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CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502
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Agenda

June 12, 2024

10:00 a.m. – 1021 O Street, Room 1200

<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
AB 107	Gabriel	Budget Acts of 2024
AB 154	Committee on Budget	Education Finance: Proposition 98: Suspension
AB 167	Committee on Budget	Taxation

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No: AB 107 **Hearing Date:** June 12, 2024
Author: Gabriel
Version: June 8, 2024 amended
Urgency: No **Fiscal:** Yes
Consultant: Elisa Wynne

Subject: Budget Act of 2024

Summary: This bill contains the Budget Act of 2024. This bill represents a budget package that authorizes General Fund expenditures of \$211.3 billion and assumes \$225.6 billion in total General Fund resources. Under this budget act, there are combined total reserves in the Budget Stabilization Account (BSA), the Special Fund for Economic Uncertainties (SFEU), the Public School System Stabilization Account (PSSSA) and the Safety Net Reserve of approximately \$23.2 billion.

Background: This reflects a legislative agreement on a budget plan that protects key priorities for the Senate and Assembly and is not only balanced through the 2024-25 budget year, but is also balanced through the 2025-26 budget year as well. All told, the budget plan eliminates the Department of Finance’s budget year projected shortfall of about \$45 billion and the 2025-26 shortfall of over \$30 billion.

The Legislature’s budget plan contains a total of \$46.9 billion in solutions for 2024-25 and \$29.8 billion 2025-26. The measure provides a balanced approach, with the solutions primarily coming from program reductions of \$16.6 billion and \$11.6 billion in 2024-25 and 2025-26, respectively, and revenues of \$10.6 billion and \$7.8 billion in 2024-25 and 2025- 26, respectively.

General Fund Budget Summary (Dollars in Millions)

	May Revision			Joint Legislative Budget Plan		
	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Prior Year Balance	\$46,260.0	\$9,726.7	\$14,001.2	\$46,219.0	\$13,766.2	\$14,150.2
Revenues and Transfers	\$190,201.2	\$202,122.7	\$209,955.7	\$190,250.2	\$207,166.4	\$209,955.7
Transfer to/from BSA	-\$847.0	\$3,126.0	\$8,900.0	-\$932.0	\$4,626.0	\$7,400.0
Total Resources Available	\$235,614.2	\$214,975.4	\$232,856.8	\$235,537.2	\$225,558.6	\$231,505.9
Non-Proposition 98 Expenditures	\$152,760.4	\$124,368.4	\$140,158.5	\$153,134.1	\$128,717.0	\$137,917.4
Proposition 98 Expenditures	\$72,438.1	\$76,605.9	\$81,479.1	\$68,033.0	\$82,612.3	\$81,458.6
Prop 2 Infrastructure Offset	\$689.0	\$0.0	\$0.0	\$604.0	\$0.0	\$0.0
Total Expenditures	\$225,887.5	\$200,974.2	\$221,637.6	\$221,771.1	\$211,329.3	\$219,376.0
Fund Balance	\$9,726.7	\$14,001.2	\$11,219.3	\$13,766.2	\$14,229.3	\$12,130.0
Reserve for Liquidation of Encumbrances	\$10,569.2	\$10,569.2	\$10,569.2	\$10,569.2	\$10,569.2	\$10,569.2
Budget Reserves:						
Special Fund for Economic Uncertainties	-\$842.5	\$3,431.9	\$650.0	\$3,197.0	\$3,660.1	\$1,560.7
Safety Net Reserve	\$900.0	\$0.0	\$0.0	\$900.0	\$450.0	\$450.0
Budget Stabilization Account	\$22,555.0	\$19,429.0	\$10,529.0	\$22,640.0	\$18,014.0	\$10,614.0
Public School System Stabilization Account	\$2,589.8	\$0.0	\$0.0	\$0.0	\$1,054.0	\$1,054.0
Total Reserves	\$25,202.2	\$22,860.9	\$11,179.0	\$26,737.0	\$23,178.1	\$13,678.7

The legislative budget plan, like the early action budget plan in April, aligns with the bulk of the Governor's budget proposals. The budget plan starts a three-year suspension of corporate net operating loss (NOL) deductions and various business tax credits in 2024—one year earlier than the Governor proposed. This results in the legislative plan including over \$5 billion more General Fund revenues in 2024-25 than the Governor's plan. These higher revenues allow more school spending across the 2023-24/2024-25 period, as well as restoration of some social services, health, and housing program reductions proposed by the Governor. Coupled with larger reductions in spending of some programs (most notably, prison spending), the budget plan's higher revenues allows maintenance of somewhat bigger reserves than those in the Governor's plan through 2025-26. In climate and natural resources programs, the legislative plan shifts funding to better reflect legislators' priorities.

Proposed Law: This bill contains the following major components of the budget plan:

Education

K-12 Education

- 1) Provides a cost-of-living adjustment of 1.07 percent for various programs, including programs for Foster Youth, American Indian Early Childhood Education, American Indian Education Centers, Special Education, Child Nutrition, Charter School Facility Grant Program, and K-12 Mandate Block Grant programs.
- 2) Appropriates \$1.85 billion Proposition 98 General Fund and \$2.68 billion federal funds to support universal school meals.
- 3) The budget re-appropriates \$339.3 million from various programs that were previously appropriated, of which \$322.4 million is used to backfill the Local Control Funding Formula.
- 4) Appropriates \$20 million Proposition 98 General Fund to the San Diego County Office of Education to support the California Regional Ethnic Studies Collaborative.
- 5) Increases funding for the K-12 High Speed Network by \$3.2 million, for a total of \$7 million Proposition 98 General Fund.
- 6) Appropriates \$3 million in one-time federal American Rescue Plan Act-Homeless Children and Youth carryover funds to support Homeless Education Technical Assistance Centers, with authority to transfer to local educational agencies to provide direct services consistent with federal requirements.
- 7) Appropriates \$2 million Proposition 98 General Fund to Marin County Office of Education to support the Teacher Collaborative on Holocaust and Genocide.
- 8) Replaces General Fund support for the California School for the Deaf-Riverside: Athletic Complex Replacement with Public Building Construction Fund support.

- 9) Makes various federal carryover funds available for appropriation.
- 10) Provides General Fund support for state operations costs at the Department of Education and the Commission on Teacher Credentialing to implement various enacted legislation.

Higher Education

Student Housing

- 11) Suspends funding for the California Student Housing Revolving Loan Fund. This action pulls \$300 million General Fund in annual support between 2024-25 and 2028-29 fiscal years and reverts \$199.7 million General Fund scored to 2023-24.
- 12) Includes \$50.6 million General Fund to support one-time payments to three districts for Higher Education Student Housing Grant projects that are not appropriate for bond funds. The three projects, previously approved in 2022-23, are Santa Rosa City College (\$15 million), Napa Valley College (\$31 million), and Imperial Valley College (\$4.6 million).

University of California (UC)

- 13) Includes a base increase of \$227.8 million General Fund in 2024-25 and ongoing for operating costs.
- 14) Makes a \$125 million General Fund unallocated base budget reduction in 2024-25 to UC. This change is associated with Control Section 4.05 and not the main support item for UC.
- 15) Includes legislative intent to defer a base increase of \$240.7 million General Fund from 2025-26 to 2026-27 and provide a one-time back payment of this amount along with an ongoing base increase of this amount in 2026-27.
- 16) Consistent with the Budget Act of 2021, includes an increase of \$30 million General Fund in 2024-25 and ongoing to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses in 2024-25.
- 17) Includes legislative intent to defer nonresident reduction plan funding of \$31 million General Fund from 2025-26 to 2026-27 and provide a one-time back payment of this amount along with an ongoing increase of this amount.
- 18) Foregoes a \$300 million General Fund investment for a new construction project at UCLA because the project scope shifted to the acquisition and maintenance of an existing facility.
- 19) Includes an increase of \$14.5 million General Fund in 2024-25 and ongoing to support a Medical School Project at UC Merced.

- 20) Makes a \$5 million General Fund one-time reduction to UC Equal Opportunity Practices and Professional Development.
- 21) Includes legislative intent language that UC campuses shall develop campus climate action plans by the beginning of the Fall 2024 term and that the Office of the President of the University of California shall submit a report to the Legislature by October 1, 2024 that describes the campus climate action plans.
- 22) Does not move forward with reductions to the UC Labor Centers, UC Latino Policy and Politics Institute, and UC Davis Equine Performance and Rehabilitation Center.

California State University (CSU)

- 23) Includes a base increase of \$240.2 million General Fund in 2024-25 and ongoing for operating costs.
- 24) Makes a \$75 million General Fund one-time unallocated base budget reduction in 2024-25 to CSU. This change is associated with Control Section 4.05 and not the main support item for CSU.
- 25) Includes legislative intent to defer a base increase of \$252.2 million General Fund from 2025-26 to 2026-27 and provide a one-time back payment of this amount along with an ongoing base increase of this amount in 2026-27.
- 26) Includes \$5.5 million General Fund in 2024-25 and ongoing to support the estimated costs of the recently enacted AB 1745 (Soria), Chapter 695, Statutes of 2023. AB 1745 expanded fee waiver for Medal of Honor recipients, children of Medal of Honor recipients, or dependents of service-injured veterans attending the CSU.
- 27) Includes legislative intent language that CSU campuses shall develop campus climate action plans by the beginning of the Fall 2024 term and that the Chancellor's Office of the California State University shall submit a report to the Legislature by October 1, 2024 that describes the campus climate action plans.

California Community Colleges (CCC)

- 28) Appropriates \$60 million Proposition 98 General Fund in 2024-25 through the Strong Workforce Program to expand nursing programs and grow, educate, and maintain the next generation of registered nurses through the community college system.
- 29) Appropriates \$5 million Proposition 98 General Fund in 2024-25 through the Strong Workforce Program to support education pathways for low-income workers.
- 30) Appropriates \$20 million Proposition 98 General Fund in 2024-25 to assist community college financial aid offices with unexpected workload and

circumstances due to Free Application for Federal Student Aid (FAFSA) delays and to help support students who are still trying to complete the FAFSA.

- 31) Includes an increase of \$100 million Proposition 98 General Fund in 2024-25 and ongoing to provide a 1.07-percent Cost-Of-Living Adjustment (COLA) for Student Centered Funding Formula apportionments.
- 32) Includes an increase of \$12.8 million Proposition 98 General Fund in 2024-25 and ongoing to provide a 1.07 percent COLA to the Adult Education Program, apprenticeship programs, CalWORKs student services, campus childcare support, Disabled Students Programs and Services, Extended Opportunity Programs and Services, and the mandates block grant.
- 33) Includes \$28.1 million Proposition 98 General Fund in 2024-25 and ongoing to support 0.5-percent enrollment.
- 34) Appropriates \$1.1 million Proposition 98 General Fund in 2024-25 to backfill a shortfall in unfunded Related and Supplemental Instruction reimbursement hours from 2021-22 and 2022-23 for firefighter apprenticeship hours.

State Library

- 35) Pulls back the unspent \$4.4 million General Fund of the \$439 million General Fund provided in the Budget Act of 2021 for local library infrastructure projects.
- 36) Foregoes \$100 million General Fund spread across the 2024-25 to 2026-27 fiscal years that would have supported local library infrastructure projects.
- 37) Reduces support for the Lunch at the Library program by \$2.5 million General Fund in 2024-25 and ongoing and maintains the program at \$3 million General Fund for 2024-25 and ongoing.

UC College of the Law, San Francisco

- 38) Provides a base increase of \$2.2 million General Fund in 2024-25 and ongoing to support operating costs.

California Student Aid Commission

- 39) Consistent with the Budget Act of 2023, includes an increase of \$289 million General Fund in 2024-25 for the Middle Class Scholarship (MCS) program that focuses resources toward reducing a student's total cost of attendance. Does not move forward with proposed cuts to MCS in 2024-25 and ongoing.
- 40) Reduces funding for the Learning Aligned Employment Program by \$485 million General Fund, reflecting the balance of unspent funds.
- 41) Includes legislative intent to phase-in the Cal Grant Reform Act beginning in 2025-26 and cover estimated costs of \$47 million General Fund in 2025-26 with caseload savings from 2024-25.

Resources

- 42) Appropriates \$16 million one-time General Fund over three years to the Ocean Protection Council, State Lands Commission, and the California Coastal Commission to support state efforts to plan for and implement offshore wind energy development in federal waters off the coast of California based on recommendations from the Draft AB 525 Offshore Wind Strategic Plan, and to support compliance with AB 1373 (Garcia), Chapter 367, Statutes of 2023, and SB 286 (McGuire), Chapter 386, Statutes of 2023.
- 43) Appropriates \$72 million Greenhouse Gas Reduction Fund (GGRF) in 2024-25 to the California Natural Resources Agency, California Department of Fish and Wildlife (CDFW), and the Department of Water Resources (DWR) for the Salton Sea Management Program (SSMP). (In addition, the budget act allocates \$3.3 million GGRF in 2025-26; and \$3.3 million Salton Sea Lithium Fund in 2026-27 and ongoing for Salton Sea restoration projects and SSMP staffing).
- 44) Appropriates \$199 million (\$197 million General Fund) to the Department of Forestry and Fire Protection (CalFire) and adds 338 positions in 2024-25 to begin implementing a shift to a 66-hour workweek. The costs of this action will increase in the coming years to \$770 million (\$756 million General Fund) on an ongoing basis and will add 2,457 permanent positions by 2028-29.
- 45) Shifts \$40 million from the General Fund to GGRF to CalFire for fire prevention grants. (Offsets reversion of \$82 million General Fund in 2023-24.)
- 46) Appropriates \$30 million GGRF to the State Coastal Conservancy for grants to help provide coastal protection and adaptation. (Offsets reversion of \$171.1 million General Fund in 2023-24.)
- 47) Appropriates \$27.5 million from the General Fund to GGRF to the California Natural Resources Agency (CNRA) for purposes of protecting the ocean from climate change. (Offsets reversion of a total of \$35 million General Fund.)
- 48) Appropriates \$20 million GGRF for CNRA's implementation of SB 1 (Atkins) Chapter 236, Statutes of 2021 relating to sea level rise mitigation and adaptation. (Offsets reversion of a total of \$25 million General Fund).
- 49) Appropriates \$33 million General Fund to the Department of Water Resources (DWR) for urban flood risk reduction projects carried out in collaboration with the US Army Corps of Engineers. Of the total, \$23 million is the required state share cost and \$10 million is for associated state operations costs.
- 50) Appropriates \$31.3 million General Fund through the Central Valley Systemwide Flood Risk Reduction Program for multi-benefit projects that are part of the State Plan of Flood Control.
- 51) Appropriates \$50 million GGRF to DWR for purposes of dam safety. (Offsets reversion of \$50 million General Fund in 2023-24.)

- 52) Appropriates \$30.5 million GGRF to the Wildlife Conservation Board (WCB) for watershed climate resilience projects. (Offsets reversion of \$438 million General Fund allocated over multiple years from DWR and WCB.)
- 53) Appropriates \$7.64 million Environmental Enhancement Fund one-time to allow the Department of Fish and Wildlife (CDFW) to meet the needs of grant applicants completing habitat restoration work and follow necessary administrative and grant award timelines.
- 54) Appropriates \$2 million Timber Regulation and Forest Restoration Fund ongoing to support CDFW's facilitation of and participation in statewide forest health and fire-resiliency initiatives.
- 55) Appropriates \$14.93 million one-time from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection (Proposition 40) to address deferred maintenance projects and other bond eligible projects that are deemed critical to the mission and goals of Parks.
- 56) Appropriates \$300,000 Harbors and Watercraft Revolving Fund in 2024-25 and ongoing to Parks for purposes of constructing and delivering Americans with Disabilities Act (ADA) compliant floating restrooms to state lakes and reservoirs to help protect these waters from contamination by recreational boater sewage. This funding is needed for the matching requirement to leverage up to \$900,000 from the federal Clean Vessel Act Inland grant.
- 57) Includes \$5 million Natural Resources and Parks Preservation Fund in 2024-25 and \$51 million reimbursement authority phased over the next two years (\$5 million in 2024-25) to Parks for purposes of addressing damages and rebuilding due to the 2023 and 2024 winter storms.
- 58) Provides authority for a total of 17 permanent positions spread over three years for Parks; and reallocates General Fund appropriated in 2021 for deferred maintenance to provide funding to support the requested information technology resources for three years, which will support the implementation of the NextGen project. The project is intended to improve Parks' current reservation and recreation system and revenue collection as well as improve real-time data analytics to increase utilization and enable park staff to make business decisions based on real-time data.
- 59) Reverts \$25 million General Fund from Parks for the Outdoor Equity Grants Program.
- 60) Provides resources to the State Water Resources Control Board (SWRCB) to address impacts on project permitting resulting from the recent Supreme Court Sackett Decision. Includes 26 positions and \$4.7 million Waste Discharge Permit Fund in 2024-25 and ongoing to SWRCB; and \$1.1 million in one-time contract funds for Information Technology (IT) services, \$200,000 in one-time contract funds and \$35,000 in ongoing contract funds for staff training. Includes budget

bill language requiring SWRCB to report on impacts of the Sackett Ruling on the department.

- 61) Includes one permanent position and \$250,000 Safe Drinking Water Account to support the SWRCB's Division of Drinking Water's efforts to implement solutions for communities lacking safe drinking water and enforce the Safe Drinking Water Act.
- 62) Appropriates \$711,000 Water Rights Fund ongoing for two permanent positions in SWRCB to support establishing and implementing long-term instream flow objectives in the Scott River and Shasta River watersheds.
- 63) Provides a \$200.6 million loan from the Underground Storage Tank Fund to the General Fund.
- 64) Appropriates \$1.2 million Water Rights Fund ongoing to support five positions in SWRCB to help expedite groundwater recharge permits.
- 65) Shifts \$198.5 million from the General Fund to GGRF for SWRCB to address drinking water and wastewater issues.
- 66) Reverts \$30 million General Fund from SWRCB that was designated for Per- and Polyfluoroalkyl Substances (PFAs) support.
- 67) Appropriates \$331,000 ongoing, split between the Hazardous Waste Control Account and the Toxic Substances Control Account, to increase baseline funding and reclassify six Board of Environmental Safety (BES) staffing positions to permanent.
- 68) Appropriates a total of \$750,000 in 2024-25 and ongoing (including a net reduction of \$4.6 million Hazardous Waste Control Account (HWCA) and increases \$5.3 million ongoing from various funds).
- 69) Reverts \$50 million General Fund from the Office of Planning and Research for Regional Climate Resilience.

Department of Food and Agriculture

- 70) Fund shifts \$33.2 million for the California Nutrition Incentive Program to Greenhouse Gas Reduction Fund.
- 71) Rejects \$20.6 million shift to Greenhouse Gas Reduction Fund for the State Water Efficiency and Enhancement Program and instead maintains the General Fund reduction.
- 72) Fund shifts \$24 million to Greenhouse Gas Reduction Fund for the Livestock Methane Reduction Program (\$17 million in 2024-25 and \$7 million in 2025-26).
- 73) Includes reduction of \$2.1 million from the Fairs Resilience Grant Program.

- 74) Includes reduction of \$2.8 million from the State Water Efficiency Enhancement Program.
- 75) Includes reduction of \$400,000 from the Pollinator Habitat Program.
- 76) Includes reduction of \$6.9 million from Water Efficiency Technical Assistance.
- 77) Provides authority for seven permanent positions in 2024-25 and ongoing to implement AB 402 (Aguiar-Curry) Chapter 651, Statutes of 2023.
- 78) Appropriates \$25 million General Fund and \$28.8 million Federal Trust Fund authority in 2024-25 to respond to numerous unanticipated emergencies related to the infestation of invasive fruit flies.
- 79) Appropriates \$63.5 million (\$25.8 million General Fund reimbursements and \$37.7 million Federal Fund) in 2024-25, and \$32.7 million General Fund reimbursements in 2025-26 and \$25.7 million in 2026-27 to provide sufficient budgetary authority to complete work related to three multi-year agreements that the department entered into with the federal government in 2023-24.

Exposition Park

- 80) Appropriates \$2.9 million General Fund and seven positions in 2024-25, increasing to \$3.9 million ongoing over the subsequent four years, to support additional operational costs at the Samuel Oschin Air and Space Center.
- 81) Appropriates \$23,000 General Fund in 2024-25 and ongoing, to support the costs of minimum wage increases included in the California Science Center's specialized services contract with the California Science Center Foundation.

Energy, Utilities, and Air Quality

Various

- 82) Delays \$400 million General Fund for the Clean Energy Reliability Investment Plan.

Energy Resources, Conservation and Development Commission

- 83) Provides \$25 million Greenhouse Gas Reduction Fund (GGRF) for the Equitable Building Decarbonization program.
- 84) Reduces \$25 million General Fund for Distributed Electricity Backup Assets.
- 85) Provides \$25 million General Fund and \$36 million GGRF for Offshore Wind Infrastructure.
- 86) Provides \$75 million GGRF for Demand Side Grid Support.

Department of Water Resources

87)Reverts \$400 million to the General Fund for Diablo Canyon Loan.

State Air Resources Board

88)Includes \$8.4 million from GGRF for the implementation of Climate Corporate Data Accountability Act: Chapter 382, Statutes of 2023 (SB 253) and Climate-Related Financial Risk: Chapter 383, Statutes of 2023 (SB 261).

89)Transfers \$300 million from the Air Pollution Control Fund to the General Fund.

California Public Utilities Commission

90)Includes \$1.86 billion from the Federal Trust Fund for the Broadband Equity, Access, and Deployment (BEAD) program.

91)Provides \$376.9 million from the Universal LifeLine Telephone Service Trust Administrative Committee Fund for the California Lifeline Program.

92)Includes \$9.9 million from the Public Utilities Commission Utilities Reimbursement Account (PUCURA) for the ongoing implementation of Broadband for All.

93)Reduces \$300 million General Fund for the Loan Loss Reserve Program.

94)Reduces \$125 million General Fund for the Residential Solar and Storage Program.

95)Delays \$200 million General Fund from 2024-25 to 2027-28 for the Broadband Last Mile Program.

Health

California Health and Human Services Agency (CalHHS)

96)Reverts General Fund expenditure authority of \$1 million in 2023-24, \$42 million in 2025-26, and \$32 million in 2026-27 that previously would have funded the CalHHS Innovation Accelerator.

97)Approves a net-zero position transfer from the Board of State and Community Corrections (BSCC) to the Office of Youth and Community Restoration (OYCR) to transfer administration of juvenile justice grant programs.

California Health Facilities Financing Authority (CHFFA)

98)Maintains General Fund expenditure authority of \$48.8 million, originally authorized in the Budget Act of 2022, to support the Specialty Dental Clinic Grant Program.

Emergency Medical Services Authority (EMSA)

- 99) Reverts General Fund expenditure authority of \$2.3 million, originally authorized in the Budget Act 2021, for the California EMS Data Resource System.
- 100) Reduces annual General Fund expenditure authority of \$5.5 million to correct and align resources for the Increased Emergency Preparedness and Response Capability Resources proposal approved in the Budget Act 2021.
- 101) Authorizes expenditure authority for implementation of the following chaptered legislation:
 - a. Community Paramedicine and Triage to Alternative Destination Act (AB 767) – Three positions and General Fund expenditure authority of \$686,000 in 2024-25, \$606,000 in 2025-26, and \$432,000 annually thereafter.
 - b. EMS Liability Limitation (AB 1376) – General Fund expenditure authority of \$200,000 in 2024-25.
 - c. EMT “No Surprises” Rate Reporting (AB 716) – Two positions and General Fund expenditure authority of \$521,000 in 2024-25, and \$321,000 annually thereafter.
 - d. Ambulance Patient Offload Time (AB 40) – Four positions and General Fund expenditure authority of \$1.2 million in 2024-25, and \$696,000 annually thereafter.

Department of Health Care Access and Information (HCAI)

- 102) Authorizes the following changes to health care workforce programs:
 - a. Psychiatry Loan Repayment (DSH) – Reverts expenditure authority of \$14 million (\$7 million General Fund and \$7 million Mental Health Services Fund) for a psychiatry loan repayment program for psychiatrists who agree to a term of service at the Department of State Hospitals.
 - b. Psychiatry Loan Repayment (Local Behavioral Health) – Maintains General Fund expenditure authority of \$7 million and delays expenditure authority from the Mental Health Services Fund until 2025-26 for a psychiatry loan repayment program for psychiatrists who agree to a term of service at the Department of State Hospitals.
 - c. Community Health Workers – Reduces General Fund expenditure authority of \$188.9 million in 2024-25 and \$57.5 million in 2025-26 for community health worker workforce development programs.

- d. Nursing Initiative – Reduces General Fund expenditure authority of \$70 million in 2023-24, \$70 million in 2024-25, and \$70 million in 2025-26 for workforce development programs for nursing-related professionals.
 - e. Social Work Initiative – Reduces General Fund expenditure authority of \$70.1 million and expenditure authority from the Mental Health Services Fund of \$51.9 million in 2025-26 for workforce development initiatives to expand the number of social workers in California.
 - f. Addiction Psychiatry and Medicine Fellowship – Reduces expenditure authority from the Mental Health Services Fund of \$48.5 million for addiction psychiatry and addiction medicine fellowships.
 - g. University and College Training for Behavioral Health Professionals – Reduces expenditure authority from the Mental Health Services Fund of \$52 million for expansion of grants for behavioral health professionals.
 - h. Expand Masters in Social Work Slots at Colleges and Universities – Reduces expenditure authority of \$30 million for expansion of slots for Masters in Social Work in California colleges and universities.
 - i. California Medicine Scholars Program – Maintains General Fund expenditure authority of \$2.8 million annually for the California Medicine Scholars Program.
 - j. Health Professions Careers Opportunity Program – Maintains General Fund expenditure authority of \$13.5 million for the Health Professions Careers Opportunity Program.
 - k. Song-Brown Nursing – Maintains General Fund expenditure authority of \$16.8 million in 2024-25 to support current commitments of funding in the Song-Brown Nursing program.
 - l. Song-Brown Residencies – Maintains General Fund expenditure authority of \$74.1 million in 2024-25 to support current commitments of funding for Song-Brown residencies.
- 103) Reverts General Fund expenditure authority of \$231 million in 2023-24 to reflect unspent prior year funds and current year savings for health care workforce programs.
- 104) Authorizes expenditure authority for implementation of the following chaptered legislation:
- a. Primary Care Clinic Modernization (SB 779) – Five positions and expenditure authority from the California Health Data and Planning Fund of \$2.4 million in 2024-25, 13 positions and \$2.9 million in 2025-26, and 15 positions and \$3.1 million annually thereafter.

- b. Hospital Supplier Diversity Reporting (AB 1392) – Four positions and expenditure authority from the California Health Data and Planning Fund of \$718,000 in 2024-25, five positions and \$1.9 million in 2025-26, and \$1.7 million annually thereafter.

105) Adopts provisional budget bill language to set standards on evidence-based practices and report on implementation of the new wellness coach certification and benefit.

Department of Managed Health Care (DMHC)

106) Authorizes expenditure authority for implementation of the following chaptered legislation:

- a. Dental Benefits and Rate Review (AB 1048) – Three positions and expenditure authority from the Managed Care Fund of \$1.4 million in 2024-25, and \$1.4 million annually thereafter.
- b. Health Care Coverage - Doulas (AB 904) – Two positions and expenditure authority from the Managed Care Fund of \$449,000 in 2024-25, \$436,000 in 2025-26, and \$437,000 in 2026-27.
- c. Biomarker Testing (SB 496) – Three positions and expenditure authority from the Managed Care Fund of \$799,000 in 2024-25, five positions and \$1.2 million in 2025-26, and \$1.5 million annually thereafter.

107) Authorizes a loan of \$22.9 million in 2024-25 from the Managed Care Fund to the General Fund.

Department of Health Care Services (DHCS)

108) Authorizes an increase in revenue of \$689.9 million in 2024-25, \$950 million in 2025-26, and \$1.3 billion in 2026-27 from increasing the tax on managed care organizations (MCO Tax).

109) Authorizes expenditure authority from the Medi-Cal Provider Payment Reserve Fund of \$75 million in 2023-24, \$689.9 million in 2024-25, \$1.3 billion in 2025-26, and \$956 million in 2026-27 to offset General Fund expenditures in the Medi-Cal program.

110) Authorizes expenditure authority from the Medi-Cal Provider Payment Reserve Fund of \$200 million in 2024-25, \$1.2 billion in 2025-26, \$2.4 billion in 2026-27 to support rate increases and investments in the Medi-Cal program. \$200 million of rate increases and investments would begin January 1, 2025, while the remaining rate increases and investments would begin January 1, 2026.

111) Reduces General Fund expenditure authority of \$326 million in 2024-25, \$709.8 million in 2025-26, \$7.3 million in 2026-27, and General Fund costs of \$367.5 million in 2027-28 and \$225 million in 2028-29 as a result of maintaining General Fund resources for the Behavioral Health Continuum Infrastructure

Program, but shifting those resources into future years after Proposition 1 bond funds are exhausted.

- 112) Reduces General Fund expenditure authority of \$132.5 million in 2024-25 and \$207.5 million in 2025-26, and increases expenditure authority from the Mental Health Services Fund of \$90 million in 2025-26, for the final rounds of grants for Behavioral Health Bridge Housing.
- 113) Cancels the required transfer of General Fund expenditure authority of \$14.9 million to HCAI reflecting unspent clinic workforce stabilization payments that would have supported clinic workforce development programs.
- 114) Reduces General Fund expenditure authority of \$532.5 million from eliminating the planned buyback of the two-week hold on fee-for-service Medi-Cal payments each June until the following fiscal year.
- 115) Reverts General Fund expenditure authority of \$47.1 million, originally approved in the Budget Act of 2022, for evidence-based and community-defined evidence practices for behavioral health as part of the Children and Youth Behavioral Health Initiative.
- 116) Reverts General Fund expenditure authority of \$80 million, originally approved in the Budget Acts of 2021 and 2022, and reduces General Fund expenditure authority of \$70 million in 2024-25, for school-linked partnerships and capacity grants to community college, California State University, and University of California campuses, as part of the Children and Youth Behavioral Health Initiative.
- 117) Reduces annual General Fund expenditure authority of \$359.6 million for the Behavioral Health Services and Supports Platform as part of the Children and Youth Behavioral Health Initiative.
- 118) Reduces General Fund expenditure authority of \$18 million in 2024-25 for health enrollment navigators.
- 119) Maintains General Fund expenditure authority of \$8 million for clinic-based health enrollment navigators.
- 120) Maintains General Fund expenditure authority of \$2 million for free clinics.
- 121) Reduces annual General Fund expenditure authority of \$61 million for the Naloxone Distribution Project and medication assisted treatment.
- 122) Authorizes expenditure authority from the Opioid Settlements Fund of \$2.4 million in 2024-25 to support the Naloxone Distribution Project, \$1.9 million in 2024-25 to support the California Harm Reduction Initiative, and \$4 million in 2024-25 to support the California Bridge Center to provide technical assistance regarding prevention and navigation to treatment for opioid use disorders.

- 123) Maintains expenditure authority of \$16.7 million (\$5.4 million General Fund and \$11.2 million federal funds) in 2024-25 and \$40.1 million (\$13.1 million General Fund and \$27 million federal funds) annually thereafter for continuation of the acupuncture benefit in Medi-Cal.
- 124) Reduces General Fund expenditure authority of \$43.8 million in 2024-25, \$67.5 million in 2025-26, and \$168.8 million in 2026-27 for equity and practice transformation grants to Medi-Cal providers.
- 125) Reduces General Fund expenditure authority of \$37 million in 2024-25 and \$74 million annually thereafter to reflect implementation of a fee on intergovernmental transfers that draw down additional federal funding for health facilities in the Medi-Cal program.
- 126) Reduces General Fund expenditure authority of \$78.9 million in 2024-25, \$2.7 million in 2025-26, and \$2.5 million annually thereafter to reflect elimination of the Major Risk Medical Insurance Program (MRMIP). Authorizes increased expenditure authority of the same amounts from the Health Care Services Fines and Penalties Fund to offset General Fund expenditures in the Medi-Cal program.
- 127) Reduces General Fund expenditure authority of \$145.4 million in 2024-25, and authorizes an offsetting transfer of expenditure authority from the Managed Care Enrollment Fund of \$145.4 million to fund provider rate increases and other investments supported by Proposition 56 tobacco tax revenue.
- 128) Reduces General Fund expenditure authority of \$1 million in 2024-25 to reflect collection of penalties from quality sanctions on Medi-Cal managed care plans. These penalties offset General Fund expenditures in the Medi-Cal program.
- 129) Reduces General Fund expenditure authority of \$20.4 million in 2024-25, \$42 million in 2025-26, \$65 million in 2026-27, and \$88.8 million in 2027-28 from freezing cost of doing business increases for county administration workers that determine eligibility for the Medi-Cal program.
- 130) Maintains annual General Fund expenditure authority of \$23 million to continue support for the Indian Health Grant Program.
- 131) Authorizes expenditure authority of \$85 million (\$50 million General Fund and \$35 million federal funds) in 2024-25 to support counties' implementation of changes to behavioral health programs pursuant to the Behavioral Health Services Act.
- 132) Adopts provisional budget bill language to require reporting and flexibility on the availability and expenditure of county funding for the Health Care Program for Children in Foster Care (HCPCFC) and the California Children's Services (CCS) program.
- 133) Authorizes expenditure authority for implementation of the following chaptered legislation:

- a. Abortion Provider Protections (SB 487) – Three positions and expenditure authority of \$469,000 (\$235,000 General Fund and \$234,000 federal funds) in 2024-25 and \$442,000 (\$221,000 General Fund and \$221,000 federal funds) annually thereafter.
- b. Behavioral Health (SB 43) – Six positions and expenditure authority of \$1.1 million (\$539,000 General Fund and \$538,000 federal funds) in 2024-25 and \$1 million (\$512,000 General Fund and \$511,000 federal funds) annually thereafter.
- c. Behavioral Health Transformation – Behavioral Health Services Act (SB 326) – Expenditure authority of \$116.5 million (\$16.9 million General Fund, \$28.2 million Mental Health Services Fund, \$31.6 million Opioid Settlements Fund, and \$39.8 million federal funds) in 2024-25.
- d. Behavioral Health Transformation – Behavioral Health Infrastructure Bond Act (AB 531) – Three positions annually.
- e. HOPE California - Secured Residential Treatment Pilot Program (AB 1360) – One position and General Fund expenditure authority of \$153,000 in 2024-25 and \$144,000 annually between 2025-26 and 2028-29.
- f. Local Educational Agencies Billing Option Program (AB 483) – 19 positions and expenditure authority of \$1.9 million (\$957,000 reimbursements and \$957,000 federal funds) in 2024-25 and \$3.1 million (\$1.5 million reimbursements and \$1.5 million federal funds) annually thereafter.
- g. Medicare Part A Buy-In (SB 311) – Five positions and expenditure authority of \$1 million (\$509,000 General Fund and \$509,000 federal funds) in 2024-25.
- h. Naloxone Distribution Project Tribal Governments Technical Assistance (AB 1233) – Expenditure authority of \$162,000 (\$81,000 Opioid Settlement Fund and \$81,000 federal funds) in 2024-25 and \$153,000 (\$77,000 Opioid Settlement Fund and \$76,000 federal funds) in 2025-26 and 2026-27.
- i. Robert F. Kennedy Farm Workers Medical Plan (AB 494) – General Fund expenditure authority of \$141,000 annually from 2026-27 through 2030-31.
- j. LGBT Disparities Reduction Act (AB 1163) – Expenditure authority of \$725,000 (\$132,000 General Fund and \$593,000 federal funds) in 2024-25.
- k. Biomarker Testing (SB 496) – Annual expenditure authority of \$25.2 million (\$9.1 million General Fund and \$16.1 million federal funds).

- l. Pharmacogenomic Testing (SB 425) – Annual expenditure authority of \$18 million (\$6.5 million General Fund and \$11.5 million federal funds).
- m. Mobile Optometric Office (SB 502) - Expenditure authority of \$293,000 (\$102,000 Vision Services Fund and \$191,000 federal funds) in 2024-25 and \$275,000 (\$96,000 Vision Services Fund and \$179,000 federal funds) annually thereafter.

California Department of Public Health (CDPH)

- 134) Authorizes General Fund expenditure authority of \$26.9 million in 2024-25 to support maintenance and operations for the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) system.
- 135) Authorizes a loan of \$500 million of expenditure authority from the AIDS Drug Assistance Program (ADAP) Rebate Fund to the General Fund and adopts provisional budget bill language to ensure repayment if programs supported by the fund have need for the money to maintain uninterrupted access to drugs or services, increase eligibility or add new drugs and services, or if there is no longer a need for the money.
- 136) Reduces annual General Fund expenditure authority of \$3.1 million for the Climate and Health Surveillance Program.
- 137) Reduces annual General Fund expenditure authority of \$4 million, shifting expenditures to the Licensing and Certification Fund to support audit activities related to skilled nursing facility minimum staffing requirements.
- 138) Reduces General Fund expenditure authority of \$9.7 million, shifting expenditures to the Proposition 56 Tax Fund's State Dental Account to support clinical dental rotations in underserved areas.
- 139) Reverts General Fund expenditure authority of \$900,000, originally approved in the Budget Act of 2023, for continuation of the COVID-19 information website.
- 140) Reverts General Fund expenditure authority of \$13.5 million, originally approved in the Budget Acts of 2022 and 2023, and reduces General Fund expenditure authority of \$1.5 million in 2024-25 for the unspent state portion of a youth suicide reporting and crisis response pilot program as part of the Children and Youth Behavioral Health Initiative.
- 141) Maintains General Fund expenditure authority of \$34.7 million in 2024-25 and \$13.7 million in 2025-26 for a public education and change campaign as part of the Children and Youth Behavioral Health Initiative. As a result of this maintenance of funding, reverts net General Fund expenditure authority of \$28.8 million in 2023-24, reduces net General Fund expenditure authority of \$5.3 million in 2024-25, and authorizes additional net General Fund expenditure authority of \$8.7 million in 2025-26.

- 142) Reduces annual General Fund expenditure authority of \$4.6 million to backfill lost Proposition 56 tobacco tax revenue for the Office of Oral Health.
- 143) Maintains General Fund expenditure authority of \$52.5 million in 2023-24 and \$300 million annually thereafter to support state and local health departments investments in additional staff, infrastructure, prevention, infectious disease control, population health, and emergency preparedness as part of the Future of Public Health program.
- 144) Reduces General Fund expenditure authority of \$1.7 million in 2024-25 and \$6.9 million annually thereafter to reflect savings in the Disease Surveillance Readiness, Response, Recovery, and Maintenance of IT Operations proposal approved in the Budget Act of 2022.
- 145) Reduces annual General Fund expenditure authority of \$10 million, beginning in 2025-26, to reflect savings in the Information Technology, Data Science, and Informatics Framework proposal approved in the 2022 Budget Act.
- 146) Authorizes the following special fund loans to the General Fund:
- a. Licensing and Certification Fund - \$70 million
 - b. Childhood Lead Poisoning Prevention Fund - \$18 million
 - c. Infant Botulism Treatment and Prevention Fund - \$17 million
 - d. Health Statistics Special Fund - \$17 million
 - e. Birth Defects Monitoring Fund - \$5 million
 - f. Radiation Control Fund - \$4.5 million
 - g. Occupational Lead Poisoning Prevention Account - \$3 million
 - h. Gambling Addiction Program Fund - \$2.7 million
 - i. Domestic Violence Training and Education Fund - \$1.6 million
 - j. Cannery Inspection Fund - \$1.6 million
- 147) Authorizes expenditure authority for implementation of the following chaptered legislation:
- a. California Neurodegenerative Disease Registry (AB 424) – General Fund expenditure authority of \$918,000 in 2024-25, and \$543,000 in 2025-26 through 2027-28.
 - b. California Cancer Registry (SB 344) – One position and General Fund expenditure authority of \$271,000 in 2024-25 and \$91,000 in 2025-26 and 2026-27.

- c. LGBT Disparities Reduction Act (AB 1163) – General Fund expenditure authority of \$430,000 in 2024-25 and \$280,000 in 2025-26.
 - d. Reporting of Animal Testing Methods (AB 357) – One position and General Fund expenditure authority of \$688,000 in 2024-25, \$569,000 in 2025-26, and \$257,000 annually thereafter.
 - e. Tobacco Sales - Flavored Tobacco Ban (AB 935) – General Fund expenditure authority of \$2.2 million in 2024-25 and \$1.9 million annually thereafter.
- 148) Reverts General Fund expenditure authority of \$15 million in 2023-24 that was allocated to support the COVID-19 response.
- 149) Reverts General Fund expenditure authority of \$1.7 million in 2023-24 that was allocated to support the response to Mpox.
- 150) Authorizes General Fund expenditure authority of \$5 million in 2024-25 to support Sickle Cell Centers for Excellence.
- 151) Authorizes General Fund expenditure authority of \$800,000 in 2024-25 and \$2.1 million annually thereafter to support the California Cancer Registry.

Department of State Hospitals (DSH)

- 152) Replaces General Fund expenditure authority of \$1.9 million with \$1.9 million of expenditure authority from the Public Buildings Construction Fund for the working drawings phase of the Central Utility Plant Replacement Project at DSH-Metropolitan.
- 153) Authorizes General Fund expenditure authority of \$25.9 million in 2024-25 and \$7.7 million annually thereafter to support infection control measures to protect the health and safety of employees and patients in the State Hospital system.
- 154) Reverts General Fund expenditure authority of \$7.2 million, originally approved in the Budget Act of 2023, due to updated project timelines for the Electronic Health Records project.
- 155) Reverts General Fund expenditure authority of \$6.6 million, originally approved in the Budget Act of 2021, for hiring of treatment team and primary care staff, due to an updated implementation timeline.
- 156) Reverts General Fund expenditure authority of \$2.2 million, originally approved in the Budget Act of 2023, for the Health Care Provider Network in the State Hospital system.

Mental Health Services Oversight and Accountability Commission (MHSOAC)

- 157) Authorizes three positions and expenditure authority from the Mental Health Services Fund of \$494,000 annually between 2024-25 and 2026-27, and \$394,000 annually thereafter, to support workload related to the implementation of behavioral health transformation efforts and other changes pursuant to the Behavioral Health Services Act.

California Health Benefit Exchange (Covered California)

- 158) Authorizes an additional loan from the Health Care Affordability Reserve Fund to the General Fund of \$62 million in 2024-25.
- 159) Authorizes delay in repayment of a \$600 million loan from the Health Care Affordability Reserve Fund to the General Fund, authorized in the Budget Act of 2023. The loan would be repaid in increments of \$200 million in 2026-27, 2027-28, and 2028-29.
- 160) Authorizes a one-time loan of \$109 million of expenditure authority from the Health Care Affordability Reserve Fund to the General Fund in 2025-26.
- 161) Adopts provisional budget bill language to require augmentation of expenditure authority from the Health Care Affordability Reserve Fund to pay for health care for striking workers if costs for the program exceed the appropriation during the fiscal year.

Human Services

Department of Social Services: Child Care

- 162) Includes \$109 million General Fund in 2024-25 to release 11,038 awarded General Child Care slots on an ongoing basis. Enacts a two-year pause on the expansion of subsidized child care slots, to resume in 2026. Authorizes \$71 million one-time and \$60 million ongoing federal Child Care and Development Fund to support the expansion.
- 163) Reduces the General Child Care budget to only the estimated number of awarded slots, generating \$662 million General Fund savings in 2023-24 and \$385 million General Fund in 2024-25.
- 164) Offsets General Fund for child care with federal funds and Prop 64 funds by \$596.8 million General Fund in 2023-24 and \$375.5 million in 2024-25.
- 165) Reverts \$34.8 million in unspent Emergency Child Care Bridge funding from 2022-23 into 2023-24. Re-appropriates \$30 million in unspent Emergency Child Care Bridge funding from 2023-24 into 2024-25. Total General Fund levels for Emergency Child Care Bridge remain at \$83.4 million ongoing.

- 166) Authorizes federally funded positions for the Child and Adult Care Food Program.
- 167) Authorizes \$7.9 million in federal Child Care and Development Fund for 41 positions to provide policy, program, and administrative support to child care and development programs.

Department of Social Services: CalWORKs

- 168) Eliminates a planned increase of CalWORKs Employment Services Intensive Case Management, reducing this program by \$47 million General Fund in 2024-25 and ongoing.
- 169) Reduces funding for CalWORKs Expanded Subsidized Employment Program by \$30 million in 2023-24 and \$37 million in 2024-25 to hold funding to approximate 2022-23 spending level.
- 170) Increases CalWORKs Maximum Aid Payment (MAP) levels by 0.3 percent, funded by approximately \$12.5 million ongoing from the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund.
- 171) Reduces funding for CalWORKs Mental Health and Substance Use services by \$30 million in 2023-24, \$37 million in 2024-25, and \$26 million in 2025-26.
- 172) Reduces funding for CalWORKs Home Visiting Program by \$30 million in 2023-24 and \$25 million in 2024-25 and 2025-26.
- 173) Authorizes provisional spending of up to \$2.4 million General Fund for California's pending participation in the federal Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity, contingent on the adoption of trailer bill language.

Department of Social Services: CalFresh and Food Programs

- 174) Delays implementation of the California Food Assistance Program (CFAP) expansion by two years, beginning in 2027-28. Re-appropriates unspent funds associated with planning, automation, and outreach from 2023-24 to 2024-25.
- 175) Approves federal funding for workload associated with CalFresh Confirm.
- 176) Approves federal funding of \$562,000 in 2024-25 and \$546,000 in 2025-26 and ongoing to support the CalFresh Healthy Living Program.
- 177) Approves federal funding for \$173,000 in 2024-25 and \$169,000 in 2025-26 and ongoing for CalFresh Outreach Unit Expansion.
- 178) Approves workload adjustments associated with the Able-Bodied Adults Without Dependents Rule and the Summer Electronic Benefits Transfer (SUN Bucks) Program.

Department of Social Services: Foster Care and Child Welfare

- 179) Eliminates \$8.3 million General Fund in 2024-25 and ongoing for the Los Angeles County Child Welfare Services Public Health Nursing Program. Reverts \$7.3 million of unspent funds to the General Fund in 2023-24.
- 180) Eliminates \$195,000 in 2024-25 and \$25.5 million (\$18.8 million General Fund) in 2025-26 and ongoing for Housing Supplements for foster youth in Supervised Independent Living Placements (SILPs.) SILP rates are addressed in the proposed permanent foster care rate structure.
- 181) Authorizes \$14.5 million General Fund one-time for automation costs associated with the foster care permanent rate structure, which will take effect July 1, 2026.
- 182) Authorizes \$173.4 million (\$88.1 million General Fund) in 2024-25 to support continued project development and implementation costs, and an additional \$52 million (\$26 million General Fund) in one-time provisional authority, for the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) Project.
- 183) Increases reimbursement authority by \$1.15 million in 2024-25 and \$1.13 million ongoing to address workload associated with federally mandated child and family services case reviews.
- 184) Authorizes a net-zero fund shift of child welfare training funds from local assistance to state operations.
- 185) Approves workload adjustments for federal reporting requirements for National Center for Missing and Exploited Children.

Department of Social Services: In-Home Supportive Services (IHSS) and Adult Programs

- 186) Reduces funding for the IHSS Backup Provider System by \$3 million General Fund in 2024-25 to account for lower utilization.

Department of Social Services: Housing and Homelessness

- 187) Delays \$80 million General Fund from the Bringing Families Home Program: \$40 million delayed to 2025-26, \$40 million delayed to 2026-27.
- 188) Reduces \$50 million General Fund one-time from the Housing Disability and Advocacy Program.

Department of Social Services: Other Programs

- 189) Authorizes \$1.63 million in 2024-25 and \$1.59 million in ongoing federal funds to address workload associated with federal initiatives to support refugee and immigrant children, youth, and families.
- 190) Authorizes \$2.38 million in 2024-25 and \$2.3 million in ongoing federal funds to implement federal initiatives supporting refugee families.
- 191) Re-appropriates funding for the Rapid Response program from 2023-24 into 2024-25.
- 192) Authorizes \$2 million General Fund one-time in 2024-25 for the department to meet new information security zero-trust architecture standards.
- 193) Approves federal funding for the development of an Adult Protective Services data warehouse, with budget bill language to require reporting to the Legislature on key project milestones and metrics regarding Adult Protective Services, including information on disparities and trend data.
- 194) Approves a workload adjustment for the Guardian background check system.
- 195) Approves a workload adjustment for maintenance of the County Expense Claim Reporting Information System.
- 196) Approves funding for chaptered legislation.
- 197) Approves May Revision caseload updates.

Department of Child Support Services

- 198) Reduces local child support agency funding by \$10 million General Fund in 2023-24 and ongoing.
- 199) Allows the department to use up to \$500,000 in unspent state operations funding to offset overpayments.
- 200) Approves adjustments to local assistance and the Child Support Collections Recovery Fund, based on May Revision estimates.

Department of Developmental Services

- 201) Reduces \$10 million General Fund in 2024-25 and 2025-26 by delaying the Preschool Inclusion Program for two years.
- 202) Reduces \$20 million General Fund from 2022-23 for the Direct Support Professional (DSP) Internship Program, reverts \$10 million General Fund in anticipated savings upon expiration of the DSP stipend program in 2023-24, and reduces the Regional Center Tuition Reimbursement Program by \$18.6

million General Fund in 2024-25. This would allow for current and pending participants to remain in the program and receive internships or tuition reimbursement but close the program to new applicants.

- 203) Reduces the budget for Porterville Developmental Center by \$20 million General Fund in 2024-25 and \$10 million General Fund in 2025-26.
- 204) Reduces funding for the Complex Needs Residential Program by \$10.5 million in 2023-24, \$5 million in 2024-25, and \$11.2 million in 2025-26, by delaying this project for three years.
- 205) Reduces \$1.1 million General Fund in 2024-25 and ongoing for emergency preparedness resources for regional centers.
- 206) Reduces \$0.8 million General Fund in 2024-25 and ongoing for tribal engagement and outreach for early start services, retaining tribal engagement and outreach funding and baseline levels.
- 207) Approves May Revision caseload adjustments and workload adjustments to the department's baseline budget.
- 208) Authorizes a re-appropriation of \$5 million General Fund from the Budget Act of 2021 and \$3.3 million General Fund in 2024-25, \$2.44 million in 2025-26, and \$1.8 million ongoing beginning in 2026-27 to support maintenance and operations costs for the Reimbursement System Project, contingent on approval of the pending Department of Technology project report.
- 209) Approves \$1 million General Fund and provisionally authorizes up to an additionally \$5 million in 2024-25 for the Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning, if federal funding for this project does not become available in 2024-25.
- 210) Revises General Fund loan authority.

Department of Rehabilitation

- 211) Approves \$3.6 million ongoing in Deaf and Disabled Telecommunications Program (DDTP) Administrative Committee Fund to administer the Voice Options program.

State Council on Developmental Disabilities

- 212) Authorizes May Revision federal fund and reimbursement adjustments and re-appropriates Go-Kits reimbursement authority.

Department of Community Services and Development

- 213) Augments the Federal Trust Fund base authority for local assistance programs to align the next three fiscal years with current funding levels of core federal grant programs.
- 214) Approves funding to implement recently chaptered legislation.

California Department of Aging (CDA)

- 215) Utilizes \$9.25 million in special funds (\$5 million 0942 State Health Facilities Citation Penalty Account and \$4.25 million 3098 Licensing and Certification Program Fund) in each year for 2024-25, 2025-26, and 2026-27 to support the Long-Term Care Ombudsman Program.
- 216) Reduces \$35.4 million General Fund (\$13.4 million in 2023-24, \$20 million in 2024-25, and \$10 million in 2025-26) for the Older Adult Behavioral Health initiative.
- 217) Approves a \$10 million General Fund loan from the Health Insurance Counseling and Advocacy Program (HICAP) Special Fund.
- 218) Authorizes \$2 million HICAP Special Fund to support modernization efforts to improve health insurance counseling and advocacy services.
- 219) Approves a net-zero shift of positions from local assistance to state operations for the Office of the Long-Term Care Patient Representative.
- 220) Authorizes federal funds to support the CalFresh Healthy Living Program.
- 221) Approves May Revision reimbursement and workload adjustments and funding to implement chaptered legislation.

General Government

Housing and Homelessness

- 222) Adds \$1 billion for a sixth round of the Homeless Housing Assistance and Prevention (HHAP) program to provide further, flexible funding to support local efforts to address homelessness while accepting \$260 million in cuts to prior HHAP rounds and strengthening program oversight, data collection, and reporting requirements through related budget trailer bill language.
- 223) Approves \$500 million for supplemental state Low Income Housing Tax Credits (LIHTC) to help draw private investment and leverage federal resources toward affordable housing development.
- 224) Restores key affordable housing funding:

- a. \$325 million for the Multifamily Housing Program for investments in projects to house some of the state's lowest-income residents;
 - b. \$250 million for the Regional Early Action Planning (REAP 2.0) grants that support planning, infrastructure, and construction related to affordable and transit-oriented housing;
 - c. \$13.7 million for the Housing Navigation and Maintenance Program (HNMP) that helps transition age youth secure federal housing vouchers and use them to obtain stable, affordable housing.
- 225) Reverts \$100 million in as-yet unspent Encampment Resolution Fund (ERF) resources back to the General Fund.
- 226) Captures \$149 million in savings from administration of the homelessness-related grant programs at the California Interagency Council on Homelessness and returns those savings to the General Fund.
- 227) Restores \$1.4 million for Enforcement, Investigation, and Conciliation Enhancements at the Civil Rights Department (CRD).
- 228) Provides funding for implementation of recently enacted legislation.
- 229) Includes provisions to enable acceptance and expenditure of federal funds, extend specified expenditure deadlines, and make other specified technical adjustments.

Economic Development

- 230) Rejects, due to insufficient time for full legislative assessment and input, a proposal to reorganize the structure of the Governor's Office of Planning and Research.
- 231) Rejects a request for \$3.7 million in annual, ongoing spending for information technology needs at the Governor's Office of Planning and Research.
- 232) Approves \$977,000 in annual, ongoing spending for human resources needs at the Governor's Office of Planning and Research to support the transition to civil service staffing.
- 233) Rejects a proposed \$13 million cut to the Small Business Technical Assistance Program (TAP) that funds education, consultation, and support services for emerging entrepreneurs.
- 234) Rejects a proposed \$12.5 million cut to the Equitable Payroll Fund that helps to pay wages and benefits to performers and other workers at small community theaters.
- 235) Adopts cuts to California Volunteers programs, as follows:

- a. \$28.1 million from Youth Job Corps, leaving \$50 million in ongoing, annual funding for the program.
 - b. \$23 million from College Corps, leaving \$50 million in annual funding for the program through the 2025-26 fiscal year.
 - c. \$9.3 million from the Climate Action Corps, leaving no further funding for the program. (This action does not impact the California Conservation Corps, which is a separate program.)
- 236) Adopts the following cuts to the Office of Community Partnerships and Strategic Communications (OCPSC):
- a. \$50 million in 2024-25, leaving \$15 million for state operations, grant program monitoring, and closeout.
 - b. \$65 million in 2025-26, leaving no further funding committed to the office.
- 237) Cuts \$10 million each year from the Neighbor-to-Neighbor program in 2024-25 and 2025-26, effectively phasing it out. Through a website and grant awards, the Neighbor-to-Neighbor program builds a network of community leaders willing to check in on neighbors and help educate them about disaster preparedness and climate response
- 238) Includes \$25 million in one-time spending for recapitalization of the State Infrastructure Revolving Fund at IBank, to enable further low-cost loan-making to local governments for public works projects.
- 239) Reverts a \$5 million unspent balance in the Small Agricultural Business Drought Relief Grant Program back to the General Fund.
- 240) Delays \$200 million for the City of Fresno's Public Infrastructure Plan until 2026-27. The Plan calls for investment in a high-speed rail station, parking, green space, walkability, and water projects in the downtown area.
- 241) Reverts \$50 million from the Local Government Budget Sustainability Fund and redirects \$10 million of that amount to Imperial County for implementation of projects consistent with the purpose of that Fund.
- 242) Reverts \$9.9 million in one-time resources from the Golden State Awards program, which gives monetary rewards to individuals or teams associated with California's public institutions of higher education who develop innovative practices.
- 243) Reduces the 2024-25 and 2025-26 General Fund allocation to the California Education Learning Lab by \$5.5 million.
- 244) Provides funding for the implementation of recently enacted legislation.

- 245) Includes provisions to enable acceptance and expenditure of federal funds, extend specified spending deadlines, and make other specified technical adjustments.

Revenues and Taxation

- 246) Provides \$127.1 million General Fund and the full-time equivalent of 28 permanent positions, and 10 limited-term positions for the Franchise Tax Board (FTB) for the fourth-year implementation of the Enterprise Data to Revenue (EDR2) project.
- 247) Extends the encumbrance period of funding allocated to FTB in the Budget Act 2023 of for the EDR2 project. Specifically, this would extend \$31.3 million appropriated in the Budget Act of 2023 from June 30, 2024 to June 30, 2025
- 248) Provides \$2.5 million ongoing from the California Tire Recycling Management Fund for the California Department of Tax and Fee Administration (CDTFA) and reduces reimbursement authority by an equal amount.
- 249) Provides ongoing General Fund for the Franchise Tax Board to align the CalFile system with Federal Direct File efforts; \$700,000 in 2024-25, \$1.7 million in 2025-26, and \$2.1 million in 2026-27.
- 250) Provides an additional \$2 million ongoing General Fund for California Earned Income Tax Credit outreach efforts, bringing the total ongoing funding for state outreach grants to \$12 million.
- 251) Reverts \$20 million to the General Fund from CDTFA's Budget Act of 2023 appropriation to reflect anticipated personal services savings.
- 252) Extends the encumbrance period for \$2.2 million (General Fund and other funds) needed to replace the high-speed printer systems and software that FTB uses to print FTB's notices, bills, and correspondence from June 30, 2024 to June 30, 2025.

Department of Financial Protection and Innovation

- 253) Appropriates \$1.6 million Financial Protection Fund one-time in 2024-25 and \$884,000 ongoing, to implement SB 54 (Skinner), Chapter 594, Statutes of 2023.
- 254) Appropriates \$7.9 million Financial Protection Fund in 2024-25 – increasing to \$11.4 million in 2026-27 and ongoing – to implement AB 39 (Grayson), Chapter 792, Statutes of 2023.
- 255) Appropriates \$1.1 million for increased rent costs at the May Lee State Office complex for the Department of Financial Protection & Innovation.

State Treasurer's Office

- 256) Includes budget bill language to facilitate vendor associated procurements for the State Treasurer's office, while the Department of General Services works on a long-term solution.
- 257) Appropriates \$729,000 one-time General Fund to provide funding for information technology network equipment essential at the State Treasurer's renovated headquarters, the Jesse Unruh Building.

Scholarshare Investment Board

- 258) Includes reduction of \$5 million ongoing General Fund to eliminate financial literacy outreach support through the CalKIDS college savings program.
- 259) Reverts \$9.5 million in unspent funds for financial literacy outreach through the CalKIDS college savings program.

Commission on State Mandates

- 260) Appropriates \$2.2 million one-time to reimburse cities and counties for the costs associated with Juveniles, Custodial Interrogation Mandate (Welfare and Institutions Code section 625.6).

Financial Information System of California (FI\$Cal)

- 261) Realigns maintenance and operational costs of the FI\$Cal system to the department from the Department of General Services resulting in a net decrease of \$852,000 (\$537,000 General Fund and \$315,000 special fund).

Arts Council

- 262) Reduces arts grant funding by \$5 million in 2024-25 and 2025-26 and restores full funding beginning 2026-27.

Department of Technology

- 263) Approves withdrawal of proposed \$250 million General Fund in 2024-25 and \$1.25 billion in 2025-26 for the Middle Mile Broadband Initiative network (MMBI). Amends budget bill language to provide \$250 million augmentation authority for the MMBI and includes additional reporting requirements.
- 264) Appropriates \$588,000 one-time General Fund in 2024-25 to implement AB 302 (Ward), Chapter 800, Statutes of 2023.
- 265) Removes budget bill language authorizing the Department of Technology to augment up to \$10 million General Fund in support of statewide technology services.

- 266) Appropriates \$147,000 General Fund in 2024-25 and 2025-26 to implement AB 1637 (Irwin), Chapter 586, Statutes of 2023.

Department of Veterans Affairs

- 267) Reappropriates \$3.8 million General Fund from the Budget Act of 2021, to cover contract costs for the Department's Electronic Health Records project.
- 268) Provides \$96,000 General Fund to reflect revised employee compensation and staff benefits costs.
- 269) Appropriates \$5 million one-time General Fund for the Southern California Veterans Cemetery.

Privacy Protection Agency

- 270) Appropriates \$901,000 Data Brokers' Registry Fund and three positions in 2024-25, \$608,000 in 2025-26 and ongoing from the Data Brokers' Registry Fund to implement SB 362 (Becker), Chapter 709, Statutes of 2023.

Citizens Redistricting Commission

- 271) Includes budget bill language to allow the Citizens Redistricting Commission's budget to be augmented to cover current year cost increases for services provided by the California Department of Technology and Department of General Services.

Commission on Asian and Pacific Islander American Affairs

- 272) Appropriates \$374,000 General Fund in 2024-25, and \$287,000 ongoing to convert one temporary position to permanent and to support the Commission's operating expenses for a physical office space.
- 273) Reappropriates \$1.3 million General Fund from the Budget Act of 2021, to allow the Commission to continue to administer a higher education workgroup with the objective of improving student outcomes for underserved Asian and Pacific Islander American communities. This funding is available for encumbrance or expenditure until June 30, 2027.

Department of Cannabis Control

- 274) Reverts \$16.5 million to the General Fund from the Cannabis Local Jurisdiction Retail Access Grant program, included in the Budget Act of 2022.
- 275) Appropriates \$588,000 Cannabis Control Fund in 2024-25, and \$42,000 in 2025-26 and ongoing to purchase and maintain 14 undercover vehicles to perform surveillance and investigatory work performed by the department's sworn officers for enforcement efforts.

- 276) Appropriates \$297,000 Cannabis Control Fund and two positions in 2024-25, and \$281,000 in 2025-26 and ongoing to implement SB 51 (Bradford), Chapter 593, Statutes 2023.
- 277) Appropriates \$173,000 Cannabis Control Fund and one position in 2024-25, and \$165,000 in 2025-26 and ongoing to implement SB 540 (Laird), Chapter 491, Statutes of 2023.

Department of Consumer Affairs

- 278) Appropriates \$331,000 and two positions in 2024-25, and \$315,000 in 2025-26 and ongoing from the Osteopathic Medical Board's special fund to implement SB 815 (Roth), Chapter 294, Statutes of 2023.
- 279) Appropriates \$1.51 million and nine positions in 2024-25, and \$1.4 million in 2025-26 and ongoing from the Medical Board's special fund to implement SB 815 (Roth), Chapter 294, Statutes of 2023.
- 280) Includes a \$27 million loan from the High Polluter Repair or Removal Account to the Contingent Fund of the Medical Board of California to achieve fund solvency. Includes budget bill language to allow the repayment of all or a portion of this loan if certain criteria are met.
- 281) Appropriates \$917,000 in 2024-25, and \$1.1 million in 2025-26 and ongoing to reimburse the Department of Justice for increased maintenance and operation costs to support CURES and for increased personal services costs.
- 282) Makes various adjustments to redistribute the Department of Consumer Affairs' existing baseline Pro Rata costs to boards and bureaus. This is a net-zero technical adjustment.

Department of General Services

- 283) Includes a reduction of \$11.7 million General Fund in 2024-25, and \$11.6 million in 2025-26 for funding for electric vehicle service equipment infrastructure assessment and facility development appropriated in the Budget Act of 2023.
- 284) Shifts funding source for the Capitol Annex project from cash to internal borrowing.
- 285) Rejects reductions of \$7.1 million in 2024-25 and 2025-26 allocated for Capitol repairs.
- 286) Rejects reversion of \$2.5 million General Fund appropriated in 2023-24, and rejects a reduction of \$2.5 million General Fund in 2024-25 and 2025-26 provided in the Budget Act of 2023 to implement net-zero greenhouse gas emissions in state agency operations pursuant to SB 1203 (Becker), Chapter 368, Statutes of 2022.

- 287) Appropriates \$4 million in 2024-25 and 2025-26 from the Service Revolving Fund to support the increased cost and volume of printing and publishing.
- 288) Includes a reduction of \$1.2 million General Fund and four positions, and an increase of \$1.2 million Property Acquisition Law Money Account and four positions in 2024-25 and 2025-26. This adjustment temporarily shifts support of the Department of General Services' Asset Management Branch for workload related to the Mercury Cleaners remediation and other statutorily mandated activities.
- 289) Includes a reduction of \$1.6 million General Fund and seven positions, and an increase of \$1.6 million Disability Access Account and seven positions in 2024-25 and ongoing. This adjustment permanently shifts support for the California Commission on Disability Access from the General Fund to the Disability Access Fund.
- 290) Appropriates \$254,000 Building Standards Administration Special Revolving Fund and one position in 2024-25, \$1.2 million in 2025-26, and \$254,000 in 2026-27 and ongoing to implement SB 745 (Cortese), Chapter 884, Statutes of 2023.
- 291) Includes a reduction of nine positions, a reduction of \$2.1 million in reimbursement authority, and a funding augmentation of \$392,000 from the Service Revolving Fund for two existing positions that support FI\$Cal.

California Department of Real Estate

- 292) Contingent on review and approval of the associated trailer bill, appropriates \$3.2 million Real Estate Fund in 2024-25 and 2025-26, and \$2.4 million in 2026-27 and ongoing to address salary and benefits funding shortfalls and cover expenses for Attorney General services, external contracts, equipment, and facilities.
- 293) Appropriates \$849,000 one-time Real Estate Fund to address an increase in rent costs associated with the Department of Real Estate's move to the May Lee State Office Complex.
- 294) Appropriates \$700,000 Real Estate Fund and three positions in 2024-25, \$590,000 and three positions in 2025-26, and \$251,000 and one position in 2026-27 and ongoing to implement provisions of 18 bills signed into law in 2023.

Fair Political Practices Commission (FPPC)

- 295) Provides \$1,000 ongoing to reflect revised employee benefit costs at the Franchise Tax Board for this program.
- 296) Provides \$3,000 ongoing to reflect revised employee compensation costs at the Franchise Tax Board for this program.

Government Operations Agency

- 297) Reverts \$500,000 of the \$2 million appropriated in the Budget Act of 2023 for pass through for leadership initiatives.
- 298) Reverts \$2.6 million appropriated for the Agency to operate a language access pilot program.
- 299) Authorizes a transfer of \$15 million from the Data and Innovation Services Revolving Fund (DIF) to the General Fund.
- 300) Appropriates \$16 million, with \$2 million in reimbursements for the DIF and adopts placeholder provisional language related to the DIF.
- 301) Includes budget bill language related to legislative oversight of state funds used for Generative Artificial Intelligence procurement activities.
- 302) Approved in Early Action: Reverts \$2.2 million back to the General Fund, originally appropriated in 2019 for census workload. As the 2020 census is largely complete, this unencumbered balance is deemed no longer needed.

Secretary of State

- 303) Appropriates \$2.4 million Federal Trust Fund in 2024-25 to accept and expend federal funding grant awards, and provides \$475,000 General Fund in 2025-26 to meet the 20 percent state match requirement to continue implementation of the statewide mandates of the Help America Vote Act of 2002.
- 304) Appropriates \$507,000 General Fund in 2024-25 and \$473,000 in 2025-26 and annually thereafter to implement AB 243 (Alanis), Chapter 642, Statutes of 2023.
- 305) Appropriates \$479,000 (\$305,000 Business Fees Fund and \$174,000 General Fund) and two positions in 2024-25 and \$337,000 (\$215,000 Business Fees Fund and \$122,000 General Fund) in 2025-26 and ongoing to implement the provisions of AB 1539 (Berman), Chapter 692, Statutes of 2023.
- 306) Appropriates \$303,000 General Fund in 2024-25 and \$293,000 in 2025-26 and ongoing to implement SB 29 (Glazer) Chapter 696, Statutes of 2023.
- 307) Appropriates \$6.3 million Business Fees Fund and 16 permanent positions in 2024-25, \$3.5 million and six permanent positions in 2025-26, \$5.1 million and 17 permanent positions in 2026-27, and \$5 million in 2027-28 and ongoing to implement SB 696 (Portantino), Chapter 291, Statutes of 2023.

State Controller's Office

- 308) Appropriates \$9.5 million (\$6 million General Fund and \$3.5 million Central Service Cost Recovery Fund) in 2024-25, and \$134,000 (\$83,000 General

Fund and \$51,000 Central Services Cost Recovery Fund) in 2025-26 and 2026-27 to provide consulting services and one limited-term position for the State Controller's Office's Book of Record Functionality Migration to FI\$Cal.

- 309) Appropriates \$1 million (\$511,000 General Fund, \$311,000 Central Service Cost Recovery Fund, and \$180,000 Unclaimed Property Fund) in 2024-25 and 2025-26 to support the increased mainframe computer infrastructure and operational costs associated with services provided by the California Department of Technology.
- 310) Reverts \$70.1 million of State Controller's Office appropriations in 2023-24 to the General Fund, rejects the reappropriation of \$41.6 million General Fund from 2023-24 to 2024-25, and appropriates \$3.2 million for ancillary contracts related to the California State Payroll System project

Military Department

- 311) Appropriates \$554,000 and seven positions in 2024-25, and \$539,000 ongoing to support the security and facility needs of the California Military Department's new Consolidated Headquarters Complex.
- 312) Appropriates \$3.4 million General Fund ongoing and increases reimbursements of \$2 million ongoing to provide pay increases and cover increased costs for benefit stipends for Emergency State Active Duty employees assigned to Taskforce Rattlesnake.
- 313) Makes adjustments to the State Active Duty Compensation levels to align the pay of the Department's State Active Duty employees to the pay of service members of similar grade in the United States Army, Air Force, and Navy.
- 314) Makes adjustments to the State Active Duty Benefit levels to cover costs for state active duty service members' salary driven benefits and basic allowance for housing (BAH) and cost of living adjustments (COLA) and includes budget bill language to require that any augmentation shall be authorized not sooner than 30 days after notification to the Joint Legislative Budget Committee, which shall include information on how the BAH and COLA cost increase was calculated.

Transportation

California State Transportation Agency

- 315) Provides \$338 million General Fund (GF) and \$174 million Greenhouse Gas Reduction Fund (GGRF) for the Competitive Transit and Intercity Program (TIRCP).
- 316) Provides \$812 million GF and \$188 million GGRF for the Formula TIRCP.

317) Provides \$220 million GGRF for the Zero Emission Transit Capital Program.

Department of Motor Vehicles

318) Reduces \$20.1 million GF for Commercial Drive Test Centers for the Department of Motor Vehicles.

Department of Transportation

319) Provides \$200 million from the State Highway Account (SHA) for the Active Transportation Program (In total, \$600 million over three years).

320) Includes \$279 million from the SHA for Fleet Replacement.

321) Includes \$6.9 million from the Public Transportation Account (PTA) for the California Integrated Mobility Program.

322) Includes \$50 million over four years from the Federal Trust Fund for the Transportation Infrastructure Workforce Development Program.

323) Includes \$66.1 million from the PTA for the Intercity Passenger Rail Program.

324) Reduces \$150 million GF and provides \$75 million GGRF for the Highways to Boulevards program.

Office of Inspector General, High Speed Rail

325) Includes \$2 million from the PTA to establish the Office of Inspector General, High Speed Rail.

Labor and Workforce

326) Includes a total one-time payment of \$484 million (\$384 million General Fund and \$100 million Employment Training Fund) in 2024-25 to support the state's Unemployment Insurance loan interest payment.

327) Appropriates \$326.8 million (\$163.4 million General Fund) in 2024-25 to continue the planning and development of EDDNext, for the third year of a five-year plan to modernize EDD.

328) Reduces support for California Jobs First Program and leaves \$125 million General Fund across three years (\$41.7 million in 2024-25, \$41.7 million in 2025-26, and \$41.6 million in 2026-27).

329) Includes \$25 million General Fund across three years (\$8.3 million in 2024-25, \$8.3 million in 2025-26, and \$8.4 million in 2026-27) to support High Road Training Partnerships.

- 330) Makes a \$15 million General Fund reduction in 2024-25 and maintains \$30 million (\$15 million General Fund and \$15 million Greenhouse Gas Reduction Fund) over two years for the Low Carbon Economy program.
- 331) Appropriates \$30 million Labor and Workforce Development Fund in 2024-25 for the California Workplace Outreach Project.
- 332) Rejects reductions to the High Road Training Partnerships in Health and Human Services, California Youth Apprenticeship, California Youth Leadership Corps. and Women in Construction Unit programs.

Public Safety, Corrections and Judiciary

Judicial Branch

- 333) Reduces trial court operations funding by \$97 million, consistent with the 7.95 percent statewide reduction to state operations.
- 334) Transfers \$100 million from the Trial Court Trust Fund Unrestricted Fund Balance and \$5 million from the Trial Court Emergency Fund to the General Fund.
- 335) Appropriates \$89.5 million Lease Revenue Bond authority for the Design-Build phase of the New Sixth Appellate District Courthouse in Santa Clara County.
- 336) Appropriates \$1.3 million Trial Court Trust Fund to support independent, external audits of the trial courts as required by Government Code section 77206.
- 337) Appropriates \$3.57 million for maintenance of the Stanislaus–New Modesto Courthouse opening in 2024–25.
- 338) Reverts \$17.5 million from current year savings related to the implementation of the CARE Act (SB 1338 (Umberg), Chapter 319, Statutes of 2022), reduces funding by \$59.1 million to reflect workload, and includes provisional budget bill language updating the number of counties eligible to receive grants for legal representation among other provisions.
- 339) Reappropriates \$9.4 million for court-based firearm relinquishment until June 30, 2026.
- 340) Provides \$19.1 million General Fund for court-based self-help centers.
- 341) Provides \$40 million General Fund backfill for the State Court Facilities Construction Fund.
- 342) Provides \$37.3 million General Fund backfill for the Trial Court Trust Fund.

- 343) Appropriates \$15 million General Fund to reflect the revised employee compensation adjustment for judges and justices.
- 344) Reverts \$20.4 million for court interpreters and \$16 million for court reporters.
- 345) Extends the liquidation period of \$1.6 million General Fund provided in the Budget Act of 2018, and \$6.6 million General Fund provided in the Budget Act of 2019, to June 30, 2025, for the Hayward Hall of Justice and Foltz Criminal Justice Center.
- 346) Appropriates \$1.1 million General Fund and \$150,000 Family Law Trust Fund to implement the requirements of Piqui's Law: Keeping Children Safe from Family Violence Act (SB 331 (Rubio), Chapter 865, Statutes of 2023).
- 347) Reverts \$5 million reflecting savings from Judicial Council operations.
- 348) Reappropriates \$5.1 million to implement AB 716 (Bennett), Chapter 526, Statutes of 2021.
- 349) Provides \$11.5 million one-time additional lease revenue bond authority for the construction phase of a new criminal courthouse in Santa Rosa. The total project cost is \$226.9 million, and the courthouse is expected to be completed by March 2025.
- 350) Includes \$20.1 million ongoing to reflect the updated health benefit and retirement rate changes for trial court employees.

Office of Emergency Services

- 351) Maintains \$47.5 million for the Flexible Assistance for Survivors Program.
- 352) Provides \$103 million to augment federal funding for victim services provided through the Victims of Crime Act.
- 353) Provides \$80 million for the Nonprofit Security Grant.
- 354) Reverts \$21 million in funding for a gun buyback program.
- 355) Reverts \$15 million one-time General Fund provided in 2023-24 to establish the Seismic Retrofitting Program for Soft Story Multifamily Housing.
- 356) Provides \$30.1 million State Emergency Telephone Number Account Fund authority to complete the California Radio Interoperable System build out, increase the coverage footprint, and expand the network capacity.
- 357) Appropriates \$666,000 General Fund to support the California Firefighter Cancer Prevention and Research Program (AB 700 (Grayson), Chapter 268, Statutes of 2023).

- 358) Provides \$234,000 in General Fund for fiscal year 2024-25 and ongoing to implement the California State Nonprofit Security Grant Program as enacted by AB 1185 (Gabriel), Chapter 566, Statutes of 2023.
- 359) Reverts up to \$6.6 million from the Budget Act of 2022, which was appropriated for the purchase of fire engines and water tenders.
- 360) Reduces funding by \$12.5 million for the Listos California Emergency Preparedness Campaign.
- 361) Appropriates a net additional \$3.2 million to fund increased costs to construct three new communications facilities to replace the Red Mountain facility, at the following sites: Rattlesnake Peak, Alder Camp, and Big Lagoon.
- 362) Provides \$15.8 million one-time federal reimbursement authority reflecting federal funding awarded for the State and Local Cybersecurity Grant Program and provisional reporting language.
- 363) Reverts the unencumbered balance of up to \$640,000 for warehousing supplies and trailers authorized in the Budget Act of 2022.
- 364) Reduces funding by \$9.5 million in 2024-25 through 2027-28 for warehousing and personal protective equipment procurement, storage, and replenishment costs.

Department of Justice

- 365) Includes a \$130 million loan from the Unfair Competition Law Fund to the General Fund.
- 366) Appropriates \$17.5 million (\$16.0 million General Fund) to implement chaptered legislation.
- 367) Provides \$4.7 million Unfair Competition Law Fund to support the prosecution of an unprecedented civil action on behalf of the People of the State of California against several major oil companies.
- 368) Provides \$7.8 million (\$1.9 million False Claims Act Fund and \$5.9 million Federal Trust Fund) to expand investigations, enforcement activities, and prosecutions using increased yearly federal grant funding.
- 369) Appropriates \$3.9 million for the Firearms Information Technology Systems Modernization Project.
- 370) Includes a \$1 million reduction to the Division of Legal Services for activities related to federal lawsuits, and a \$2 million fund shift from the General Fund to the False Claims Act Fund for federal matching funds for the Division of Medical Fraud and Elder Abuse.

- 371) Appropriates \$3.1 million Indian Gaming Special Distribution Fund in 2024-25 to continue the License 2000 System Replacement Project.
- 372) Reduces funding by \$5 million for the Division of Legal Services.
- 373) Provides \$299,000 one-time General Fund in 2024-25 and provisional language for the payment of unpaid interest related to the repealed Remote Caller Bingo Program.
- 374) Appropriates Registry of Charities and Fundraisers Fund spending authority of \$860,000 in 2024-25 to support increased workload in the Registry of Charities and Fundraisers resulting largely from statutory changes, which require organizations to be in good standing in order to receive donations from platform fundraisers.
- 375) Appropriates \$942,000 from the Indian Gaming Special Distribution Fund in 2024-25 to maintain the Tribal Key Employee Licensing workload.

Corrections

- 376) Includes a minimum additional baseline reduction of \$500 million to the California Department of Corrections and Rehabilitation (CDCR), including \$170 million additional baseline reduction and a minimum reduction of \$330 million as part of the State Operations reduction, and provisional language that specifies exemptions and requires CDCR to develop a plan for out-year reductions.
- 377) Makes technical changes to implement the \$15 million baseline reduction adopted in the Early Action budget package.
- 378) Includes a reduction of \$1.9 million General Fund in 2024-25 for the Medical Inspection Unit at the Office of the Inspector General.
- 379) Reduces funding by \$81.9 million General Fund reflecting the deactivation of prison yards.
- 380) Reduces funding by \$77.6 million (\$77.2 million General Fund) funding reflecting the closure of Chuckawalla Valley State Prison in November 2024.
- 381) Includes a reduction of \$9.6 million to reflect administrative headquarters reductions associated with workload decreases due to prison closures.
- 382) Maintains \$4.1 million for three days of visitation in Level IV facilities.
- 383) Maintains \$4.8 million for the Los Angeles County Fire Camp Contract.
- 384) Realigns \$102.8 million in community correctional reentry center expansion funding, originally provided in the Budget Act of 2022, from a separate budget item to the main budget item for reentry centers. These adjustments make this consolidated funding available to support projected costs associated with both

existing and expansion reentry beds, based on projections of when those new facilities will become operational.

- 385) Appropriates \$959,000 General Fund for a potable water treatment system project at the California Health Care Facility in Stockton.
- 386) Reduces funding for the Employee Health Program CDCR by \$15 million.
- 387) Provides \$2.3 million General Fund for parole reentry contracts that recently expired or will expire in 2024-25.
- 388) Removes \$2 million in funding for bus transportation to prison visits.
- 389) Provides \$32.2 million to implement SB 1008 (Becker), Chapter 827, Statutes of 2022 and provide free voice calling to incarcerated individuals.
- 390) Reappropriates \$24.3 million General Fund in funding for COVID-19 mitigation, and reverts \$38.8 million General Fund in 2023-24 that was intended for this purpose but was unspent.
- 391) Maintains \$50.4 million General Fund implement five fixed camera projects, and reduces \$27.2 million reflecting a delay in five other projects.
- 392) Provides reimbursement authority of \$16.5 million from Providing Access and Transforming Health one-time funds to create an information technology-based billing system to support implementation of the California Advancing and Innovating Medi-Cal Justice-Involved Initiative, and provisional language.
- 393) Reverts \$8.5 million in 2022-23 and \$15.3 million in 2023-24 to cancel the Managed Access System Expansion due to inefficiency of the intervention and potential for high ongoing costs due to evolving technology.
- 394) Reverts \$6 million one-time that was added in the Budget Act of 2022 to analyze parole data.
- 395) Appropriates \$4 million to support the continuation of the Hope and Redemption Team Program.
- 396) Reduces funding by \$8.5 million in 2023-24 and \$13.8 million in 2024-25 reflecting a reduction in annual training hours for correctional officers from 48 hours to 40 hours, and a discontinuation of the California Reality Based Training Center.
- 397) Appropriates \$26 million for renegotiated contracts with various sex offender rehabilitation service providers.
- 398) Appropriates \$3 million to continue limited-term positions provided for the staff misconduct investigation processes at CDCR, and provides \$4.5 million to the Office of the Inspector General for oversight of the staff misconduct process and auditing functions.

- 399) Eliminates \$3.8 million General Fund related to pursuing The Joint Commission accreditation for all prisons.
- 400) Reduces \$15.4 million General Fund for pharmaceutical expenses related to a new pharmaceutical rebate contract.
- 401) Reverts \$121.6 million Lease Revenue Bond Authority from 2023-24 to reflect the cost of the San Quentin Rehabilitation Center educational and vocational center project.
- 402) Reduces funding by \$7 million General Fund for maintenance of deactivated prisons, and includes provisional language directing CDCR to develop a plan to dispose of closed facilities.
- 403) Appropriates \$100,000 General Fund for CDCR and \$400,000 General Fund for the Sister Warriors Freedom Coalition to continue to support the Sexual Assault Response and Prevention working group and ambassador program.
- 404) Reduces funding by \$15 million for Specialized Treatment for Optimized Programming by requiring providers to bill Medi-Cal for outpatient services, and includes provisional language directing CDCR to develop a plan for all providers to become Medi-Cal entities.
- 405) Reduces the augmentation of toxicology screening for Integrated Substance Use Disorder Treatment Program by \$6 million ongoing.
- 406) Transfers \$4 million from the Prison Industries Revolving Fund to the General Fund.
- 407) Eliminates \$8 million General Fund for vehicle fleet replacement.
- 408) Provides \$2.1 million ongoing General Fund in 2024-25 to continue increased state appointed attorney fees, which were initially funded on a limited term basis in the Budget Act of 2021, to remain competitive with market rates.
- 409) Reduces the funding provided to maintain the now-closed Division of Juvenile Justice facilities by \$909,000 General Fund.
- 410) Reduces funding by \$1.9 million General Fund due to reduced workload related to the implementation of SB 990 (Hueso), Chapter 826, Statutes of 2022.
- 411) Reduces funding by \$9 million General Fund for COVID-19 related workers compensation funding.
- 412) Reduces funding for a contract for parolee urinalysis testing by \$100,000 General Fund.

Local Public Safety

- 413) Reduces funding for the updates to Community Corrections Partnership Plans by \$8 million General Fund.
- 414) Reduces \$835,000 General Fund for the Proud Parenting Grant Program.
- 415) Maintains \$40 million General Fund for the third year of funding for the Public Defender Pilot Program.
- 416) Maintains \$54.1 million General Fund in 2023-24 and \$57 million General Fund in 2024-25 for the Adult Reentry Grant.
- 417) Reduces funding by \$9 million for California Violence Intervention and Prevention Grant. Moving forward, this will be funded through a newly established Gun Violence Prevention and School Safety fund pursuant to AB 28 (Gabriel), Chapter 231, Statutes of 2023.
- 418) Reduces funding by \$4.4 million for county probation departments for the temporary increase in the number of offenders released from prison pursuant to Proposition 57.
- 419) Reverts \$10.5 million from 2023-24 that was intended for competitive grants to counties to use for substance use disorder treatment.
- 420) Provides a \$175 million loan from the Allocation 3 Cannabis Tax Fund Special Fund Loan to the General Fund.
- 421) Appropriates \$3.3 million General to establish an In-Custody Death Review Program to implement the new state-mandated local program created by SB 519 (Atkins), Chapter 306, Statutes of 2023.
- 422) Reverts \$3.6 million for vertical prosecution grant funding that was not applied for.
- 423) Provides \$350,000 General Fund in 2024-2025 and ongoing for costs incurred due to increased utilization of the Attorney General's Office for erroneous conviction cases.
- 424) Provides \$1.5 million General Fund in 2024-25 and \$1.4 million General Fund in 2025-26 and ongoing to meet the anticipated workload of SB 78 (Glazer), Chapter 702, Statutes of 2023 and to have adequate resources to pay approved erroneous conviction claims.

Other

- 425) Adopts the Governor's proposal for an across-the-board reduction to state operations by approximately 7.95 percent to nearly all department budgets for a savings of \$2.17 billion in 2024-25. It also includes budget bill language that

revises Control Section 4.05 to require the Department of Finance (DOF) to notify the Joint Legislative Budget Committee (JLBC) of the criteria the administration will use to reduce General Fund state operations expenditures by 7.95 percent. Requires the DOF to provide the JLBC with a notification before implementing any reduction that exceeds 7.95 percent to any program, department or agency. Requires any reduction in state operations expenditures to comply with existing bargaining agreements and the Ralph C. Dills Act.

426) The April 2024 early action agreement, AB 106 (Gabriel), Chapter 9, Statutes of 2024, included the Governor's January Budget proposal to reduce departmental budgets by \$1.5 billion (\$762.5 million General Fund) for savings associated with vacant positions. The Governor's May Revision proposed to permanently eliminate the vacant positions. This measure includes budget bill language that revises Control Section 4.12 to require any permanent elimination of vacant positions to be proposed as part of the 2025-26 Governor's Budget. It requires the Department of Finance to provide the Joint Legislative Budget Committee and the exclusive bargaining representatives with a report of all vacant positions that will be proposed for permanent elimination in fiscal year 2025-26. It requires any proposal to comply with existing bargaining agreements and the Ralph C. Dills Act.

427) Makes technical changes to Control Section 4.90 relating to the reversion of funds from the Architecture Revolving Fund and requires DOF to provide a 30-day notification to the Joint Legislative Budget Committee prior to any reversion of funds.

428) Provides \$16.6 million in ongoing General Fund to adjust the Legislature's budget pursuant to Proposition 140 (1990), in line with the State Appropriations Limit Adjustment of 4.03 percent.

429) Provides \$73.5 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono.

430) Makes a variety of other technical changes.

431) Makes other technical changes to various control sections.

Fiscal Effect: This bill represents a 2024-25 state fiscal plan that includes over \$293 billion in total spending, over \$211 billion of which is from the General Fund.

Support: None on file.

Opposed: None on file.

SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

Bill No: AB 154 **Hearing Date:** June 12, 2024
Author: Committee on Budget
Version: June 8, 2024 Amended
Urgency: Yes **Fiscal:** Yes
Consultant: Yong Salas

Subject: Education finance: Proposition 98: suspension

Summary: This bill suspends the state constitutional requirement that the state meet a calculated minimum funding obligation for school districts and community colleges in 2023-24.

Proposed Law: This bill suspends the Proposition 98 minimum funding guarantee for school districts and community colleges in 2023-24. Specifically, this bill:

- 1) Makes findings and declarations that the Proposition 98 minimum funding obligation for school districts and community colleges in 2023-24 exceeds the state's available revenues for this purpose in 2023-24.
- 2) Invokes the provision of the California Constitution that allows the Legislature to suspend the Proposition 98 minimum required funding obligation for school districts and community colleges in 2023-24 as calculated by subdivision (b) of Section 8 of Article XVI of the California Constitution.
- 3) Specifies the amount of funds counted towards the minimum funding obligation that will be provided to school districts and community colleges in 2023-24 is \$98.484 billion.
- 4) States that the amount of maintenance factor created in 2023-24 shall be calculated and allocated pursuant to the Constitution.
- 5) Declares that this bill will take effect immediately as an urgency statute.

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 167	Hearing Date:	June 12, 2024
Author:	Committee on Budget		
Version:	June 8, 2024 amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Elisa Wynne		

Subject: Taxation

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

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

1) Business Credit Cap:

- a) Specifies that for each taxable year beginning on or before January 1, 2024, and before January 1, 2027, the total specified credits otherwise allowable under the Personal Income Tax Law and the Corporate Tax Law claimed may not exceed \$5 million for each taxable year.
- b) Provides for an exemption for specified credits to the \$5 million limit on total allowable tax credits described above.
- c) Specifies that the amount of any credit otherwise allowable that is not allowed solely due to the application of this bill limitation, shall be allowed an additional carryover period equal to the number of taxable years the credit was not allowed because of this limitation.
- d) Includes 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.

2) Net Operating Loss (NOL) Suspension:

- a) Specifies that a net operating loss deduction shall not be allowed with respect to both corporate and income taxes for any taxable year beginning on or after January 1, 2024, and before January 1, 2027.
- b) Extends the carryover period for up to three years, as specified, for any net operating loss for which a deduction is denied pursuant to the changes made by this bill.

- c) Specifies that the suspension of the net operating loss deduction included in this bill does not apply to a taxpayer with a net business income or a modified adjusted gross income of less than \$1 million.

3) Bad Debt Deduction Elimination

- a) Eliminates the sales and use tax deduction and refund for a lender or retailer's affiliate related to bad debt, commencing January 1, 2025.

4) Charitable Conservation Easements Conformity

- a) Conforms state law with federal law related to deductions for charitable contributions commencing January 1, 2024. This conformity specifically limits deductions for charitable conservation easements to two and a half times the investment cost for the purchaser, and disallows the deduction for any taxpayer who has previously engaged in fraud.

5) Oil and Gas Subsidy Elimination

- a) Commencing with the 2024 tax year:
 - i. Eliminates a deduction for intangible drilling and development costs for oil and gas wells.
 - ii. Disallows the calculation of depletion as a percentage of gross income from the property for specified natural resources, including coal, oil, shale, and gas and eliminates statute allowing the state to not conform to federal law that prevents large crude oil producers from calculating a depletion deduction as a percentage of gross income.
 - iii. Disallows a nonrefundable credit of up to five percent of the qualified enhanced oil recovery costs for projects located in the state if oil prices fall above a specified amount for the preceding year.

6) Advanced Strategic Aircraft Credit:

- a) Extends the timeline for when the Advanced Strategic Aircraft Credit could be used to reduce the alternative minimum tax before January 1, 2026, to before January 1, 2031.

7) Legal Ruling of Counsel APA Exemption

- a) Specifies that the Administrative Procedures Act (APA) is inapplicable in circumstances pursuant to a legal ruling of counsel issued by the California Department of Tax and Fee Administration (CDTFA). Current statute specifies that the APA is inapplicable in circumstances pursuant to a legal ruling of counsel issued by the Franchise Tax Board or the State Board of Equalization.

8) Underground Storage Tank Fee Savings Clause and Cost Reimbursement

- a) Specifies that CDTFA may continue specific requirements related to the Underground Storage Tank Cleanup Trust Fund, after other provisions of the Barry Keane Underground Storage Tank Cleanup Trust Fund Act of 1989 expire on January 1, 2036. Specifically, CDTFA may continue providing refunds and credits, among other activities.

9) Apportionment Factor

- a) States that when a corporation receives income that is excluded from taxable business income, then it must exclude this income from its apportionment factor formula, consistent with existing law and practice of the Franchise Tax Board.
- b) Makes findings and declarations that it is the intent of the Legislature that this section is not a change in, but is declaratory of existing law.

10) Disaster Tax Relief Trailer Bill Language (TBL)

- a) Specifies that the Director of Finance shall determine when Section 7508A of the Internal Revenue Code, related to postponement of certain federal tax-related deadlines, applies to a taxpayer affected a state of emergency declared by the Governor.
- b) Specifies that during any period beginning on the date the state postponement period expires and ending on the date the federal postponement period expires, Section 7508A of the Internal Revenue Code shall apply to an impacted taxpayer that requests relief from the Franchise Tax Board and provides specified supporting documentation.

11) Middle Class Tax Refund Technical Clarification

- a) Specifies that the unexpended or unused balance of payments made for purposes of the Middle Class Tax Refund shall be deposited by the Franchise Tax Board (FTB) into the General Fund. This does not impact the timeline for taxpayers to utilize the Middle Class Tax Refund.

12) Extend Exemption for Cannabis Businesses

- a) Extends the timeline from December 1, 2025, to December 1, 2030, to specify that personal income tax law does not conform to federal income tax law that disallows credits or deductions for businesses engaged in sales of controlled substances, including commercial cannabis activity.

13) Terminate Fund Transfers to Delinquent Tax Collection Fund

- a) Removes the requirement for transfer of funds from the General Fund to the Delinquent Tax Collection Fund. This requirement is outdated and FTB no longer uses this authority.

14) Repealing Expiration Date for Electronic Notification to Taxpayers

- a) Eliminates the sunset date (currently January 1, 2025) for allowing the Franchise Tax Board to provide notification to the taxpayer in a preferred electronic communication method designated by the taxpayer that a specified notice, statement, bill, or other communication is available for viewing in the taxpayer's folder on the Franchise Tax Board's internet website, and allows the taxpayer to file a protest, notification, and other communication to the Franchise Tax Board in a secure manner.

15) Income Threshold for California Earned Income Tax Credit (CalEITC), the Young Child Tax Credit (YCTC), and the Foster Youth Tax Credit (FYTC).

- a) Aligns the maximum earned income thresholds for the California Earned Income Tax Credit (CalEITC), the Young Child Tax Credit (YCTC), and the Foster Youth Tax Credit (FYTC).

16) Historic Venues Restoration and Resiliency Act

- a) Requires that the return filed with the CDTFA and the Department of Finance (DOF) specify the taxable sales made at a qualified event for each confirmed historic venue.
- b) Limits the requirement to segregate taxable sales on the return to qualified events that occur on or before June 30, 2029.
- c) Requires that DOF, no later than 15 days after enactment of the annual Budget Act, for each confirmed historic venue located within the geographic boundaries of a city or county report to the Controller the amounts to be allocated from the fund to each city and county.
- d) Changes the requirement from 90 to 10 days that a city or county, or its designee notify any retailers who will be making sales during the qualified event of their reporting obligation as specified.
- e) Deletes the requirement for a city or county to deliver a report to CDTFA by January 1, 2027.
- f) Specifies that CDTFA's annual report is due November 1 of each year.

17) California Tire Recycling Fee Program:

- a) Removes 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.

- b) Specifies that net funds from fee collection and related activities shall be deposited into the California Tire Recycling Management Fund.
- c) This change is made in conjunction with technical changes in the 2024-25 Budget Act that eliminates reimbursement authority for CDTFA to provide these services and instead provides a budget act appropriation for these purposes.

Fiscal Effect: The provisions of this bill result in a net General Fund benefit of approximately \$6 billion for the 2024-25 fiscal year, including:

- The provisions of this bill related to the NOL suspension and tax credit limitation are estimated to increase revenues by \$5.95 billion in 2024-25, and \$5.5 billion in 2025-26, and \$3.4 billion in 2026-27.
- The provisions of this bill related to oil and gas subsidy elimination are estimated to result in revenue gains of \$22 million in 2024-25 and ongoing gains of \$17 million in subsequent years.
- The provisions of this bill related to charitable conservation easement deductions are estimated to result in revenue gains of \$55 million in 2024-25 and 2025-26, and ongoing gains of \$25 million in subsequent years.
- The provisions related to bad debt are estimated to result in revenues gains of \$2.5 million in 2024-25, \$10 million in 2025-26, and 2026-27, and rising to over \$50 million ongoing over time. Additionally, revenues for other funds, which support various local programs, are estimated to increase by similar amounts as well.
- Without action on the Apportionment Factor Fix, due to lower apportionment factor for multi-state and multi-national firms, there would be an estimated potential negative revenue impact of up to \$1.3 billion over multiple years based on similar filings from past tax years, and an estimated \$200 million in potential refund claims generated in each tax year prospectively.
- The provisions of the bill related to aligning the CalEITC, YCTC, and FYTC are estimated to increase result in revenue loss of \$150,000 in 2024-25; revenue gains of \$30,000 in 2025-26, \$50,000 in 2026-27 for a total loss of \$70,000 from 2024-25 through 2027-28.

Support: None on File

Opposed: None on File

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