage by specifying the employee must be performing work on the premises of a covered health care facility during more than one-half of the employee's work time during a workweek.
- c. Revises the definition of public employees to be paid the applicable minimum wage as those providing eligible services during more than one-half of the employee's work time during a workweek.
- d. Exempts any health care facility controlled or operated by the state or any state entity from the requirement that employees be paid the applicable wage.
- e. Clarifies the data reports from the Department of Health care Access and Information to be utilized to determine the number of full-time equivalent employees for purposes of implementing the applicable minimum wage.
- f. Requires the Department of Industrial Relations to amend, supplement, republish, or make other changes to wage orders to be consistent with the health care minimum wage requirements, and requires covered employers to post and provide written notice to employees regarding the wage order and the minimum wage requirements.
- g. Revises the waiver process for covered health care facilities that allow a 12-month delay in the schedule of minimum wage requirements, including requiring audited financial statements and other documentation demonstrating compliance with minimum wage requirements would raise doubts about the facility's or company's ability to maintain a positive cashflow, as well as a declaration by the facility that the contents of the documents and request are true and correct.
- h. Requires a facility to publicly post and notify employees if the facility receives a waiver.

Fiscal Effect: Continuously appropriates General Fund expenditure authority of \$115 million annually to support new or revised children's hospital directed payment reimbursement methodologies.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 160	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Scott Ogus		

Subject: Medi-Cal managed care organization provider tax

Summary: This bill is a health trailer bill that assesses a tax on managed care organizations to: 1) support the General Fund shortfall and achieve a balanced budget; and 2) support Medi-Cal investments to ensure access, quality and equity.

Background: Federal Medicaid regulations allow states to impose provider-related taxes on health care service providers as long as certain conditions are met. The revenue from these taxes may serve as the non-federal share of spending for health care services in a state's Medicaid program, which allows the state to draw down additional federal funding for those services. State Medicaid programs may receive federal financial participation (FFP) for expenditures using health care-related taxes, as long as the taxes are broad-based, uniformly imposed, and contain no hold-harmless provisions.

AB 119 (Committee on Budget), Chapter 13, Statutes of 2023, reauthorized a tax on enrollment of managed care organizations licensed by the Department of Managed Health Care or contracted with the state's Medi-Cal program. The tax is assessed per enrollee, and is tiered based on total enrollment in the plan during the base year, January 1, 2022 through December 31, 2022. There are two sets of taxing tiers for purposes of calculating each plan's tax liability: one for Medi-Cal plans and one for other health plans. The amount of the per enrollee tax in each of the taxing tiers is adjusted during each calendar year, according to the provisions of AB 119. The tax was authorized effective April 1, 2023 through December 31, 2026.

SB 136 (Committee on Budget and Fiscal Review), Chapter 6, Statutes of 2024, increased the tax on the per enrollee tax for tier II of the Medi-Cal taxing tier to \$205.00 for calendar years 2024, 2025, and 2026.

Proposed Law: This bill would modify the tiered tax amounts for the tax imposed on managed care organizations authorized by AB 119 and modified by SB 136. Specifically, the bill would:

- 1) For the 2024 calendar year, increase the per enrollee tax for tier II of the Medi-Cal taxing tier, for Medi-Cal plans with annual enrollees between 1,250,001 and 4,000,000 from \$205.00 to \$274.00.

- 2) For the 2025 calendar year, increase the per enrollee tax for tier II of the Medi-Cal taxing tier, for Medi-Cal plans with annual enrollees between 1,250,001 and 4,000,000 from \$205.00 to \$274.00.
- 3) For the 2026 calendar year, increase the per enrollee tax for tier II of the Medi-Cal taxing tier, for Medi-Cal plans with annual enrollees between 1,250,001 and 4,000,000 from \$205.00 to \$274.00.
- 4) Reappropriate General Fund expenditure authority, originally authorized in the 2023 Budget Act, until June 30, 2025, for DHCS to support the California Advancing and Innovating Medi-Cal (CalAIM) Providing Access and Transforming Health (PATH) program to build out Enhanced Care Management and Community Supports.

Fiscal Effect: 1) Modification of the per enrollee tax would result in increased net General Fund benefit to the state of approximately \$1.77 billion in 2024-25, \$1.92 billion in 2025-26, and \$1.44 billion in 2026-27.

2) This bill also reappropriates General Fund expenditure authority, originally authorized in the 2023 Budget Act, until June 30, 2025, for DHCS to support the California Advancing and Innovating Medi-Cal (CalAIM) Providing Access and Transforming Health (PATH) program to build out Enhanced Care Management and Community Supports.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 161	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Elizabeth Schmitt		

Subject: Human services

Summary: Provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2024.

Proposed Law: As part of the 2024-25 budget package, this bill makes statutory changes to implement the budget act. The bill includes the following provisions:

- 1) **California Child Support Automation System Annual Reporting Requirement Repeal.** Repeals the reporting requirement for the Department of Child Support Services (DCSS) regarding the ongoing implementation of the California Child Support Automation System (CCSAS). The implementation of CCSAS was completed and certified in December 2008, the project was closed in 2014, and the reporting is no longer necessary.
- 2) **Improved Performance Incentives Repeal.** Repeals the provision that provides additional funds to the 10 counties with the best performance standards in child support collections, as administered by DCSS. The program has been suspended since 2002-03.
- 3) **Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children.** Updates state law to mirror the additional federal reporting and communication requirements on states, for county child welfare agencies and probation departments when reporting missing or abducted children or youth believed to be the victims of, or at risk of being the victims of, commercial sexual exploitation to law enforcement authorities for entry into the National Crime Information Center (NCIC) database and the National Center for Missing and Exploited Children (NCMEC). Clarifies that counties are authorized to share information from juvenile case files with the NCMEC.
- 4) **Supplemental Nutrition Assistance Program (SNAP) Reimbursement.** Provides that a SNAP (CalFresh in California) recipient shall not incur any loss of nutrition benefits due to electronic benefits transfer (EBT) theft. Provides that a maximum of two months' worth of benefits shall be replaced at one time and a household shall have 90 days from the date of theft to request replacement of the electronically stolen benefits. Provides that a county shall replace eligible, electronically stolen benefits as soon as administratively feasible, but no more

than 10 business days following the receipt of the replacement request. Additionally, stops state-funded replacements of stolen CalFresh, if at any point federally funded replacements are available.

- 5) **CalWORKs Federal Pilot Program.** Requires the California Department of Social Services (CDSS) to consult with stakeholders in the application for the federal Promoting Accountability by Measuring Work Outcomes pilot program pursuant to the federal Fiscal Responsibility Act of 2023. Requires CDSS to report back by January 10, 2025 with necessary statutory changes and comprehensive cost estimates to implement family-centered changes as part of the pilot program, including limiting family sanctions, creating a family-centered program structure, and repealing the county Work Participation Rate (WPR) penalty.
- 6) **CalWORKs Subsidized Employment Program Reporting on Employers and Employment Outcomes.** Establishes outcome reporting requirements for the CalWORKs Subsidized Employment program regarding the utilization of funds, employment placements and industry sector data, and average earnings of CalWORKs participants, beginning April 1, 2025, to be included in the CalWORKs Annual Summary.
- 7) **State and Federal Kinship Guardianship Assistance Payment Program Alignment.** Eliminates the \$10,000 cash savings and personal property asset limits for children and nonminor beneficiaries of the state- and federally-funded Kinship Guardianship Assistance Payment (Kin-GAP) programs and clarifies income and property received after the start date of aid shall be disregarded. These changes conform to federal law.
- 8) **Technical Change to Fix CalWORKs Grant Comparison.** Makes a technical change to ensure proper display of CalWORKs grants compared to the federal poverty level (FPL) in CDSS budget documents.
- 9) **Resource Family Approval Program Alignment with Emergency Caregiving Funding Program.** Aligns the 90-day Resource Family Approval (RFA) application processing time frame with the 120-day Emergency Caregiver (EC) Funding time frame.
- 10) **In-Home Supportive Services (IHSS) County Administration Methodology.** Requires CDSS to review the budgeting methodology used to determine the annual funding for county administration of the IHSS program and examine the ongoing workload and administrative costs to counties beginning with the 2025–26 fiscal year and every third fiscal year thereafter. Requires CDSS to provide information to the appropriate legislative budget committees regarding this review and how it may impact county administrative costs.

- 11) **Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grant Display Against Fair Market Rent.** Requires CDSS, by January 10, 2025, and annually thereafter, to provide a display, included in CDSS budget documents, of the SSI/SSP grant amount for individuals compared to the most updated fair market rent amounts for a studio apartment in each of the 58 counties.
- 12) **CalWORKs Intensive Case Management Hours.** Holds the hours requirement for CalWORKs intensive case management to 8.75 hours per case per month. Makes the increase to 10 hours subject to an appropriation by the Legislature.
- 13) **Home Safe Program Match Waiver Extension.** Extends the grantee match waiver of one-time funds appropriated for the Home Safe program from June 30, 2025 to June 30, 2026.
- 14) **Bringing Families Home Program Match Waiver Extension.** Extends the county or tribe match waiver of one-time funds appropriated for the Bringing Families Home program from June 30, 2025 to June 30, 2027.
- 15) **Housing Disability Advocacy Program Match Elimination.** Removes the baseline match requirement for grantees of funds from the Housing and Disability Income Advocacy Program, effective July 1, 2024.
- 16) **Excellence in Family Finding, Engagement, and Support Program.** Authorizes a participating county or tribe in the Excellence in Family Finding, Engagement, and Support Program, which does not have sufficient caseload, as determined by CDSS, for a full-time family-finding worker to submit a written request for authorization to use program funding for a portion of a full-time position for family-finding activities.
- 17) **Family First Prevention Services Program.** Extends the spending period through July 1, 2028 for the Family First Prevention Services state block grant program administered by CDSS. Allows CDSS to exempt a small county, as named, from the requirement to use state funds allocated for the nonfederal share of cost of prevention services, as specified.
- 18) **CalFresh Safe Drinking Water Pilot.** Extends the CalFresh Safe Drinking Water Pilot until the expiration of allocated funding for the pilot program or September 30, 2025, whichever is later.
- 19) **California Food Assistance Program (CFAP) Elimination of Comparable Disqualification.** Makes changes in CFAP to align with current CalFresh policy, which eliminates comparable disqualifications for welfare to work sanctions effective August 1, 2024.
- 20) **Tribal Nutrition Assistance Program.** Streamlines tribal eligibility for grants through the Tribal Nutrition Assistance Program.

- 21) **State Emergency Food Bank Reserve.** Establishes the State Emergency Food Bank Reserve Program, to provide emergency food and related costs to food banks serving low-income Californians to prevent hunger during natural or human-made disasters.
- 22) **Guaranteed Income Pilot Program Extension.** Extends the operative date for the California Guaranteed Income Pilot Program from July 1, 2026 to January 1, 2028.
- 23) **Facility Inclusion for Community Care Expansion Preservation Program.** Authorizes CDSS to accept an alternative legally enforceable agreement in lieu of a deed restriction for a facility awarded Community Care Expansion funding to demonstrate the requirement to provide licensed residential care for at least the term of the reserve.
- 24) **Data Sharing to Quantify the Impacts of the Safety Net on the Whole Californian.** Permits the Interagency Council on Homelessness to, upon request, share personally identifiable, individual-level data from the Homeless Data Integration System with an agency or department that is a member of the council for purposes of measuring housing instability and examining the effectiveness of, and need for, housing and homelessness programs and other antipoverty programs among Californians. Requires data sharing to comply with the Information Practices Act of 1977. Additionally, states legislative intent for data-sharing permitted to measure point-in-time data and trends of homelessness, housing instability, and utilization of housing services among individuals and families in programs administered by CDSS, including, but not limited to, the CalWORKs program.
- 25) **Foster Care Permanent Rate Structure.** Consistent with existing state law, establishes a permanent foster care rate structure, to take effect July 1, 2027. Under the permanent rate structure, a child will fall under a certain rate “tier”, based on their Child and Adolescent Needs and Strengths (CANS) assessment. The CANS is a validated functional assessment tool, which assesses well-being, identifies a range of social and behavioral healthcare needs, and supports care coordination and collaborative decision-making. A child’s tier will be Tier 1, Tier 2, Tier 3, or Tier 3+, based on the child’s CANS assessment and their age. Rates will follow the child, not the placement, and include three key components: care and supervision, strengths building, and immediate needs. The structure also includes an administrative rate component for foster care providers. The bill includes the following provisions to implement the permanent foster care rate structure:
- a. Establishes the Tiered Rate Structure, beginning July 1, 2027. Establishes an entry rate for new entries into foster care.

- b. Provides CDSS with the authority to implement the Tiered Rate Structure via written guidance until the adoption of regulations, no later than January 1, 2030.
- c. Requires CDSS to issue guidance to county placing agencies and Title IV-E Tribes to implement the Tiered Rate Structure, including standards for CANS assessment fidelity, when the CANS assessments should be completed or updated, and guidance regarding how to implement tier transitions for a child based on subsequent CANS assessments. Requires CDSS to engage with a working group to develop and set guidelines on the use of the Integrated Practice CANS (IP-CANS).
- d. Requires annual adjustments to the Care and Supervision rate component and the administrative rate component based on the California Necessities Index (CNI).
- e. Requires CDSS to determine a schedule for transitioning children in current foster care placements on July 1, 2027, to the new Tiered Rate Structure no later than January 1, 2029. Establishes that children and nonminor dependents who receive a dual agency rate and supplement shall receive the higher rate.
- f. Clarifies that certain specified components of the Tiered Rate Structure will not apply to: transitional housing, Supervised Independent Living Placements, vendorized home of a regional center, temporary shelter care facility or transitional shelter care facility, and nonrelated Legal Guardianships ordered through probate court. For nonminor dependents in Supervised Independent Living Placements, the rate will be a combined rate consisting of Tier 1 care and supervision, plus CNI adjustments, and Tier 1 Strength Building.
- g. Authorizes a rate not to exceed Tier 1 care and supervision for children in state-funded Kin-GAP, nonrelated legal guardianships, and Adoption Assistance Program, and provides an exception for a rate not to exceed Tier 2 care and supervision, under specific conditions established by CDSS, based on the assessed needs of the child.
- h. Establishes relevant definitions for the Tiered Rate Structure.
- i. Provides CDSS with the authority to implement specified oversight and audit provisions regarding foster care providers via written guidance, until the adoption of regulations, no later than January 1, 2030.
- j. Requires each child's case plan to include the child's respective tier, the child's specific Immediate Needs Allocation Plan, and the child's Strengths Building activities.

- k. Requires all placing agencies, defined to mean a county child welfare agency, a county probation department, or an Indian tribe, to conduct CANS assessments for every child in foster care under their care. Requires the placing agency to complete the initial CANS assessment within 60 days of the child's entry into foster care and complete new CANS assessments, at a minimum, every six months after the initial assessment, and more frequently if needed.
- l. Provides that the CANS assessment shall identify the child's tier for purposes of the Tiered Rate Structure.
- m. Establishes applicable limits on the number of children in foster care placed in a resource family home, based on the needs of the children in that home, as specified.
- n. Establishes requirements for CDSS to implement the Immediate Needs Program, including the development of standards of care, including:
 - i. A methodology for determining the allocation for each placing agency.
 - ii. The establishment of statewide minimum standards for the Immediate Needs Program, in consultation with specified stakeholders.
 - iii. Model contracts for placing agencies that align with the established standards of care framework.
 - iv. Processes for certifying Immediate Needs Providers, to provide services consistent with the standards of care, including requirements specific to Immediate Needs Providers for Indian children.
 - v. Guidelines for ensuring each eligible child is provided services and supports consistent with the standards of care framework.
 - vi. Workforce development, training, and curriculum.
 - vii. Development of policies and procedures for statewide collection of data and outcome measures.
 - viii. Development, in collaboration with the Department of Health Care Services (DHCS), of guidance on implementation of the Immediate Needs Program, including High-Fidelity Wraparound services.
- o. Requires DHCS to implement a case rate or other type of reimbursement for High Fidelity Wraparound services, which is a Medi-Cal specialty

mental health service for members under age 21, and seek any necessary federal Medicaid approvals. Establishes that all children and nonminor dependents in foster care who meet the criteria to participate in the Immediate Needs Program and are under age 21 are eligible to receive High Fidelity Wraparound services.

- p. Establishes requirements for placing agencies administering the Immediate Needs Program, including:
 - i. Submit to CDSS for approval a Placing Agency Allocation Plan that, among other things, outlines how the placing agency will ensure the allocation is used to meet the immediate needs of children and ensure an adequate array of certified immediate needs providers, including providers with specialized knowledge, experience, or training with tribes and ICWA for Indian children in the Immediate Needs Program.
 - ii. Develop a child-specific Immediate Needs Plans for each child, demonstrating how the funding will meet the child's immediate needs and include those plans in the child's case plan.
 - iii. Submit data and outcome measures as requested by CDSS.
 - iv. Ensure the caregiver has relevant specialized training and capacity necessary to meet the needs of an individual child.
 - v. Utilize Immediate Needs funding in a manner that supports reunification efforts if they do not supplant existing funds for this purpose.
- q. Creates a presumption that, if certified, the short-term residential therapeutic program or foster family agency providing services to a child is the Immediate Needs provider.
- r. Clarifies that Immediate Needs funding may not supplant existing state or county funds utilized for the provision of Medi-Cal services.
- s. Establishes that Federal Financial Participation (FFP), under the Medi-Cal program, shall only be available for the Immediate Needs Program if medical assistance FFP is available and not otherwise jeopardized. Also authorizes DHCS to issue written guidance regarding the availability of FFP for purposes of this program and other necessary programmatic instructions without taking further regulatory action.
- t. Authorizes CDSS to implement the Immediate Needs Program via written instructions until the adoption of regulations, no later than January 1, 2030.

- u. Provides CDSS the authority to receive future payments of the placing agency's allocation and use the allocation to award contracts for the purpose of implementing and maintaining the Immediate Needs Program if a placing agency chooses to enter into an agreement with CDSS to administer the Program, or if a placing agency has failed to adequately administer the Program or meet the immediate needs of children, as specified.
- v. Exempts CDSS contracts awarded for the purpose of this section from specified contracting requirements and review and approval of the Department of General Services or the Department of Technology.
- w. Establishes the Strengths Building Child and Family Determination Program component of the Tiered Rate Structure, including:
 - i. Relevant findings and declarations that explain the necessity for, and intent of, the program.
 - ii. Relevant definitions for purposes of the Strengths Building Program.
 - iii. Establishes that the child and family, with support from the Child and Family Team (CFT), shall choose goods, services, activities, and supports consistent with program standards and guidelines developed by CDSS.
 - iv. Establishes that each child shall have a Spending Plan Manager, who shall contract with CDSS to pay for goods, services, activities, and supports and provide the child, caregiver/family and placing agency with an itemized monthly contract.
 - v. Requires CDSS to provide oversight of contracts with Spending Plan Managers and to develop a standard of care framework that promotes increased child and family determination.
 - vi. Requires CDSS to consult with specified stakeholders in the development of Strengths Building Program standards.
 - vii. Requires any unused funding to roll forward into the following fiscal year for the Strengths Building Program.
- x. Requires placing agencies to:
 - i. Include the Strengths Building activities in the child's case plan and provide a copy to the CFT and Indian child's tribe, if applicable.

- ii. Provide information and supports to the child and family, upon request, regarding available goods, services, and supports in the community and support the child and family in accessing them.

- y. Authorizes CDSS to award contracts for the Strengths Building program. Requires the state to prioritize nonprofit entities in developing these contracts.

- z. Establishes regular pre-implementation and post-implementation reporting requirements to the Legislature on all components of the Tiered Rate Structure.

- aa. Requires CDSS to provide the Legislature with an analysis of the identified needs of children and nonminor dependents in Tiers 2, 3, and 3+, including a cost analysis of necessary services, by January 2026.

- bb. Makes various technical and conforming amendments.

Fiscal Effect: Commencing October 1, 2024, increases the CalWORKs maximum aid payments in effect on July 1, 2024, by 0.3 percent, pursuant to funding available in the Child Poverty and Family Supplemental Support Subaccount.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 162	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 amended		
Urgency:	No	Fiscal:	No
Consultant:	Elizabeth Schmitt		

Subject: Developmental Services

Summary: Provides for statutory changes necessary to enact developmental services related to provisions of the Budget Act of 2024.

Proposed Law: As part of the 2024-25 budget package, this bill makes statutory changes to implement the budget act. The bill includes the following provisions.

- 1) **Remote Individual Program Plan and Individualized Family Service Plan Meetings.** Extends the option for an individual or family served by a regional center to choose to have their individual program plan (IPP) or, for infants and toddlers, individualized family service plan (IFSP), held remotely. Requires a regional center to hold an in-person IPP meeting at a time and location convenient for the individual served if the regional center has not held an in-person IPP meeting or other in-person meeting in the previous 12 months. Requires a regional center to hold an in-person IFSP meeting at a time and location convenient for the family served if the regional center has not held an in-person IFSP meeting or other in-person meeting in the previous six months. Prevents the in-person meeting requirements for IPP and IFSP meetings from impeding timely access to services. Requires the in-person meeting requirements to remain in effect pending a review by the Department of Developmental Services (DDS) review, in coordination with stakeholders, no later than May 14, 2026.
- 2) **Provisional Eligibility Assessments.** Allows a regional center to concurrently assess an infant or toddler referred for early intervention services for provisional eligibility or full eligibility for regional center services.
- 3) **Delay of Developmental Services Provider Rate Reform.** Delays the final phase of developmental services rate reform implementation from July 1, 2024 to January 1, 2025.
- 4) **Master Plan for Developmental Services.** Makes various findings and declarations regarding the developmental services system in California, and establishes legislative intent that the Master Plan for Developmental Services strengthens accessibility, quality, and equity of the developmental services system for all individuals with intellectual and developmental disabilities and their

families, regardless of language or other factors. Requires the Secretary of California Health and Human Services, in coordination with DDS, to lead the development of the implementation of the master plan for developmental services. Requires the Secretary to solicit input from individuals with intellectual and developmental disabilities and their families, professionals in the developmental services field, and a broad range of subject matter experts. Requires the Secretary and DDS to submit an initial report of the master plan to the Legislature and Governor by March 15, 2025. Requires the Secretary and DDS to work with various state agencies and departments to implement the master plan. Requires the Secretary to submit regular master plan updates to the Governor and Legislature beginning March 15, 2026.

- 5) **Repeal of Regional Center Family Fees.** Repeals the Family Cost Participation Program and Annual Family Program Fee.
- 6) **Probability Sampling.** Allows DDS and regional centers to utilize probability sampling and statistic extrapolation when conducting fiscal audits of service providers.
- 7) **Social Recreation.** Requires regional center purchase-of-services policies to promote access to social recreation services, camping services, and nonmedical therapies, in ways that promote community inclusion and access for children, individuals who experience disparities, and individuals who are unable to afford paying for services upfront. Prohibits regional centers from enacting restrictive purchase-of-services policies that generally prohibit or disfavor the purchase of social recreation, camping, and nonmedical therapies. Requires regional centers, by October 1, 2024, to designate points of contacts regarding access to social recreation, camping, and nonmedical therapies. Requires, by January 1, 2025, regional centers to adopt procedures aimed at increasing the availability of vendors for social recreation, camping, and nonmedical therapies, including for those services to be funded directly through participant-directed services. Requires, by March 1, 2025, various regional center staff to complete training regarding social recreation and other services. Requires DDS to report various information regarding trends in access to social recreation and other services to the Legislature, including information on complaints, appeals, technical assistance to regional centers, and demographic data on service access.
- 8) **DDS Internship Program.** Makes the direct support professional internship program subject to an appropriation by the Legislature.

Fiscal Effect: Provides an appropriation of \$5 million General Fund for activities related to the DDS Federal Claims Reimbursement System Project.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 163	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Elizabeth Schmitt		

Subject: Early Learning and Childcare

Summary: Provides for statutory changes necessary to enact early care and education related provisions of the Budget Act of 2024.

Proposed Law: As part of the 2024-25 budget package, this bill makes statutory changes to implement the budget act.

- 1) **Two-year-old Eligibility in California State Preschool Program.** Authorizes the enrollment of two-year-olds in the California State Preschool Program, until July 1, 2027, as specified.
- 2) **Preschool Inclusivity.** Specifies that State Preschool classrooms must maintain five percent of its enrollment for students with disabilities.
- 3) **California Universal Preschool Planning Grant.** Makes clarifying changes that previous grantees may participate in the California Universal Preschool Planning Grant program for the 2023-24 and 2024-25 fiscal years.
- 4) **Information Sharing for Family Child Care Homes.** Allows the Department of Social Services (CDSS) to disclose specified contact information of small family daycare homes for purposes of facilitating the child care placements.
- 5) **Codifies the Child Care Slot Expansion.** Pursuant to the Budget Act of 2024 agreement, codifies the plan for the state to fund over 200,000 new child care slots above 2020-21 slot levels. This includes the approximately 118,800 new slots that have been added to date, plus an estimated 11,000 General Child Care slots funded in the Budget Act of 2024 and ongoing. Outlines the breakdown of slots to be awarded across various child care programs to reach 200,000 new slots by 2027-28, subject to appropriation. In 2028-29 and each fiscal year thereafter, requires slot levels to be maintained according to the expansion plan. Requires any unawarded slots to be distributed in the subsequent fiscal year, subject to appropriation. Requires CDSS to release at least one request for applications for General Child Care slots in a fiscal year and to execute contracts beginning on or after April 1 of the applicable fiscal year.
- 6) **Child Care Rate Reform Planning and Reporting.** Specifies components of the report CDSS must submit within 60 days of federal approval of a new single rate

structure for setting child care reimbursement rates. Requires CDSS to include a plan for setting new reimbursement rates under the alternative methodology by no later than July 1, 2025. Requires CDSS to report on the estimated costs and timelines associated with the implementation components of the approved single rate structure, including but not limited to, state operations resources, technology and infrastructure changes, and any regulatory or statutory changes necessary to implement the approved single rate structure. Requires CDSS, beginning October 1, 2024 until January 1, 2026, to provide the Legislature with quarterly updates on the implementation of the new rates set under the alternative methodology. Requires the Governor and the Legislature, by no later than July 1, 2025, to establish reimbursement rates based on the alternative methodology. Prevents provider reimbursement rates from being reduced from the reimbursement rates in effect on June 30, 2024, inclusive of cost of care plus rates pursuant to the Budget Act of 2023 and collectively bargained parity agreement. If the new reimbursement rates do not take effect on July 1, 2025, requires CDSS to provide the Legislature with a timeline for transitioning from the rates in effect on July 1, 2025 to the new rates.

- 7) **Streamlined Provider Application for New General Child Care and State Preschool Slots.** Requires CDSS and the Department of Education to develop and implement a streamlined request for application process for current child care and development contractors, including contractors for State Preschool, to award new child care and development, as well as State Preschool, contracts.
- 8) **Child Care Quality Improvement Activities.** Requires CDSS, no later than May 14, 2025 and every year thereafter, to provide the Legislature with a proposed list of quality improvement activities funded with federal Child Care and Development funds.

Fiscal Effect: Appropriates \$328,000 in federal funds to allow CDSS to assist the California Health and Human Services Agency with the administration of the Preschool Development Grant.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 164	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Diego Lopez		

Subject: State government

Summary: This bill, a general government trailer bill, contains the necessary changes to implement provisions adopted as part of the Budget Act of 2024.

Proposed Law: This bill makes various statutory changes to implement the general state government provisions of the Budget Act of 2024. Specifically, this bill makes the following statutory changes:

- 1) **Keep Arts in Schools.** Extends the Keep Arts in Schools Voluntary Tax Contribution fund administered by the Franchise Tax Board from January 1, 2025 to January 1, 2032.
- 2) **Teen Poet Laureate.** Changes the name of the California Youth Poet Laureate to the California Teen Poet Laureate.
- 3) **Department of Real Estate Fee Increases.** Increases licensing, examination, and various other fees administered by the Department of Real Estate. Requires the department to conduct stakeholder meetings and provide reports on its financial status, as specified.
- 4) **Military Department Deputy Adjutant General Rank Adjustment.** Provides that the Deputy Adjutant General's rank may be that of major general which also aligns with the baseline salary adjustment for this position.
- 5) **Division of Juvenile Justice Clean-up.** Eliminates references to the Division of Juvenile Justice in State Lottery statutes, given the closure of the division's facilities in 2023.
- 6) **Middle-Mile Broadband Initiative.** Requires the Office of Broadband and Digital Literacy Office, under the California Department of Technology, to prioritize last-mile connections to unserved and underserved areas and locations for the construction of the statewide open-access middle-mile broadband network. In prioritizing standalone construction projects led by the Department of Transportation, the office must prioritize segments necessary for last-mile projects with grant awards from the Broadband Equity, Access, and Deployment Program, the California Advanced Services Fund program, and the Federal Funding Account program.

- 7) **Design-Build.** Eliminates the sunset date to allow current and future capital projects to continue using the design-build delivery method, as appropriate. Design-build refers to the specific approach that combines both the design and construction phases under a single contract with one entity. This approach contrasts with the traditional building process, where the project owner contracts with a designer to create the project plans and then separately with a builder to construct the project based on those plans.
- 8) **Procurement Disparity Study Extension.** Extends the deadline for the Department of General Services to contract and issue a report for a statewide procurement and contracting disparity study, which would examine state outreach strategies, state government program development, and improvements to contracting policies from January 1, 2025 to December 31, 2025.
- 9) **California Commission on Disability Access.** Shifts support for the California Commission on Disability Access from the General Fund to the Disability Access Fund.
- 10) **Minimum Education Hours for Licensure Programs.** Requires the minimum of hours or equivalent, established for education programs that qualify persons for any license issued by a board within the Department of Consumer Affairs, to be equal to the number of clock or credit hours that is approved by the department, as specified, until January 1, 2027.
- 11) **Venture Capital Companies Reporting.** Makes necessary and conforming changes to move the enforcement and administration of SB 54 (Skinner), Chapter 594, Statutes of 2023, from the Civil Rights Department to the Department of Financial Protection and Innovation (DFPI).
- 12) **CURES Fees.** Increases the Controlled Substance Utilization Review and Evaluation System (CURES) fee from \$9 to \$15 starting April 1, 2025 in order to right-size the costs for the Department of Justice to administer the program.
- 13) **AB 853 Technical Changes.** Makes a technical, non-substantive correction to AB 853 (Maienschein), Chapter 457, Statutes of 2023, to clarify the maximum fee allowed.
- 14) **Office of Planning and Research Reorganization.** Reorganizes the Office of Planning and Research (OPR) through the following actions:
 - a. Establishes the Governor's Office of Service and Community Engagement. Moves California Volunteers, the Office of Community Partnerships and Strategic Communications, and the Youth Empowerment Commission from OPR to this new office.
 - b. Moves the California Jobs First program and the Zero-Emission Vehicle Program from OPR to the Governor's Office of Business and Economic Development.

- c. Moves the California Initiative to Advance Precision Medicine to the Health and Human Services Agency and clarifies that, within the Initiative, pandemic medicine is an intended purpose, an appropriate project subject, and something for which the Initiative may receive outside funds.
- 15) **Office of Planning and Research Racial Equity Commission.** Extends the deadline for the Racial Equity Commission to develop a Racial Equity Framework from April 1, 2025 to December 1, 2025.
- 16) **County of Mendocino Audit.** Requires the California State Auditor to conduct an audit of the County of Mendocino that includes an audit of any potential waste, fraud, abuse, and mismanagement, the county's administration of elections in 2024, and contracting and procurement processes, by January 1, 2026.

Fiscal Effect: This bill would extend the Keep Arts in Schools Voluntary Tax Contribution Fund, increase the fees deposited into the Real Estate Fund and the Consumer Recovery Account, and authorize funds in the Disability Access Account to fund the activities of the California Commission on Disability Access, thereby making an appropriation.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 166	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Timothy Griffiths		

Subject: Housing

Summary: This bill provides statutory changes to facilitate implementation of the Budget Act of 2024 as it relates to housing and homelessness.

Proposed Law: More specifically, this bill:

Round 6 of the Homeless Housing, Assistance and Prevention (HHAP) Program

- 1) Provides the framework for distribution, use, and oversight of \$1 billion in funding for HHAP Round 6. HHAP is designed to provide flexible support to locals to assist them in addressing homelessness.
- 2) Enhances program oversight through the transfer of management authority from the California Interagency Council on Homelessness (Cal-ICH) to the Housing and Community Development Department (HCD).
- 3) Empowers the recently formed Housing and Homelessness Accountability, Results, and Partnership (HHARP) Unit at HCD to monitor HHAP grantee's expenditures, track outcomes, work with underperforming grantees on corrective action plans, and enforce compliance.
- 4) Increases the threshold for satisfactory improvement on system performance measures which, if unmet, triggers corrective action.
- 5) Incentivizes urgent deployment of resources by requiring compliance with specified expenditure obligation and spending benchmarks as a prerequisite for disbursement of Round 6 funding.
- 6) Requires housing element compliance as a precondition for cities and counties to receive the second half of their Round 6 HHAP awards.
- 7) Increases the tribal HHAP set aside from two to three percent.
- 8) Clarifies that tribal entities are eligible to apply for supplemental Homekey funding under HHAP.
- 9) Prioritizes homelessness prevention, permanent housing, and operational support for existing interim housing over uses of HHAP funds that do not directly provide housing.

- 10) Maintains HHAP Round 5 requirements that recipients apply as a region and adhere to their regionally coordinated homelessness plans with specific roles and responsibilities assigned to each party as memorialized in the form of a Memorandum of Understanding approved by each respective governing body.
- 11) Includes additional and more frequent reporting requirements.

Cap on Proposition 1 of 2024 Administrative Expenditure Levels

- 12) Limits the amount that the Housing and Community Development Department (HCD) may take from Proposition 1 of 2024 resources for HCD's administrative costs to three percent of the bond proceeds allocated to HCD programs.

Future of California Dream for All

- 13) Directs the California Housing Finance Agency (CalHFA) to:
 - a) Assess outcomes and lessons learned from the first two rounds of the California Dream for All shared appreciation homeownership loan program;
 - b) Provide recommendations for further improvements to the existing program;
 - c) Develop options for the next phase of the program, including, but not limited to, an option to expand the program to enable participation by entities such as local governments, public institutions of higher education, nonprofit organizations, school districts, community foundations, and large private employers; and,
 - d) Report to the Legislature on these subjects by January 31, 2026.

Redistribution of Regional Early Action Planning (REAP 2.0) Funding

- 14) Adjusts funding allocations within the Regional Early Action Planning (REAP 2.0) program to account for a \$40 million reduction in the Budget Act. Specifically, of the original \$600 million appropriated to REAP 2.0, the bill allocates the following amounts for planning and construction of housing and housing-related infrastructure to support new housing:
 - a) \$480 million on a formula basis to metropolitan planning organizations (MPO);
 - b) \$30 million on a competitive basis to jurisdictions that are not part of an MPO and tribes;
 - c) \$30 million on a competitive basis to higher impact transformative projects, as defined; and,
 - d) \$20 million for program administration.

The bill also provides that the Housing and Community Development Department may redirect funds left unspent by the expenditure deadline to the awardees who made approved expenditures before the deadline.

Encampment Resolution Funding Program: Appropriation, Management, and Enhanced Reporting Requirements

- 15) Appropriates \$150 million General Fund in 2024-25 to the Encampment Resolution Funding program. This program awards grants to local governments on a competitive basis to dissolve homeless encampments and provide residents with pathways to stable permanent housing. Half of the appropriation is reserved for projects that address encampments on state right-of-ways.
- 16) Imposes more detailed and more frequent outcome reporting requirements on Encampment Resolution Funding program grantees.
- 17) Enhances program oversight through the transfer of management authority from the California Interagency Council on Homelessness (Cal-ICH) to the Housing and Community Development Department (HCD).
- 18) Empowers the newly formed Housing and Homelessness Accountability, Results, and Partnership (HHARP) Unit at HCD to enforce grantee compliance with the terms of the program.

Fiscal Effect: The bill appropriates \$150 million in 2024-25 General Fund to the Encampment Resolution Funding program.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 168	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Nora Brackbill		

Subject: Public safety

Summary: This bill, as part of the 2024-25 budget package, makes the following statutory changes:

- 1) **Community Corrections Performance Incentives Fund.** Appropriates \$116.1 million for the Community Corrections Performance Incentives Fund, distributed in the same proportions to county probation departments as the previous fiscal year.
- 2) **Amendments to Clemency Statutes: Capital Case Records.** Removes the requirement for the courts to send hard copies of specified documents and transcripts in capital cases to the Governor's Office (GO), and instead requires electronic transmittal of specified documents (but not the complete transcript, which the GO may still access if needed).
- 3) **Amendments to Clemency Statutes: Certificate of Rehabilitation.** Removes the requirement for individuals seeking a certificate of rehabilitation to give notice of the filing to the GO. The GO would still receive a copy of any order granting a certificate of rehabilitation.
- 4) **Records Relief.** Clarifies how the Department of Justice should confirm a requestor's identify and provide confirmation of automatic conviction relief related to criminal records, delays specified provisions from July 1, 2024 to October 1, 2024, and extends the automatic retroactive conviction relief available under Penal Code section 1203.425 from January 1, 2005 to January 1, 1973.
- 5) **References to Closed Prisons.** Deletes obsolete references to closed prisons and make other conforming changes.

Fiscal Effect: The provisions of this bill are necessary to implement the requirements of the Budget Act of 2024.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No: AB 169 **Hearing Date:** June 26, 2024
Author: Committee on Budget
Version: June 22, 2024 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Nora Brackbill

Subject: Public safety juvenile justice trailer bill

Summary: This bill, as part of the 2024-25 budget package, makes the following statutory changes:

- 1) **Juvenile Justice Realignment Block Grant.** Appropriates \$208.8 million in 2024-25 and ongoing, specifies that the current distribution methodology is continued for 2024-25, and requires the Governor and the Legislature to work with stakeholders to establish an ongoing distribution methodology by January 10, 2025.
- 2) **Transfer of Juvenile Justice Grants.** Implements the statutory requirement in Welfare and Institutions Code section 2200 to shift the administration of all juvenile justice grants from the Board of State and Community Corrections to the Office of Youth and Community Restoration by January 1, 2025, and remove obsolete cross-references and make other conforming changes to reflect the closure of the Division of Juvenile Justice in June 2023.
- 3) **Juvenile Justice Data.** Requires county probation departments to report specified data about youth in secure youth treatment facilities to the Office of Youth and Community Restoration at least twice a year, and requires the office to publish an annual report, until January 1, 2030.

Fiscal Effect: The provisions of this bill are necessary to implement the requirements of the Budget Act of 2024.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 170	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Nora Brackbill		

Subject: Courts

Summary: This bill, as part of the 2024-25 budget package, makes the following statutory changes:

- 1) **Equal Access Fund.** Appropriates \$100,000 to the Equal Access Fund.
- 2) **Trial Court Trust Fund Reserves.** Reduces the amount the Judicial Council is required to hold in reserve for emergencies from \$10 million to \$5 million, and specifies that the Judicial Council does not have to submit a report on the emergency fund if there are no requests.
- 3) **Habeas Corpus Resource Center.** Until July 1, 2029, allows the Habeas Corpus Resource Center to provide continuing representation to individuals who are sentenced to life without the possibility of parole if they were previously sentenced to death, and allows this representation to help train attorneys to represent individuals in capital cases.
- 4) **County Law Libraries Board Meetings.** Allows county law library boards to meet no less than quarterly instead of monthly.
- 5) **Remote Court Proceedings.**
 - a) Extends specified remote court proceedings for civil, juvenile, and criminal matters until January 1, 2027, and makes various conforming changes, including, but not limited to, extending minimum technology standards to criminal proceedings and specifying that court reporters shall be able to unmute themselves to communicate with the judicial officer.
 - b) Requires courts to provide the following to the Judicial Council by October 1, 2025, and the Judicial Council to report to the Legislature by December 31, 2025:
 - i) Specified data related to criminal remote proceedings that courts are already required to report annually for civil and juvenile remote proceedings.

- ii) Certification that each courtroom where remote proceedings are being conducted meets the statutory minimum standards for courtroom technology.

Fiscal Effect: The provisions of this bill are necessary to implement the requirements of the 2024-25 Budget.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 171	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Christopher Francis		

Subject: Employment

Summary: This bill makes necessary changes to implement the employment provisions adopted as a part of the Budget Act of 2024.

Proposed Law: This bill makes various statutory changes to implement the employment provisions of the 2024-25 budget. Specifically, this bill:

- 1) **California Jobs First Extension.** Amends the fund obligation and expenditure timelines for the implementation phase of the California Jobs First program. Requires grant recipients to demonstrate a plan to fully spend or obligate all funds received by June 30, 2028, and requires all obligations to be paid by June 30, 2030. The final budget agreement reduces total funding for the program by \$150 million General Fund and leaves \$150 million General Fund in remaining support across the 2024-25, 2025-26, and 2026-27 fiscal years.
- 2) **California State Payroll System: Uniform Payroll Cycle.** Revises various statutory provisions to accommodate the implementation of a uniform payroll cycle that is not monthly. Makes additional non-substantive technical cleanups.
- 3) **Workers' Compensation Appeals Board Timeline Clarification.** Until June 30, 2026, modifies procedures by which the appeals board must act on a petition for reconsideration of any decisions, orders, or awards related to workers' compensation that are considered final. Starts the 60-day timeline for reconsideration when a trial judge transmits a case to the appeals board. Directs trial judges to provide notice to the parties of the case and the appeals board when a trial judge transmits a case to the appeals board.
- 4) **Public Works Chaptering Clean Up.** Aligns provisions in AB 130 (Committee on Budget) Chapter 39, Statutes of 2023 with SB 4 (Wiener), Chapter 771, Statutes of 2023 and SB 423 (Wiener), Chapter 778, Statutes of 2023. AB 130 clarified registration requirements for all contractors and subcontractors seeking to be qualified to be awarded contracts for, or engage in the performance of, any work on developments or public works projects and provided the Department of Industrial Relations with specified authority to establish and adjust annual registration and renewal fees. SB 4 and SB 423 enacted changes related to different types of housing development projects but was chaptered after AB 130.
- 5) **New Employee Orientation.** Changes the sunset date for provisions relating to new employee orientations to June 30, 2027. Current law requires, until June 30,

2025 that an exclusive representative be entitled to schedule an in-person meeting at the worksite during employment hours, if a public employer has not conducted an in-person new employee orientation within 30 days, as specified, amongst other provisions. This program was included in budget trailer bill legislation SB 191 (Committee on Budget and Fiscal Review), Chapter 67, Statutes of 2022.

- 6) **Payroll Deferral.** Returns to payroll accounting that was in place beginning in 2009-10 through 2018-19 fiscal years.
- 7) **Department of Industrial Relations (DIR) Staffing.** Until January 1, 2027 streamlines several hiring processes, including expediting analysis and submission of classification changes, to address staffing emergencies at DIR that have resulted in challenges to the Division of Labor Standards Enforcement and Division of Occupational Safety and Health's abilities to enforce state labor laws.

Fiscal Effect: This bill is a budget trailer bill within the overall 2024-25 budget package to implement actions related to labor, workforce, and employment and makes an appropriation related to the Proposition 2 Supplemental Pension Payment. Specifically, this bill would appropriate \$337,000,000 from the General Fund for the purposes identified in the constitutional provisions described in the bill, to supplement the state's appropriation to the Public Employees' Retirement Fund.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 173	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Eunice Roh		

Subject: Transportation budget trailer bill

Summary: This bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2024.

Proposed Law: This bill:

- 1) **Port and Freight Infrastructure Program.** Authorizes agencies to apply to the Secretary of Transportation for a letter of no prejudice that would allow an applicant to expend its own moneys on a project.
- 2) **Transit Accountability.** Expands requirements of the accountability program to the distribution of funds appropriated to the Transportation Agency from the Greenhouse Gas Reduction Fund for the Formula Transit and Intercity Rail Capital Program, among other technical changes to align with the fund and year changes made in the Budget Act of 2024.
- 3) **Highways to Boulevards.** Requires up to 25 percent of available funding to be set aside for planning and remainder for implementation.
- 4) **High-Speed Rail Authority Administrative Expenditures Cap.** Increases the percentage of those bond proceeds available for administrative purposes by 2.5 percent, thereby raising the limit to not more than five percent.
- 5) **Department of Motor Vehicles San Francisco Field Office.** Authorizes the Department of General Services, with the consent of the Department of Motor Vehicles (DMV), to enter into a lease-purchase agreement or lease with an option to purchase agreement for a built-to-suit office facility in the City and County of San Francisco to replace a DMV field office as well as authorizes the project to be a mixed-use development that may include or integrate affordable housing.
- 6) **Fleet Replacement Reporting.** Requires the Department of Transportation to annually report to the Legislature on or before October 1 of each year, beginning in 2025 and ceasing in 2036, regarding the zero-emission vehicles that the department purchases, owns, or leases.

- 7) **High Speed Rail, Office of Inspector General.** Clarifies the statutes concerning the office of the inspector general as follows:
- a. Specifies the inspector general's duties and responsibilities includes reviewing and investigating adherence to contract provisions of any public or private entity that receives high-speed rail project funds.
 - b. Defines "personnel issues".
 - c. Requires the High-Speed Rail Authority to include specified provisions granting the inspector general access to records and property in connection with the inspector general's authorized duties are included in all contracts and contract amendments executed on or after July 1, 2024.
 - d. Revises the circumstances under which the Department of Finance is required to notify the chairs of the budget committees of the Legislature regarding changes to the inspector general's proposed budget.
- 8) **Grade Separations.** Requires the Secretary of Transportation to:
- a. Coordinate with the Department of Transportation and the California Transportation Commission to identify available funding in state transportation programs that may be used to support grade separation projects that were previously awarded funding.
 - b. Prioritize funding for grade separation projects that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both.
 - c. Report to the Legislature, on or before April 30, 2025, on any funding that the secretary identified for impacted grade separation projects.
- 9) **SB 673.** Expands and revises the determinations a law enforcement agency must make to request an Ebony Alert; requires California Highway Patrol to activate an Ebony Alert and assist the investigating law enforcement agency if the department concurs with the agency's determination; and requires the California Highway Patrol to report on the evaluation of the Ebony Alert, no later than July 1, 2027.
- 10) **Active Transportation Program.** Appropriates \$100 million from the General Fund to the Department of Transportation for the Active Transportation Program.

Support: None on file.

Opposed: None on file.

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SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No: AB 174 **Hearing Date:** June 26, 2024
Author: Committee on Budget
Version: June 22, 2024 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Joanne Roy

Subject: Public resources: California Environmental Quality Act: exemptions: native fish and wildlife: Capitol Annex

Summary: This bill is a budget trailer bill. It contains provisions necessary to implement the Budget Act of 2024.

Proposed Law: This bill:

- 1) Exempts the work performed under the State Capitol Building Annex Act of 2016 from the California Environmental Quality Act (CEQA).
- 2) Appropriates a total of \$700 million General Fund spread over three fiscal years, starting with the 2024-25 fiscal years, as specified, to fund the acquisition, design, construction, and equipping of projects authorized by the Annex Act and requires the amount appropriated for each fiscal year to be transferred to the State Project Infrastructure Fund.
- 3) Extends the sunset for the CEQA exemption for climate and biodiversity projects by five years to 2030.

Fiscal Effect: The funding related to the changes in this bill is contained in the Budget Act of 2024.

Support: None on file.

Opposed: None on file.

-- END --

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No:	AB 175	Hearing Date:	June 26, 2024
Author:	Committee on Budget		
Version:	June 22, 2024	Fiscal:	No
Urgency:	No		
Consultant:	Elisa Wynne		

Subject: Taxation

Summary: This bill is a taxation trailer bill to the Budget Act of 2024-25. This bill contains various statutory changes necessary to implement the 2024-25 budget.

Proposed Law: This bill contains the following statutory changes necessary to implement the Budget Act of 2024:

- 1) **Business Tax Credit Refundability.** Senate Bill 167 of the 2023–24 Regular Session was passed by the Legislature on June 13, 2024 and specified that business tax credits claimed under the Personal Income Tax Law and the Corporate Tax Law may not exceed \$5 million for each taxable year beginning on or before January 1, 2024, and before January 1, 2027.

SB 167 further included intent language for the Legislature to enact legislation in the 2023-24 legislative session to allow taxpayers subject to a temporary credit limitation beginning with the 2024 tax year to utilize their credits after the limitation period ends by electing to receive a refund of the credits they would have otherwise used to reduce tax liability during the limitation time period.

This bill specifies the following for tax credit refundability:

- a) For each of the 2024, 2025, and 2026 taxable years allows a taxpayer to make an irrevocable annual election to receive a refundable tax credit in the amount of the credit allowed over the \$5 million cap, but unable to be claimed due to the limitation.
- b) A taxpayer who makes the election can claim an annual refundable credit amount, beginning the 3rd taxable year after the election is made, equal to 20 percent of the qualified credits that would have otherwise been available to the taxpayer but for the limitation.
- c) The refundable credit shall be allowed as a credit for the taxable year, as specified, and any balance after the credit is applied would be paid to the taxpayer as a refund from the Tax Relief and Refund Account.
- d) Makes specific provisions for taxpayers receiving refunds under the Motion Picture Tax Credit to correctly apply the \$5 million limitation whether the

- liability is applied against sales and use tax or personal or corporate income tax liability.
- e) Specifies that the credit limitations shall not apply for each of the 2025 or 2026 taxable years if the Director of Finance determines that there are sufficient General Fund revenues and pursuant to legislation in the annual budget act to not apply the limitation for the specified year.
 - f) Make a conforming change to allow taxpayers to use refundable credits to reduce tax below their tentative minimum tax.
- 2) **California Tire Recycling Fee Program:** Senate Bill 167 of the 2023–24 Regular Session was passed by the Legislature on June 13, 2024. This bill would make technical changes to correct errors in drafting from SB 167 that were intended to remove the authorization for the California Department of Resources, Recycling and Recovery to contract with another state agency for collection and the requirement for reimbursement for fee collection, audit, and refund service and instead replaces it with a requirement that the California Department of Tax and Fee Administration collect the fee required by the California Tire Recycling Act

Fiscal Effect: The provisions of this bill do not result in a General Fund impact in 2024-25. Instead, the revenue impact of refundability would begin in 2027-28 with an estimated \$1 billion General Fund revenue reduction from 2024 taxable year refunds beginning to be claimed, and will increase for each of the following two years to a few billion as additional taxable year election refunds are claimed. Each year of refundable election would result in an overlapping five year claiming schedule in future years.

Support: None on File

Opposed: None on File

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