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## ***CALIFORNIA STATE SENATE***

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502  
SACRAMENTO, CA 95814



***John Laird, Chair***

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## **Agenda**

**June 29, 2026**

**9:00 a.m. – 1021 O Street, Room 1200**

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<b><u>BILL</u></b>	<b><u>AUTHOR</u></b>	<b><u>SUBJECT</u></b>
1) AB 111	Gabriel	Budget Act of 2026
2) AB 112	Gabriel	Budget Acts of 2022, 2023, 2024 and 2025
3) AB 126	Committee on Budget	Education
4) AB 135	Committee on Budget	Higher Education
5) AB 150	Committee on Budget	Early Care and Education
6) AB 152	Committee on Budget	Human Services
7) AB 163	Committee on Budget	Developmental Services
8) AB 164	Committee on Budget	Health

9) AB 165	Committee on Budget	Skilled Nursing Facilities
10) AB 166	Committee on Budget	Resources
11) AB 168	Committee on Budget	Public Resources
12) AB 169	Committee on Budget	Transportation
13) AB 170	Committee on Budget	Governor's Reorganization Plan No. 1 of 2025
14) AB 171	Committee on Budget	Labor
15) AB 172	Committee on Budget	State Government
16) AB 174	Committee on Budget	Courts
17) AB 179	Committee on Budget	Housing
18) AB 180	Committee on Budget	Taxation
19) AB 181	Alvarez	Education Governance
20) AB 182	Pellerin and Wiener	Statewide General Election: Ballot Measures

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 111	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Gabriel		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elisa Wynne		

**Subject:** Budget Act of 2026

**Summary:** This is a Budget Bill Junior associated with the Budget Act of 2026. This bill makes technical and substantive changes to the Budget Act.

**Background:** On June 15, 2026, the Legislature passed AB 109 (Gabriel), which represented the Legislature's budget. This bill makes changes to AB 109. The 2026-27 budget includes total spending of approximately \$351.7 billion, of which \$251.5 billion is from the General Fund.

## K-12 Education

- 1) Adjusts funding for the Expanded Learning Opportunities Program to ensure that the Rate 2 local educational agencies receive at least \$1,800 per pupil.
- 2) Establishes the Office of the Superintendent of Public Instruction, and shifts \$1.5 million from the Department of Education to the Office of the Superintendent of Public Instruction. Shifts \$934,000 and ongoing positions from the State Board of Education to the Department of Education in 2026-27, with \$1.9 million and ongoing positions beginning in 2027-28.
- 3) Appropriates \$1 billion Proposition 98 General Fund ongoing for Community Schools.
- 4) Appropriates \$5 million General Fund on a one-time basis to Save the Children.
- 5) Appropriates \$5 million Proposition 98 General Fund for University of California, San Francisco Dyslexia Center for the Multitudes reading difficulties screener.
- 6) Provides \$5.5 million one-time Proposition 98 General Fund for online educational resources.
- 7) Re-appropriates Proposition 98 General Fund for various programs, including community schools, the discretionary block grants, support for students experiencing homelessness, kitchen infrastructure and training grants, technical assistance for local educational agencies to implement alternative pathways to diplomas, among other priorities.

- 8) Makes various technical adjustments and aligns appropriations with available federal fund authority.

**Higher Education**

- 9) Includes \$7.5 million one-time General Fund for the UC/CSU Collaborative for Neuroscience, Diversity and Learning.
- 10) Includes \$15 million one-time General Fund for the UC Berkeley Journalism Fellowship program.
- 11) Includes \$3.3 million one-time General Fund to support the UC Central Coast PRIME program.
- 12) Includes \$20 million one-time General Fund to support basic needs, housing, and disability services at the UC.
- 13) Includes \$1.4 million one-time General Fund to support the UC Berkeley Institute of Governmental Studies Local Digitization Project.
- 14) Includes \$750,000 one-time General Fund for UC Berkeley to support AAPI Data Research.
- 15) Includes \$200,000 one-time General Fund to support the UCLA Bruin One Access as a State-CalFresh Enrollment Accelerator.
- 16) Includes \$10 million one-time General Fund to support the UC Climate Change Research Institute.
- 17) Includes \$5 million one-time General Fund to support UC Degree Plus.
- 18) Includes \$5 million one-time General Fund to support Career Online High School.
- 19) Beginning in 2026-27, adjusts the Proposition 98 split funding between TK-12 and the California Community Colleges (CCC) to 88.9% for TK-12 and 11.1% for CCC. This includes an additional \$217.7 million Proposition 98 General Fund to CCC in 2026-27 through the adjusted split percentages. This will address a structural deficit that was inadvertently created for CCC when the 2025 Budget shifted TK costs outside of the split.
- 20) Beginning in 2026-27, includes \$47.7 million ongoing Proposition 98 General Fund to allow credit for Full Time Equivalent Students (FTES) to be calculated using the higher of the three-year average or the amount in the current year.
- 21) Includes an additional \$63.8 million ongoing Proposition 98 General Fund to support a total of 2.5 percent enrollment growth at the California Community Colleges.
- 22) Includes a \$35 million one-time Proposition 98 General Fund to support Dream Resource Centers at the California Community Colleges, of the total \$70 million one-time for this program.

- 23) Includes \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers, of the total \$30 million one-time for this purpose.
- 24) Includes \$30.1 million ongoing Proposition 98 General Fund to provide a 5.74 percent COLA to the Student Equity and Achievement Program at the California Community Colleges.
- 25) Includes \$42.6 million one-time Proposition 98 General Fund to support the California Indian Nations College.
- 26) Includes a reappropriation of \$117.4 million one-time Proposition 98 General Fund for Deferred Maintenance, for a total of \$120.7 million.
- 27) Includes an additional estimated \$166.9 million General Fund to support the Middle Class Scholarship Program for 2026-27 academic year awards. This funding level translates into 23.07% award levels.
- 28) Augments the Golden State Teacher Grant program with an additional \$10 million one-time General Fund for the 2027-28 grant cycle.

**Resources**

- 29) Appropriates \$6.75 million General Fund ongoing for the California State Parks Library Pass Program.
- 30) Provides \$17.5 million State Park and Recreation Fund expenditure authority ongoing to the Department of Parks and Recreation for purposes of covering estimated invoice costs related to the new Reservation System Agreement with the department's contractor.
- 31) Reappropriates \$1 million General Fund to the State Water Resources Control Board for the City and County of San Francisco, Department of Public Works project, Sunset Boulevard Recycled Water Irrigation Improvement.
- 32) Reappropriates \$10 million General Fund to the Wildlife Conservation Board for Point Reyes conservation projects that will enhance coastal wetland resilience, restore Tule Elk habitat and native vegetation, and improve public access.
- 33) Appropriates \$6 million General Fund to the California Department of Fish and Wildlife for Delta-based decontamination control sites to prevent the spread of invasive Golden Mussels.
- 34) Appropriates \$1.4 million General Fund to the California Natural Resources Agency for the treatment of algae blooms in Discovery Bay.
- 35) Appropriates \$2 million General Fund to the California Department of Fish and Wildlife to support recovery of the Mojave Desert Tortoise, which is officially listed as endangered under the California Endangered Species Act.

**Energy, Utilities, and Air Quality**

- 36)Appropriates \$135.5 million (\$20.5 million from the Air Pollution Control Fund and \$115 million from the Greenhouse Gas Reduction Fund) for light-duty zero-emission vehicle incentives at the California Air Resources Board.
- 37)Appropriates \$135.5 million from the Air Pollution Control Fund for medium- and heavy-duty zero-emission vehicle incentives through the Hybrid and Zero-Emission Truck and Bus Voucher Project at the California Air Resources Board.
- 38)Appropriates \$17 million from the Enhanced Fleet Modernization Subaccount annually for five years for the districts participating in the Clean Cars 4 All program at the California Air Resources Board.
- 39)Appropriates \$963,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund for the implementation of SB 59 (Skinner), Chapter 765, Statutes of 2024 at the California Energy Commission.
- 40)Appropriates \$579.9 million from the Universal Lifeline Telephone Service Trust Administrative Committee Fund for the Lifeline program at the California Public Utilities Commission. This appropriation can be adjusted up to \$664.9 million if enrollment reaches 1,950,000.
- 41)Appropriates \$2 million from the General Fund to the California Energy Commission for heat pump incentives.
- 42)Appropriates \$150 million from the General Fund for the Community Air Protection Program at the California Air Resources Board.
- 43)Reappropriates various appropriations from the Greenhouse Gas Reduction Fund.
- 44)Repeals \$54,000 for wildcatting enforcement at the California Public Utilities Commission.

**Health**

- 45)Reflects \$575 million General Fund savings in 2026-27, \$2.3 billion in 2027-28 and 2028-29, and \$1.7 billion in 2029-30, as a result of the reauthorization of a new, federally compliant tax on managed care organizations.
- 46)Reflects \$471.6 million General Fund savings in 2026-27 from the transition of Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) from managed care to fee-for-service.
- 47)Appropriates \$39 million to support care coordination resources and clinic and community-based organization navigators to support UIS beneficiaries as they transition from managed care to fee-for-service.

- 48) Reflects General Fund costs of \$1 billion to delay the elimination of prospective payment system reimbursement for community clinics for services provided to Medi-Cal beneficiaries with unsatisfactory immigration status (UIS) until July 1, 2027.
- 49) Reflects General Fund costs of \$303.2 million to delay the transition of certain immigrant populations (e.g. asylees, victims of human trafficking, etc) to restricted scope Medi-Cal until July 1, 2027.
- 50) Allocates \$250 million General Fund to the Department of Health Care Services (DHCS) to support designated public hospitals.
- 51) Allocates \$196.9 million General Fund to DHCS to support county administration workload for the Medi-Cal program.
- 52) Allocates \$10 million General Fund in 2026-27, and \$8 million General Fund in 2027-28 and 2028-29, to HCAI to support a gender affirming care provider network stabilization and uncompensated care grant program.
- 53) Allocates \$7.7 million General Fund to DHCS to support bridge funding for congregate living health facilities.
- 54) Reflects General Fund costs of \$360.8 million to delay elimination of dental benefits in Medi-Cal for the UIS population, until July 1, 2027.
- 55) Reflects General Fund costs of \$258.2 million to delay elimination of Proposition 56 supplemental provider payments for dental services in Medi-Cal, until July 1, 2027.
- 56) Allocates \$400,000 General Fund to DHCS to support application assistance for Program for All-Inclusive Care for the Elderly (PACE) beneficiaries.
- 57) Allocates \$5 million General Fund to DHCS to support a severe schizophrenia pilot program.
- 58) Reflects \$68.3 million General Fund savings from reforms to enhanced care management and community supports services in Medi-Cal.
- 59) Rejects the Governor's proposal to cap Medi-Cal reimbursement rates for PACE, resulting in General Fund costs of \$33.7 million in 2026-27 and \$84.9 million ongoing.
- 60) Rejects the Governor's proposal to eliminate acupuncture benefits in the Medi-Cal program, resulting in General Fund costs of \$5.4 million in 2026-27 and \$13.1 million ongoing.
- 61) Redirects \$35.4 million of Opioid Settlements Fund to offset General Fund expenditures in the Medi-Cal program.

- 62)Appropriates \$42.2 million General Fund to continue the community-based mobile crisis services benefit in Medi-Cal until June 30, 2027.
- 63)Allocates \$30 million General Fund one-time to support rate increases for private duty nursing in the Medi-Cal program.
- 64)Allocates \$7.7 million General Fund one-time to support rate increases for congregate living health facilities.
- 65)Allocates \$113.3 million General Fund to the Department of Public Health (CDPH) to support critical public health information technology systems.
- 66)Appropriates \$30 million General Fund over five years to CDPH to support Sickle Cell Disease Centers for Excellence.
- 67)Allocates \$10 million General Fund to CDPH to support LGBTQ+ community centers.
- 68)Allocates \$3.5 million General Fund to CDPH to support amyotrophic lateral sclerosis (ALS) wraparound services.
- 69)Appropriates \$500,000 General Fund to support a rate study for ground ambulance services at the Emergency Medical Services Authority (EMSA).
- 70)Appropriates \$5 million General Fund to the Department of Health Care Access and Information (HCAI) to support physician access and workforce development in shortage areas.
- 71)Appropriates \$30 million General Fund to HCAI to support an uncompensated care program for abortion services.
- 72)Appropriates \$10 million General Fund to HCAI to support the Abortion Practical Support program.
- 73)Appropriates \$750,000 General Fund to HCAI to support implementation of a study of midwifery education and training.
- 74)Allocates \$90 million General Fund to support grants to distressed hospitals and authorizes the Department of Finance to augment the grant program by up to \$50 million.
- 75)Allocates \$10 million General Fund to HCAI to establish a health care access stability unit to evaluate hospitals' strategic importance to their communities to assist policymakers to maintain access to critical services in the event of a hospital's financial distress.
- 76)Allocates \$15 million General Fund to HCAI to support workforce training and expansion for promotoras.

- 77) Allocates \$15.5 million General Fund to HCAI to support the procurement of low-cost epinephrine pens and tuberculosis drugs through CalRx.
- 78) Appropriates \$3.9 million General Fund to support dental health services for patients at Department of State Hospital Metropolitan (DSH-Metropolitan) and at Department of State Hospital Patton (DSH-Patton).
- 79) Includes \$1.8 million General Fund for the preliminary plans phase of the DSH-Patton's Electrical Infrastructure Upgrade project.
- 80) Includes \$19.6 million to support patient-related operating expenses, specifically in the areas of utilities, pharmaceuticals, foodstuffs, and outside medical.
- 81) Includes \$469,000 General Fund to conduct an analysis and report to the Legislature on the feasibility of establishing transitional housing facilities pursuant to SB 380 (Jones), Chapter 581, Statutes of 2025.
- 82) Reflects savings of \$102.2 million related to Incompetent to Stand Trial solutions and infrastructure grant funding.
- 83) Includes \$27.6 million General Fund and a reappropriation of up to \$6.3 million from the 2024 Budget Act to support the first year of implementation for the Continuum Electronic Health Record System project.
- 84) Includes provisional language to provide DSH with limited Public Contract Code exemption authority for two years for contracts associated with online services and subscriptions providing health care or pharmaceutical information.
- 85) Reverts \$50.4 million and appropriates \$58.1 million Public Buildings Construction Fund for the construction phase of the Central Utility Plant Replacement Project at DSH-Metropolitan, a net increase of \$7.7 million.
- 86) Reverts \$20 million unspent General Fund from the 2024 Budget Act.
- 87) Shifts \$10.3 million from General Fund to Behavioral Health Services Act (BHSA) Behavioral Health Workforce Initiative reimbursement to support an existing workforce development program, and appropriates \$3.8 million in BHSA reimbursement to add an additional Psychiatric Technician Apprenticeship.
- 88) Restores \$16.7 million of expenditure authority from the Behavioral Health Services Fund for the Commission for Behavioral Health's Innovation Partnership Fund and for advocacy contracts.
- 89) Appropriates \$300 million from the Health Care Affordability Reserve Fund to support premium subsidies for consumers in the Covered California health benefit exchange.

## Human Services

- 90)Appropriates \$228 million General Fund for the expansion of 22,770 new child care spaces in 2026-27. Of the 22,770 new child care spaces, 20,700 are voucher spaces and 2,070 are General Child Care spaces. Includes \$41.4 million General Fund to backfill approximately 3,430 of the approximately 6,800 child care spaces, previously funded with Proposition 64 and federal funds, proposed to be eliminated by the Governor. Relative to the Governor's May Revision, the budget includes a total of 26,200 additional child care spaces. This brings the ongoing child care expansion to approximately 149,000 new funded child care spaces above 2020-2021 levels.
- 91)Includes provisional language that allows the California Department of Social Services (CDSS) to use up to 15 percent of funds appropriated to expand General Child Care spaces to fund minor repairs, infrastructure upgrades, and other readiness activities for childcare and development programs. Appropriates an additional \$2 million General Fund for CDSS state operations to support development of the infrastructure set-aside and other activities to maximize existing child care funding.
- 92)Appropriates \$70 million to child care agencies for administration and support costs associated with implementing ongoing provisions of the Memorandum of Understanding with Child Care Providers United. Requires this amount to be allocated to each program proportionally based on each program's total contract amount.
- 93)Appropriates \$223 million General Fund one-time to augment county CalFresh administration to implement the time limit for Able Bodied Adults Without Dependents under H.R. 1 and to help eligible people maintain access to CalFresh. Funds allocated pursuant to this provision are available for encumbrance or expenditure through June 30, 2029.
- 94)Appropriates \$20 million General Fund one-time for the CalFresh Fruit and Vegetable Pilot Program.
- 95)Appropriates \$15 million on a one-time basis for the Bringing Families Home program.
- 96)Appropriates \$10 million on a one-time basis for the CalWORKs Housing Support Program.
- 97)Appropriates \$10 million on a one-time basis to the Southern Central Coast Regional Network Hub for Immigrant Families.
- 98)Reappropriates up to \$6.1 million from the Budget Act of 2022 and appropriates an additional \$392,000 General Fund one-time for child welfare child-specific funding to support enhanced care planning and service navigation to access care in the least restrictive setting for adoptive children and their families and to prevent reentry into the foster care system.
- 99) Reappropriates unspent funds from the Budget Act of 2025 for the CalWORKs Housing Support Program.

- 100) Appropriates \$1 million for automation associated with Federal Children's Savings Accounts.
- 101) Appropriates \$4.75 million to the Department of Developmental Services (DDS) for development of a standard needs assessment.
- 102) Makes other technical and conforming changes.

### **General Government**

- 103) Includes, for the Department of Veteran's Affairs, \$9 million General Fund for cemetery operations in Orange County, \$7 million general fund for grants related to the Support to Self Reliance program, and \$2 million general fund for grants related to support the Veterans Military Discharge upgrade program.
- 104) Allows for transfer of \$1.7 million General Fund to the State Athletic Commission Fund under the State Athletic Commission.
- 105) Allows for transfer of \$4 million General Fund to the Horse Racing Fund under the California Horseracing Board for partial fee relief.
- 106) Appropriates \$23 million General Fund for the Enteric Fermentation Incentive Program as well as extending the encumbrance period for \$1.5 million in prior appropriated administrative funds.
- 107) Appropriates \$1.5 million General Fund to the State Controller for the Unclaimed Property Program.
- 108) Includes \$14.3 million Public Buildings Construction Fund for preconstruction work related to 1021 O Street and also clarifies that Department of General Services shall not begin any portion of physical construction or otherwise interfere with current operations within the 1021 O Street Building until the execution of a written agreement between the Joint Rules Committee, Department of Finance, and the Department of General Services on the future use of the 1021 O Street Building.
- 109) Includes \$1.3 million Public Buildings Construction Fund for preconstruction work related to the O Street State Parking Garage.
- 110) Includes, for the Secretary of State, \$29 million General Fund for vote counting processes, \$5 million General Fund for voter outreach and education by a schedule set by the Department of Finance, \$5 million General Fund in voter outreach and education support without such schedule, and \$250 thousand General Fund for supporting and strengthening administration of the November 3, 2026 statewide election.
- 111) Allows, subject to notification provisions to the Joint Legislative Budget Committee, for an augmentation of up to \$22 million general fund to the Department of Technology for the Middle Mile Broadband Initiative. Includes

provisional language for quarterly reporting, and a revised Middle-Mile Broadband Network Business Plan to be submitted on or before February 1, 2027.

- 112) Includes \$2.5 million General Fund for the Department of Food and Agriculture for a Managed Honeybee Health Program.
- 113) Includes \$1.8 million General Fund for the Actor's Gang Prison Project.
- 114) Includes \$5 million General Fund for the Arts Council related to support for LA28 related arts and cultural programming.
- 115) Includes \$1.5 million General Fund for the Commission on the Status of Women and Girls to implement Women's Wealth Working Group and Gender Equity Summits.
- 116) Includes \$5 million General Fund for the Arts Council for Protagonist Black, which seeks to foster books-in-homes for marginalized communities.
- 117) Includes \$1 million General Fund for the Blue Ribbon Commission related to the development of a California Department of Youth Sports.
- 118) Includes \$80 million one-time General Fund to backfill revenues in three counties with insufficient Education Revenue Augmentation Fund, San Mateo, Alpine, and Mono.
- 119) Appropriates \$1.4 million in General Fund to fund CalExport, a newly-named international trade and export promotion program within the Governor's Office of Business and Economic Development (GO-Biz).
- 120) Provides \$2 million to GO-Biz to support infrastructure and facility modernization at the Urban Business Resource Center.
- 121) Appropriates \$1.5 million to GO-Biz for the INDSTRY Workforce Development Initiative.
- 122) Provides \$1 million to GO-Biz for California Fringe.
- 123) Appropriates \$12 million to GO-Biz for the Performing Arts Equitable Payroll Fund.
- 124) Provides \$3 million to the Governor's Office of Land Use and Climate Innovation (GO-LCI) for the Central Coast Community Resilience Hub Accelerator.
- 125) Appropriates \$5 million to the Governor's Office of Service and Community Engagement (GO-Serve) for the California Men's Service Challenge.
- 126) Provides \$5 million to GO-Serve for the Reading Corps and Math Corps.

- 127) Adjusts the administrative funding for the California College Corps program to correct technical errors.
- 128) Appropriates \$5 million to GO-Serve for the California Student Success Coach Grant Program.
- 129) Provides \$10 million to GO-Serve for City Year.

### **Housing and Homelessness**

- 130) Appropriates \$500,000 to the Housing and Community Development Department for the Orange County United Way for a regional pilot program to build more online awareness about affordable housing opportunities.
- 131) Transfers 14 positions and \$1.5 million from the Housing and Community Development Department (HCD) to the Housing Development Finance Committee (HDFC) for administration of affordable housing funding programs.
- 132) Provides \$3.9 million to HCD for the Alliance for Community Empowerment.
- 133) Appropriates \$500,000 to HCD for the Napa County Housing Authority.
- 134) Specifies that any expenditures over \$10 million for new program components in the Disaster Rebuilding Fund are only authorized after approval of an expenditure plan by the Department of Finance and 30 days written notice to specified legislative committees and officials.
- 135) Transfers a total of 3 positions and \$682,000 in General Fund from the California Interagency Council on Homelessness (Cal-ICH) to the California Housing and Homelessness Agency (CHHA) and the Housing Development Finance Committee (HDFC).

### **Judiciary**

- 136) Includes \$62.1 million General Fund and \$1.7 billion Public Building Constructions Fund authority for courthouse construction, and language to fund additional courthouses upon appropriation in 2027-28.
- 137) Maintains \$100 million General Fund for new judgeship costs and associated facility projects and \$150 million General Fund for deferred maintenance.
- 138) Includes provisional reporting language and a net-zero shift of Proposition 36 (2024) General Fund resources, to provide \$20 million for pretrial services, \$10 million for courts, and \$20 million for behavioral health.
- 139) Includes \$3.5 million General Fund to establish a Community Assistance, Recovery and Empowerment (CARE) Court Referral and Petition Pipeline and makes technical changes to CARE funding.

140) Provides \$2.2 million General Fund for trial court employee benefits.

### Corrections

141) Restores \$81.2 million General Fund in operational savings at the California Department of Corrections and Rehabilitation.

142) Reduces additional funding for the Office of Inspector General from \$4.3 million to \$2 million General Fund.

143) Includes \$9.7 million General Fund for an honor housing unit at Cororan State Prison.

144) Modifies or removes various reporting requirements.

145) Removes language requiring an additional prison closure by 2027-28.

### Public Safety

146) Includes provisional language related to the 9-1-1 system and the Next Generation 9-1-1 project, and appropriates State Emergency Telephone Number Account funding of up to \$2 million for an independent technical evaluation and \$1 million for an audit.

147) Includes a net-zero shift of \$4.2 million General Fund from Control Section 5.27 to the Department of Justice for federal accountability resources.

### Transportation

148) Appropriates \$7.2 million from the State Highway Account to continue development of generative artificial intelligence (GenAI) for safer and smarter roadways at the California Department of Transportation.

149) Specifies \$15 million of the \$270 million appropriated from the Trade Corridor Enhancement Account for the Trade Corridor Enhancement Program at the California Department of Transportation shall be for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between the 105, 110, and 710 freeways.

150) Appropriates \$56 million from the Motor Vehicle Account for the design and development of the State-to-State Verification System at the Department of Motor Vehicles. The system shall not be activated for the purpose of transmitting or sharing data unless specifically authorized by statute prior to July 3, 2026.

151) Specifies state funds allocated to the Carl Moyer Memorial Air Quality Standards Attainment Program, the Port and Freight Infrastructure Program, the Solutions for Congested Corridors Program, the Clean Off-Road Equipment program, the Commercial Harbor Craft program, the Clean Truck and Bus Voucher Incentive Project, the Trade Corridor Enhancement

Program, and the Clean Transportation Program shall not be allocated for the purchase of fully automated cargo handling equipment or for automation supporting improvements or replacements that are used to support fully automated cargo handling equipment.

- 152) Appropriates \$2 million from the General Fund to the California Department of Transportation for the City of Ventura for infrastructure improvements to Main Street consistent with parklet design.
- 153) Extends the liquidation period for \$300 million appropriated in the Budget Act of 2021 for the LOSSAN Corridor.
- 154) Corrects an error related to the fund source for the Clean California Program.
- 155) Reinstates provisional language regarding flexibility of funding to implement REAL ID at the Department of Motor Vehicles.

### **Labor and Workforce**

- 156) Includes \$5 million one-time General Fund to support a Ports Workforce Training program.
- 157) Includes \$10.8 million one-time General Fund to support the Social Entrepreneurs for Economic Development (SEED) program.
- 158) Includes \$5 million one-time General Fund to support a Hospitality Training Academy.
- 159) Includes \$9 million ongoing Labor and Workforce Development Fund to support the Workers' Rights Enforcement Grant program at the Department of Industrial Relations.
- 160) Includes \$5 million one-time Labor and Workforce Development Fund to support a Jails 2 Jobs pilot program at the Department of Industrial Relations.
- 161) Includes \$30 million Labor and Workforce Development Fund annually for three years beginning in 2026-27 through 2028-29 to support the California Workplace Outreach Project program at the Department of Industrial Relations.
- 162) Includes \$1.35 million one-time Occupational Safety and Health Fund to support a Cal/OHSA Workforce Study at the Department of Industrial Relations.
- 163) Includes \$5 million one-time General Fund to support the Creating Restorative Opportunities and Programs (CROP) at the California Workforce Development Board.

**Other**

164) Includes a variety of one-time legislative priorities as part of the June 2026 budget agreement.

165) Rejects the elimination of 356.2 positions at various departments, including but not limited to, 60.1 FTEs at the Department of Fish and Game, 118 positions at the Department of Industrial Relations, 15 FTEs at the Department of Pesticide Regulation, 29 positions at the State Water Resources Control Board, and 75.1 FTEs at the Department of Toxic Substances Control that support each departments' core missions.

166) Makes a variety of other technical changes.

167) Makes other technical changes to various control sections.

**Fiscal Effect:** This bill represents a 2026-27 state fiscal plan that includes \$351.7 billion in total spending, \$251.5 billion of which is from the General Fund.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 112	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Gabriel		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elisa Wynne		

**Subject:** Budget Acts of 2022, 2023, 2024, and 2025

**Summary:** This bill is a Budget Bill Junior associated with Budget Acts of 2025 and prior years. This bill makes technical and substantive changes to the Budget Acts

**Background:** This bill amends the 2025 and prior year Budget Acts to implement the 2026 budget agreement between the Legislature and the Administration.

**Proposed Law:** The bill amends four previous budget bills to make various changes necessary to implement the 2026 June Budget agreement. This bill is intended to accompany AB 109, the 2026 Budget Act, which was passed on June 15, 2026 and either AB 111 or SB 111, which amends that act to implement the budget agreement between the legislature and the governor.

Specifically, this bill:

1. Includes \$4.2 billion General Fund for the Medi-Cal program to adjust for current year 2025-26 expenditures, including the repayment of the Medical Providers Interim Payment Fund loan.
2. Reappropriates fund from a prior year to 2025-26 and makes net-zero intra-schedule transfers to address a current year deficiency within the California Department of Corrections and Rehabilitation (CDCR) budget. Specifically, this measure reappropriates \$99.3 million from 2023-24 to 2025-26 and makes intra-schedule transfers totaling \$139.1 million to address a budgetary shortfall in 2025-26. The shortfall is primarily driven by lump sum retirement payments, workers' compensation, and overtime.
3. Makes a technical adjustment to CDCR's budget to properly account for \$114 million in savings achieved through efficiency reductions pursuant to Control Section 4.05 in the Budget Act of 2024-25.
4. Includes a technical adjustment of \$1 million (federal funds) to align the Department of Developmental Services' Federal Trust Fund authority with funds available through their award grant. The change increases the amount from \$3 million to \$4 million.

5. Reappropriates \$8 million in General Fund from the 2025 Budget Act through June 30, 2028, for administrative costs associated with preparing for and implementing Round 7 of the Homeless Housing, Assistance, and Prevention (HHAP) program.
6. Amends the date enabling statute must pass in regards to the State-to-State project at the Department of Motor Vehicles.
7. Revises a 2025 appropriation for Kern County for the Meadows Field Airport.
8. Appropriates \$15.7 million Motor Vehicle Account in 2025-26 for operations and equipment at the California Highway Patrol.
9. Reappropriates \$14 million General Fund from the 2022-23 Budget Act for projects consistent with the State's Natural and Working Lands Climate Smart Strategy and Pathways to 30x30 Strategy.
10. Moves \$20 million Proposition 4 that was previously appropriated in the 2025-26 Budget Act for the Hollister Ranch Public Access Plan from local assistance to state operations.
11. Includes a provision in the 2025-26 Budget Act to allow the Director of Finance to authorize expenditures to facilitate the use of emergency funding authority provide in the 2024-25 Budget Act for the Eaton and Palisades Fires in Los Angeles County for requests received by the Office of Emergency Services on or before June 30, 2026.
12. Amends the 2025-26 budget bill to include a reference for recording the amount of transfer of Section 20 of Article XVI of the California Constitution (Proposition 2 of 2014 transfer to the Budget Stabilization Account) and noting that transfer did not occur in the fiscal year. Including this reference allows for greater transparency in the budget bill.
13. Includes technical changes, encumbrance extensions, and reappropriations of previous budget items.

**Fiscal Effect:** This bill results in total additional expenditures of \$4.2 billion General Fund, due to an adjustment to the 2025 budget act to reflect unanticipated costs in the Medi-Cal program.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 126	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended	<b>Fiscal:</b>	No
<b>Urgency:</b>	No		
<b>Consultant:</b>	Yong Salas		

**Subject:** Education

**Summary:** This bill provides for statutory changes necessary to enact the TK-12 related statutory provisions of the Budget Act of 2026.

**Proposed Law:** This bill, makes statutory changes necessary to implement the 2026-27 Budget Act. Specifically, this bill:

- 1) Adopts the following framework for the Proposition 98 Guarantee:
  - a. Calculates the Proposition 98 Minimum Guarantee to be \$124.9 billion, \$125.5 billion, and \$128 billion in 2024-25, 2025-26, and 2026-27, respectively. This calculation accounts for a rebench of the Guarantee to include additional costs for State Preschool Programs administered by community-based organizations and other non-local educational agency organizations.
  - b. Makes a mandatory deposit of \$8.7 billion into the Public School System Stabilization Account (PSSSA), with an additional discretionary deposit of \$500 million, for a total balance of \$9.2 billion in the PSSSA after 2026-27.
  - c. Provides that 33 percent of any higher non-Proposition 98 and non-Proposition 2 General Fund tax revenues added to Department of Finance projections through the 2027 May Revision is hereby appropriated to pay all or part of any unpaid Proposition 98 obligations for the 2025-26 fiscal year (currently projected to be \$3.9 billion). Any such funds would be transferred to the Public School System Stabilization Account as a discretionary deposit for appropriation to Proposition 98 programs in future legislation.
- 2) Adopts a 4.31 percent cost-of-living adjustment, above the statutorily required adjustment of 2.87 percent, for the Local Control Funding Formula for school districts, county offices of education, and charter schools.
- 3) Adopts a 20 percent augmentation for necessary small schools.
- 4) Adopts base rate increases for special education programs, which totals \$2.4 billion ongoing Proposition 98 General Fund.

- 5) Provides authority for additional fiscal oversight of single-district county offices of education.
- 6) Streamlines the Statewide of System of Support and shifts the differentiated assistance and direct technical assistance framework into a Universal and Targeted Assistance model in order to address the overidentification of local educational agencies. Revises the identification of local educational agencies that are eligible for targeted assistance, and shifts identification to occur every three years to align with the Local Control and Accountability Plan cycle.
- 7) Modifies the funding formula for county offices of education providing universal and targeted assistance, and delinks the number of local educational agencies identified for assistance.
- 8) Stabilizes the Rate 2 local educational agencies under the Expanded Learning Opportunities Program (ELOP) by providing at least \$1,800 per unduplicated pupil rate for local education agencies with less than 55 percent total unduplicated pupils.
- 9) Establishes the California Community Schools Partnership Program as an ongoing apportionment program, for existing grantees or for school sites with an unduplicated pupil percentage of 65 percent or above, and codifies the State Board of Education-adopted framework for community schools.
- 10) Re-appropriates \$84 million one-time Proposition 98 General Fund with the California Community Schools Partnership Program in the following ways:
  - a. \$28 million for the State Transformational Assistance Center (STAC).
  - b. \$3 million for a set of analyses by the STAC, or by an institute of higher education.
  - c. \$10 million to develop and implement the community schools certification process.
  - d. \$15 million for the STAC and the technical assistance network.
  - e. \$50 million for the Secondary School Redesign Pilot Program.
  - f. \$6 million for Transforming Together.
- 11) Provides authority to allocate funding to county offices of education to coordinate county-level community school implementation support.
- 12) Appropriates \$100 million one-time Proposition 98 General Fund for dual enrollment programs, and provides an additional \$50,000 for local educational agencies that serve justice-involved youth in county-run facilities.
- 13) Authorizes regional occupational center programs to be eligible for dual enrollment programs, and reduces the required minimum school day requirements for students in dual enrollment programs from 240 minutes to 180 minutes.
- 14) Improves accountability provisions for charter schools, and includes the use of verified data in the charter school renewal process until June 30, 2028.

- 15) Authorizes the State Allocation Board to withhold new funding approvals from school districts that default, or are projected to default, with any requirements of facility construction programs under its authority.
- 16) Augments the Learning Recovery Emergency Block Grant by \$757.3 million one-time Proposition 98 General Fund. These funds would be subject to the provisions put in place by the 2024-25 Budget Act, pursuant to the Cayla J Settlement.
- 17) Waives the administrator-teacher ratio requirements for Plumas Unified School District from 2023-24 to 2026-27.
- 18) Requires public school employers to provide up to 14 weeks of paid pregnancy disability leave to all employees.
- 19) Clarifies and facilitates improved data sharing and specify data that is to be included in the annual Teacher Supply Report.
- 20) Increases the fee for a renewal of a teaching credential and a service clear credential to \$125 every five years.
- 21) Directs the Commission of Teacher Credentialing to develop and implement a platform that will allow the Commission to conduct transcript review for candidates to establish subject matter competency.
- 22) Clarifies under the National Board for Professional Teaching Standards Certification Incentive Program that teachers may apply for all aspects of the grant program and apply for the maintenance of certification award multiple times.
- 23) Establishes a technical assistance center for Teacher Residency Grant and National Board for Professional Teaching Standards Certification Incentive Program.
- 24) Appropriates \$250 million one-time Proposition 98 General Fund for the Teacher Residency Grant Program.
- 25) Augments the 21<sup>st</sup> Century California School Leadership Academy to support professional learning opportunities statewide.
- 26) Appropriates \$22.9 million one-time Proposition 98 General Fund to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County Wildfires, including one-time \$4 million Proposition 98 General Fund for Pasadena Unified School District.
- 27) Clarifies that transitional kindergarten classroom instruction must be developmentally appropriate.

- 28) Appropriates \$10 million one-time Proposition 98 General Fund for the Holocaust and Genocide Education Grant Program, with clarifying statutory changes.
- 29) Prohibits the administration of screeners to identify reading difficulties in students prior to 91 days into the school year for kindergarten students.
- 30) Appropriates an additional \$350 million one-time Proposition 98 General Fund to extend existing Literacy Coaches and Reading Specialists Grant Programs to 2031.
- 31) Appropriates \$25 million one-time Proposition 98 General Fund for the California Center for Inclusive College.
- 32) Appropriates \$10 million one-time Proposition 98 General Fund for Sacramento County Office of Education to provide technical assistance for local educational agencies to implement alternative pathways to diplomas.
- 33) Includes the mandate to provide menstrual products at local educational agencies in the K-12 Mandates Block Grant.
- 34) Augments funding for the Museum of Tolerance by \$1 million ongoing Proposition 98 General Fund, for a total funding amount of \$4 million ongoing Proposition 98 General Fund.
- 35) Makes clarifying changes to the Computer Science Supplementary Authorization Incentive Grant Program.
- 36) Extends the encumbrance period for the Literacy Roadmap project.
- 37) Appropriates \$4.4 billion one-time Proposition 98 General Fund, for a total amount of \$5 billion, for the Student Support and Professional Development Discretionary Block Grant, allocating funds based on average daily attendance, and includes support for dual enrollment, career pathways approaches, and professional development for educators in UTK, English Language Arts and Development, mathematics, induction, mentorship, community schools, and deferred maintenance.
- 38) Appropriates \$500 million one-time Proposition 98 General Fund for the Kitchen Infrastructure and Training Grant Funds, and includes family food pantries on school sites and hands-on food education, including activities with school gardens, as eligible expenditures.
- 39) Appropriates \$70 million one-time Proposition 98 General Fund, for a total amount of \$116 million one-time Proposition 98 General Fund, to support students experiencing homelessness.
- 40) Appropriates \$50 million one-time Proposition 98 General Fund for the Universal Preschool Planning Grant Program.

- 41)Appropriates \$200 million one-time Proposition 98 General Fund for the Universal PreKindergarten Planning and Implementation Grants.
- 42)Appropriates \$100 million one-time Proposition 98 General Fund for the new California New Americans in Schools (CaNAS) program.
- 43)Appropriates \$75 million one-time Proposition 98 General Fund for the Dream Resource Center Grant Program.
- 44)Appropriates \$408 million to extend the Student Teacher Stipend program, and expands the program for high-need fields.
- 45)Appropriates \$10 million one-time Proposition 98 General Fund for the Bilingual Teaching Pathways Program.
- 46)Appropriates \$10 million one-time Proposition 98 General Fund for the Classified Employee Teacher Grant Program.
- 47)Makes various technical statutory changes.

**Fiscal Effect:** This bill makes several appropriations related to TK-12 education.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 135	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Diego Emilio J. Lopez		

**Subject:** Higher Education Budget Trailer Bill

**Summary:** This bill makes necessary changes to implement higher education provisions adopted as part of the Budget Act of 2026.

**Proposed Law:** This bill makes various statutory changes to implement the higher education provisions of the Budget Act of 2026. Specifically, this bill:

- 1) Requires the California State University Chancellor's Office to develop annual enrollment targets and report them to the Legislature and Department of Finance, among other conforming changes.
- 2) Includes statutory changes related to the implementation of the federal Workforce Pell program, including alignment of the Cal Grant C program and other conforming changes.
- 3) Reduces the appropriation made for apportionments to the California Community Colleges for apportionments in 2025-26 by \$455.4 million.
- 4) Applies \$405.4 million in deferred apportionment payments to the 2024-25 fiscal year.
- 5) Appropriates \$141 million Proposition 98 General Fund for apportionment costs in 2025-26.
- 6) Appropriates \$55.3 million Proposition 98 General Fund to support 1 percent enrollment growth in 2025-26.
- 7) Appropriates \$3.3 million Proposition 98 General Fund to support deferred maintenance needs.
- 8) Appropriates \$147.2 million Proposition 98 General Fund for the Student Support Block Grant.
- 9) Changes the reporting cadence of various California Community College (CCC) reports to be on a triennial basis.

- 10) Appropriates \$16 million Proposition 98 General Fund to support increased related and supplemental instruction hour costs to apprenticeship programs for the 2024-25 and 2025-26 fiscal years.
- 11) Requires the California Community College Chancellor's Office (CCCCO) to establish the Credit for Prior Learning Initiative as a systemwide initiative to award credit for prior learning opportunities at community colleges, among other conforming changes.
- 12) Requires the CCCCCO to establish the Common Cloud Data Platform to create a unified, modern data infrastructure to enhance statewide reporting, data sharing, and available analytical tools across participating community college districts and the Chancellor's Office, among other conforming changes.
- 13) Requires community colleges districts to provide employees with up to 14 weeks of paid pregnancy disability leave benefits, among other conforming changes.
- 14) Includes \$159.7 million ongoing Proposition 98 General Fund representing a discretionary 1.44 percent cost-of-living adjustment to apportionments, from which costs related to providing employees with up to 14 weeks of paid pregnancy disability leave shall be reimbursable. This amount is inclusive of an additional \$13.3 million ongoing to provide districts on the Hold Harmless funding level with resources to cover costs associated with the aforementioned paid pregnancy disability leave benefit.
- 15) Appropriates \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers at the CCC.
- 16) For purposes of calculating the base calculation a CCC district's funded credit shall be the greater of the three-year rolling average or its current year credit FTES.
- 17) Appropriates \$5 million one-time Proposition 98 General Fund to support Pierce College Family Resource Centers.
- 18) Appropriates \$1.2 million one-time Proposition 98 General Fund to support Cal-Bridge First Academic Scholar Training.
- 19) Requires the governing boards of community colleges that provides tuition exemptions for students related to nonresident students living along the California-Mexico border to jointly plan how to distribute the authorized 1,350 FTES for these purposes, among other conforming changes.
- 20) Requires the CCCCCO to develop recommendations related to enrollment in competency-based education programs and alternate funding models, in relation to Calbright College, among other changes.
- 21) Authorizes the reimbursement of dental and vision benefits under the Part-Time Faculty Health Insurance Program at the CCC.

- 22)Increases the age for Cal Grant eligibility to 30 years, beginning in 2026-27 through 2030-31.
- 23)Codifies in statute reporting requirements related to basic need, mental health and rapid rehousing programs at the University of California and California State University.
- 24)Technical and conforming changes to align the California Native American Graves Protection and Repatriation Act (CalNAGPRA) with federal requirements.
- 25)Clarifies that representatives of UC, CSU, and CCCCCO leadership are authorized to report on Title IX activities during legislative budget committee hearings.
- 26)Codifies in statute reporting requirements for the Student Housing Grant programs at UC, CSU, and CCC as well as for student housing data collection, and allows both reports to be consolidated into one annual report.
- 27)Requests that the UC to enter into a memorandum of understanding for data sharing purposes related to the Cradle-to-Career Data System.
- 28)Establishes the California Early College Demonstration Initiative related to dual enrollment.

**Fiscal Effect:** This bill is a budget trailer bill within the overall 2026-27 Budget Act to implement actions related to higher education and makes various appropriations.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 150	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elizabeth Freeman		

**Subject:** Child Care

**Summary:** Provides for statutory changes necessary to enact child care and preschool related provisions of the Budget Act of 2026.

**Proposed Law:** This bill makes statutory changes to implement the Budget Act of 2026-27. This bill includes the following provisions:

- 1) Makes various statutory changes related to the State Preschool Program:
  - a. Streamlines eligibility for children enrolling in California State Preschool programs in order to help contractors maximize contracts.
  - b. Makes children of local educational agency employees eligible for State Preschool programs.
  - c. Increases the number of professional development days for State Preschool staff training from two days to five days.
  - d. Makes technical changes to the cost-of-living adjustment and Cost of Care Plus payment calculation.
  - e. Prescribes how reimbursement rates are set under the single rate structure.
  - f. Extends the certification period for no less than 24 months when a family member transfers to another California State Preschool Program or when a child is voluntarily disenrolled for any period of time during eligibility, with correlating adjustments for the Department of Education to update management bulletins and regulations.
  - g. Includes medical and educational appointments as excused absences in the California State Preschool Program.
  - h. Allows a contractor to claim attendance for days the child is not in attendance during a suspension or expulsion appeal process, and specifies that a family receiving child protective services may be exempt from family fees for up to one certification period.
  - i. Beginning in 2026-27, requires California State Preschool Program contractors to reimburse providers for the full amount of the certificate or voucher without deducting family fees and to collect family fees.
- 2) Aligns state child care licensing requirements with federal requirements of the Child Care and Development Block Grant. These requirements include standards regarding the administration of medication, pediatric first aid and CPR training, reporting of child abuse and neglect, and emergency and disaster plans.

- 3) Expands flexibilities for family daycare home licensees to be temporarily absent from the facility no more than 20 percent of the facility's operating hours in a calendar month, and makes conforming changes to clarify health and safety training requirements for substitute providers.
- 4) Defines "excessive unexplained absences" for subsidized child care programs as absences that are not excused and exceed 30 days within a 12-month interval, as specified.
- 5) Allows the California Department of Social Services (CDSS) to set aside up to 15 percent of funding associated with child care expansion awards for General Child Care and Development programs to fund minor repairs, infrastructure upgrades, and other readiness activities for subsidized child care programs.
- 6) Aligns eligibility for CalWORKs child care with recent changes to expand CalWORKs welfare-to-work, including eligible activities such as education and job readiness.
- 7) Enacts a 2.01 cost-of-living adjustment to all subsidized child care providers in the form of a percentage increase to Cost of Care Plus rate supplements.
- 8) Requires child care contractors to collect any applicable family fees directly and to reimburse subsidized child care providers for the full amount of a certificate or voucher to align with federal requirements, beginning on or before January 1, 2027.
- 9) Authorizes CDSS to transfer funding across and within voucher-based child care programs, and separately, to transfer funding across and within direct contract-based child care programs, based on individual assessments of contractor readiness to serve children pursuant to their initial award. Establishes priorities governing the transfer of funds pursuant to this section and legislative reporting requirements, as specified.
- 10) Establishes eligibility requirements, allowable uses, administrative processes, and reporting requirements necessary to implement an infrastructure grant program for licensed child care facilities impacted by disasters in 2023, 2024, and 2025. The 2026 Budget Act includes \$11.8 million in Proposition 64 funds for child care facilities impacted by disasters in 2025 and \$28 million in federal disaster relief funds to support child care facilities impacted by disasters in 2023 and 2024.
- 11) Clarifies and updates provisions related to program integrity and overpayment prevention in subsidized child care programs to reflect the transition of those programs from the California Department of Education (CDE) to CDSS.
- 12) Requires CDSS to conduct a survey to establish child care provider payment rates every three years instead of every two years to align with federal triennial Child Care State Plan requirements, and allows for the use of an alternative methodology instead of a market rate survey for purposes of fulfilling this requirement.

13) Makes technical and conforming changes.

**Fiscal Effect:** Appropriates \$25.67 million from the Federal Trust Fund to CDSS to support disaster relief efforts related to disasters that occurred in 2023 and 2024.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 152	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elizabeth Freeman		

**Subject:** Human Services

**Summary:** Provides for statutory changes necessary to enact human services related provisions of the Budget Act of 2026.

**Proposed Law:** This bill makes statutory changes necessary to implement the Budget Act of 2026-27. This bill includes the following provisions:

- 1) Extends the operative date for the Stop the Hate program and requires an implementation report to be submitted by March 1, 2027.
- 2) Allows the Department of Finance to use a reasonable estimate for certain calculations related to cost-of-living annual adjustment factors.
- 3) Allows for the use of electronic signatures and electronic payments for activities related to California Department of Social Services (CDSS) licensing programs.
- 4) Transitions Home Care Organization licensing to an annual license system effective January 1, 2029, and includes various administrative fees, as well as authority to use interim licensing standards related to violation fines until regulations are adopted.
- 5) Allows General Fund to be used to support the CDSS Home Care Services Branch along with existing fee revenues.
- 6) Makes various technical changes to clarify the Office of Youth and Community Restoration (OYCR) access to youth, records, and posting of Youth Bill of Rights requirements.
- 7) Delays statutory adoption of changes relating to the California Department of Aging (CDA) Interstate Funding Formula to September 1, 2027.
- 8) Extends CDSS statutory authority to issue guidance related to electronic food benefit theft until formal regulations are adopted.
- 9) Extends the operative date of the CalFresh Fruit and Vegetable Pilot Project to June 30, 2028.

- 10) Establishes the Tribal Foster Care Prevention Initiative to assist federally recognized Indian tribes in California with services aimed at preserving families and preventing the entry of children into foster care.
- 11) Establishes a 1.8 percent increase to CalWORKs Maximum Aid Payments.
- 12) Establishes enforcement provisions related to In-Home Supportive Services (IHSS) provider wages and benefits by requiring a county that has not entered an agreement by July 1, 2026 to reach an agreement with the employee organization within 90 days.
- 13) Shifts timing of IHSS and CalWORKs administrative funding reassessments so that only one CDSS program undergoes a reassessment each year.
- 14) Allows the Youth Legal Services program to include social services support.
- 15) Authorizes Adoption Assistance Program (AAP) payments for Wraparound Services and defines eligibility criteria for Wraparound Services and in-state out-of-home placements paid for with AAP payments, as specified.
- 16) Requires CDSS to ensure that transition support services are made available to adoptive families whose children have returned from out-of-state facilities, as specified, and requires CDSS to report to the Legislature regarding outcomes for this transition. Requires CDSS to engage specified stakeholders to identify the services, supports, and any gaps that exist to support adoptive families connecting to resources.
- 17) Caps the amount of a county's required share of the nonfederal costs for administration of the CalFresh program at the amount the county expended in 2024-25, through 2028-29, to provide fiscal relief to counties created by the federal cost shift to states under H.R. 1.
- 18) Makes a technical change to establish consecutive recovery of CalFresh and California Food Assistance Program over issuance claims for households containing both CalFresh and CFAP members.
- 19) Extends the sunset date of the Guaranteed Income Pilot Program.
- 20) Establishes income exclusions, as specified, for Federal Children's Savings Accounts.
- 21) Extends the statutory deadline for CDSS to adopt regulations for biennial inspections of Home Care Organizations to January 1, 2028.
- 22) Establishes data collection requirements related to county administration of the CalFresh program in order to support access to CalFresh, accurately determine eligibility and benefit amounts, and complement federal and state performance measures, as specified.
- 23) Makes various technical and conforming changes.

**Fiscal Effect:** Appropriates \$344,000 from the General Fund to CDSS for the purpose of implementing CalFresh transparency initiatives.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 163	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Elizabeth Freeman		

**Subject:** Developmental Services

**Summary:** Provides for statutory changes necessary to enact developmental services related provisions of the Budget Act of 2026.

**Proposed Law:** This bill makes statutory changes necessary to implement the Budget Act of 2026-27. This bill includes the following provisions:

- 1) Sunsets various outdated reporting requirements.
- 2) Authorizes remote delivery for specified developmental services through December 31, 2028 and establishes data and reporting requirements to the Legislature regarding the remote delivery of services to individuals with intellectual and developmental disabilities.
- 3) Establishes a dual provider system via an interagency agreement between the Department of Developmental Services (DDS) and the Department of Rehabilitation (DOR) to streamline access to employment services for individuals with intellectual or developmental disabilities. Removes a requirement that employment providers must be accredited by the Commission on Accreditation of Rehabilitation Facilities.
- 4) Establishes time-limited authority for DDS to issue directives to local educational agencies and regional centers operating early intervention programs and reflects the transfer of oversight of certain early intervention program services under the federal Individuals with Disabilities Education Act Part C from the California Department of Education (CDE) to DDS.
- 5) Streamlines the ways in which DDS adjusts contracts with regional centers through fiscal allocation letters.
- 6) Makes various changes to regional center board governance requirements, including changing governing board composition and professional and other standards, including training, that regional center boards must meet, as specified.
- 7) Consolidates various regional center performance measures and contracts between regional centers and the state and modifies accountability measures, as specified.

- 8) Adds flexibilities for regional center vendors by eliminating the courtesy vendorization process and removing physical location requirements.
- 9) Streamlines purchases of essential goods and services for facilities operated directly by DDS.
- 10) Codifies requirements for regional centers to facilitate the transition from existing information technology systems to the new DDS case management system currently in development, known as the Life Outcomes Improvement System (LOIS), and establishes legislative reporting requirements for the LOIS project.
- 11) Establishes a new grievance process for DDS and regional centers to comply with the federal Home and Community-Based Services (HCBS) Access Rule and incorporates existing rights complaints processes into a single grievance process overseen by DDS, as specified.
- 12) Modifies the use of federal financial participation funds generated by former participants of the self-determination pilot projects and establishes \$1 million in ongoing funding dedicated to Local Volunteer Advisory Committees for the development and delivery of training and local community resource fairs that provide standardized information about the Self-Determination Program.
- 13) Allows tailored day services to occur on the same day as employment services.
- 14) Establishes a new Family Teaching Model rate separate from the Family Home Agency rate.
- 15) Codifies existing overtime pay requirements for hourly workers who provide Supported Living Services to provide parity with In-Home Supportive Services overtime requirements.
- 16) Makes other technical and conforming changes.

**Fiscal Effect:** Reappropriates up to \$1.2 million from the 2023 Budget Act, up to \$1.4 million from the 2024 Budget Act, and up to \$1.7 million from the 2025 Budget Act for activities related to Local Volunteer Advisory Committees.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair  
2025 - 2026 Regular

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<b>Bill No:</b>	AB 164	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Scott Ogus		

**Subject:** Health

**Summary:** This bill is an omnibus health trailer bill and contains changes to implement the 2026-27 budget.

**Proposed Law:** This bill makes technical and clarifying statutory revisions affecting health programs necessary to implement the Budget Act of 2026-27. Specifically, this bill:

Various Departments

- 1) Implements various statutory changes regarding menopause, including:
  - a. Requires a health care service plan or insurer, as well as the Medi-Cal program, to include coverage of treatments approved to treat menopausal symptoms by the United States Food and Drug Administration, including, but not limited to, all of the following:
    - i. Hormone therapy
    - ii. Low-dose antidepressants
    - iii. Anticonvulsants
    - iv. Medications to prevent or treat osteoporosis
    - v. Nonhormonal medications for vasomotor-related symptoms
  - b. Requires a health care service plan or insurer to include a program to ensure enrollees have access to current menopause information and covered items and services.
  - c. Imposes requirements to follow certain standards, criteria, and guidelines on health care service plan or insurer when making decisions regarding medical necessity or utilization review.
  - d. Authorizes civil penalties for violation of these provisions by health care service plans or insurers.
  - e. Beginning July 1, 2027, allows qualifying physicians and surgeons, and qualifying osteopathic physicians and surgeons, to receive two hours of continuing medical education credits for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed eight

course hours, toward the continuing medical education requirements established by the Medical Board of California.

- f. Beginning July 1, 2027, allows nurse practitioners who provide care to a patient population composed adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed six hours, under certain conditions.
- g. Beginning July 1, 2027, allows physician assistants who provide care to a patient population composed of adult women under 65 years of age to receive two hours of continuing education credit for every hour of coursework completed related to perimenopause, menopause, and postmenopausal care, not to exceed eight hours, toward physician assistant continuing education requirements.

#### Department of Health Care Access and Information (HCAI)

- 2) Establishes the Hospital Fair Pricing Penalties Fund to collect administrative penalties for non-compliance with the Hospital Fair Pricing Act, AB 1312 (Schiavo), Chapter 450, Statutes of 2025.
- 3) Transfers responsibilities for the Office of the Patient Advocate from the California Health and Human Services Agency (CalHHS) to HCAI.
- 4) Expands the availability of grant funding from the Reproductive Health Equity Fund to also support gender affirming care services through the California Reproductive and TGI Health Equity Program.

#### Department of Health Care Services (DHCS)

- 5) Makes statutory changes and imposes certain requirements on DHCS related to implementation of House Resolution (HR) 1, including the following:
  - a. Requires DHCS to conduct various outreach activities to Medi-Cal beneficiaries regarding new work and community engagement requirements, more frequent redeterminations, and changes to retroactive eligibility related to HR 1.
  - b. Requires DHCS to establish a data dashboard to provide data on applications, enrollment, redeterminations, disenrollments, and terminations, stratified by county and demographic data, and including specific data for work and community engagement requirements and exemptions under HR 1.
  - c. Requires the dashboard information to be posted on a quarterly basis in a downloadable format no later than January 1, 2028.
  - d. Requires counties to perform eligibility redeterminations for the Medi-Cal program every six months, pursuant to the requirements of HR 1.

- e. Requires Medi-Cal beneficiaries to meet work and community engagement requirements, subject to specified exemptions pursuant to the requirements of HR 1.
  - f. Requires DHCS, no later than January 1, 2027, to establish a process to regularly obtain address information for individuals enrolled in Medi-Cal for the purpose of preventing simultaneous enrollment under Medicaid state plans or waivers in multiple states.
  - g. Provides full-scope Medi-Cal benefits to certain qualified immigrants between October 2, 2026 and June 30, 2027, subject to certain service limitations.
  - h. Transitions certain qualified immigrants to restricted scope Medi-Cal coverage effective July 1, 2027.
  - i. Transitions Medi-Cal beneficiaries with unsatisfactory immigration status from the managed care delivery system to the fee-for-service delivery system effective no sooner than January 1, 2027.
- 6) Delays the elimination of dental benefits for Medi-Cal beneficiaries with unsatisfactory immigration status until July 1, 2027.
- 7) Delays the elimination of prospective payment system reimbursement of clinics for Medi-Cal beneficiaries with unsatisfactory immigration status until July 1, 2027.
- 8) Makes technical changes to the Breast Cancer Fund and Breast Cancer Control Account.
- 9) Implements reforms to county expenditures and reserves of Behavioral Health Services Fund (BHSF) resources, pursuant to the requirements of SB 326 (Eggman), Chapter 790, Statutes of 2023, approved by voters as Proposition 1, including the following provisions:
- a. Requires DHCS to, in consultation with the County Behavioral Health Directors Association, establish a methodology for determining annual minimum expenditure levels for BHSF resources, using the average amount of distributed funds for a county in the preceding three years.
  - b. Beginning in fiscal year 2028-29, requires DHCS to calculate minimum expenditure levels for each county for the following three fiscal years, with annual updates.
  - c. Beginning in fiscal year 2029-30, requires counties to annually spend an amount of distributed BHSF funds equal to, or greater than, the minimum expenditure level calculated for that fiscal year.
  - d. Authorizes counties to spend funds from their prudent reserves during a fiscal year in which the department publishes a revised minimum expenditure level, during a fiscal year when the amount of distributed funds is less than the minimum expenditure level, or during a fiscal year in which the county

determines there has been a change in local behavioral health needs or circumstances such that transfers from the prudent reserve are necessary to maintain behavioral health services, respond to local, state, or federally declared emergencies, or mitigate unanticipated fiscal constraints.

- 10) Aligns state standards for substance use disorder treatment facilities licensed or certified by DHCS with current, evidence-based standards of care, and updates outdated clinical terminology for substance use disorder treatment in state law.
- 11) Beginning July 1, 2027, revises the asset limit for determining Medi-Cal eligibility for seniors and persons with disabilities from \$130,000 per individual and \$65,000 for each additional household member, to \$21,000 per individual, \$31,000 per couple, and \$1,550 for each additional household member.
- 12) Requires the Governor's 2027-28 May Revision to include the level of monthly premiums imposed on Medi-Cal beneficiaries with unsatisfactory immigration status, between \$30 and \$50, beginning on July 1, 2027.
- 13) Authorizes redirection of medical loss ratio (MLR) remittances from Medi-Cal managed care plans from the Medi-Cal Loan Repayment Program Special Fund to the General Fund.
- 14) Authorizes DHCS to apply to the federal government for renewal of the California Advancing and Innovating Medi-Cal (CalAIM) waiver, and authorizes DHCS to implement employment supports and BridgeCare as CalAIM initiative components.
- 15) Suspends until July 1, 2027, statutory provisions that automatically grant provisional enrollment status as a provider in the Medi-Cal program if certain application determination deadlines are not met.
- 16) Deletes the 2026-27 and 2027-28 fiscal years from legislative intent language regarding years in which the state will not provide a cost-of-doing-business adjustment to counties for eligibility workload related to the Medi-Cal program, consistent with the provision of such an adjustment to counties in the 2026 Budget Act.

#### California Department of Public Health (CDPH)

- 17) Authorizes CDPH to utilize AIDS Drug Assistance Program (ADAP) Rebate Fund to support the following programs to reduce transmission of HIV/AIDS and other sexually transmitted infections (STIs), and provide other related services, as follows:
  - a. For the 2026-27 fiscal year:
    - i. \$33.8 million, available over four years, for pre-exposure and post-exposure prophylaxis initiation and retention projects.
    - ii. \$14.5 million, available over four years, for rapid antiretroviral therapy projects.
    - iii. \$14.1 million, available over four years, for HIV and aging projects.
    - iv. \$30 million, available over three years, for emergency department syndemic screening projects.

- v. \$550,000 to fund Hepatitis C testing training.
  - vi. \$640,000 annually for four years, to support state operations personnel to implement these programs
  - vii. \$16.3 million annually for four years to support the California Overdose Prevention and Harm Reduction Initiative (COPHRI).
- b. For the 2027-28 fiscal year:
- i. \$30 million, available over six years, for the Syphilis and Congenital Syphilis Outbreak Strategy.
  - ii. \$10 million annually for three years for the Harm Reduction Supply Clearinghouse.
  - iii. \$5 million annually for three years for the Two-Spirit, Transgender, Gender Nonconforming, and Intersex (2TGI) Wellness and Equity Fund.
  - iv. \$3.4 million, available over five years, to implement strategies to maintain HIV viral suppression among state prison inmates released to the community.
  - v. \$200,000 annually for three years for the TakeMeHome program to allow the program to offer delivery of home test kits for HIV, STIs and hepatitis C through delivery services in addition to the mail.
  - vi. \$19 million to provide housing support for individuals living with HIV.
  - vii. \$25 million annually for three years to supplement federal HIV Prevention funding for CDPH and local health departments, with portions of these funds set aside for efforts to conduct outreach to migrant farmworkers.
  - viii. \$25 million annually for three years to supplement Ryan White HIV/AIDS Program funding.
- c. For the 2028-29 fiscal year:
- i. \$18 million, available over two years, to provide housing support for individuals living with HIV.
  - ii. \$10 million, available over five years, to support investments to end the epidemic of hepatitis C.
  - iii. \$8 million, available over five years, for demonstration projects to improve health and well-being of Californians living with, or at risk for, hepatitis B.
  - iv. \$8.5 million to make internal and external condoms available, aimed at preventing the transmission of HIV and STIs.
- d. For the 2029-30 fiscal year:
- i. \$30 million, available over three years, for the Emergency Department Syphilis/HIV/Hepatitis C Virus Screening Program.
- 18) Authorizes CDPH to utilize ADAP Rebate Funds of up to \$50 million to support continuation of state or local agencies or other entities providing federally-funded services that have been delayed, reduced, canceled, or eliminated as a result of federal policy actions.
- 19) Clarifies that CDPH may utilize ADAP Rebate Funds to support state and local disease intervention and investigation activities and services for HIV, STIs, hepatitis C, mPox, and other sexually or physically transmissible communicable diseases.

- 20) Imposes a moratorium on the licensure of new home health agencies until 90 days following the effective date of revised regulations, and imposes other requirements on such agencies.
- 21) Clarifies the responsibilities of providers participating in a standby perinatal services pilot program authorized by SB 669 (McGuire), Chapter 603, Statutes of 2025.
- 22) Establishes licensing requirements on general acute care hospitals seeking to obtain licensure for composite distinct part skilled nursing facilities that are part of the hospital's campus.

Department of State Hospitals (DSH)

- 23) Includes statutory changes to remove the June 30, 2026 sunset date for the Independent Placement Panel (IPP) program at the Department of State Hospitals, and makes other technical and conforming changes. IPP was established in the 2022 budget package to facilitate placements in Conditional Release Programs (CONREPs) and increase availability of DSH beds for incompetent to stand trial (IST) placements (SB 184 [Committee on Budget and Fiscal Review], Chapter 47, Statutes of 2022). Through the IPP program, a panel of independent evaluators help identify, evaluate, and find placements for individuals at appropriate CONREPs throughout the state.

California Health Benefits Exchange (Covered California)

- 24) Authorizes the Health Care Affordability Reserve Fund to support the one-dollar premium subsidy program that covers the one dollar per member per month required for inclusion of abortion services in qualified health plans in the Covered California health benefit exchange.

**Fiscal Effect:** Authorizes the Health Care Affordability Reserve Fund to support the one-dollar premium subsidy program that covers the one dollar per member per month required for inclusion of abortion services in qualified health plans in the Covered California health benefit exchange.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 165 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amended  
**Urgency:** Yes **Fiscal:** Yes  
**Consultant:** Scott Ogus

**Subject:** Skilled nursing facilities: reimbursement rates

**Summary:** This bill extends for one year, until December 31, 2027, the quality assurance fee and reimbursement rate structure for free-standing skilled nursing facilities, originally authorized by AB 1629 (Frommer), Chapter 875, Statutes of 2004, as subsequently amended.

**Proposed Law:** This bill makes various changes to the quality assurance fee and reimbursement rate structure for free-standing skilled nursing facilities. Specifically, this bill:

- 1) Extends for one year, until December 31, 2027, the quality assurance fee imposed on free-standing skilled nursing facilities originally authorized by AB 1629 (Frommer), Chapter 874, Statutes of 2004.
- 2) Extends for one year, until December 31, 2027, the facility-specific reimbursement rate structure for free-standing skilled nursing facilities, including specific provisions related to the component of the rate attributable to the facility's labor costs.
- 3) Provides that this is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect.

**Fiscal Effect:** Extends for one year, until December 31, 2027, the quality assurance fee imposed on free-standing skilled nursing facilities originally authorized by AB 1629 (Frommer), Chapter 874, Statutes of 2004.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 166 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Joanne Roy

**Subject:** Resources

**Summary:** This bill is a natural resources and environmental protection trailer bill for the 2026-27 Budget. This bill contains various statutory changes necessary to implement the Budget Act of 2026.

**Proposed Law:** This bill:

- 1) Provides technical clarification and clean-up language to SB 345 (Hurtado): California Fire Service Training and Education Program: California Fire and Arson Training Act: fees.
- 2) Provides technical changes related to the Generation and Handling Fee, which among other things, include the following:
  - a. Authorizes the Department of Toxic Substances Control and the California Department of Tax and Fee Administration to continue to administer and collect the fee if it was due and payable on or before September 30, 2022, rather than on or before June 30, 2022.
  - b. Changes the standard of proof for imposing a penalty from “willfully or knowingly” (intentional and conscious act) to “preponderance of the evidence” (more likely than not) of a feepayer who provides incorrect information or withholds information that results in a deficient payment or nonpayment.
- 3) Extends the Plastic Market Development Payment Program from July 1, 2027, to July 1, 2029, and increases the maximum payment rate per ton from \$150 to \$250.

**SUPPORT:** None on file.

**OPPOSED:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 168 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Eunice Roh

**Subject:** Public Resources

**Summary:** The bill is the omnibus Public Resources budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

**Proposed Law:** This bill:

- 1) Establishes a new light-duty zero-emission electric vehicle incentive program for first-time zero-emission electric vehicle buyers, with specific parameters on vehicle price, weight, and in-state use.
- 2) Specifies the vice chair of the California Energy Commission shall receive an annual salary that is the midpoint between the annual salary of the other commission members and that of the chairperson, starting July 1, 2027.
- 3) Specifies that a contract with the Western Climate Initiative (WCI), Inc. is considered a membership contract to clarify procurement processes and streamline payment for administration of environmental program services.
- 4) Replaces the phrase “additional annual contributions” with “annual contributions” in statutes related to the Wildfire Fund, among other technical and clarifying changes.
- 5) Authorizes the California Energy Commission to transfer approximately \$22 million in appropriated, unused state General Fund and special fund monies from the Distributed Electricity Back-up Assets (DEBA) program to the Demand Side Grid Support (DSGS) program.

**Fiscal Effect:** Authorizes the California Energy Commission to transfer approximately \$22 million in appropriated, unused state General Fund and special fund monies from the Distributed Electricity Back-up Assets (DEBA) program to the Demand Side Grid Support (DSGS) program.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 169	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended	<b>Fiscal:</b>	No
<b>Urgency:</b>	No		
<b>Consultant:</b>	Eunice Roh		

**Subject:** Transportation

**Summary:** The bill is the omnibus Transportation budget trailer bill. It contains provisions necessary to implement the Budget Act of 2026.

**Proposed Law:** This bill:

- 1) Authorizes the Department of Motor Vehicles (DMV) to participate in American Association of Motor Vehicle Administrators (AAMVA)'s State-to-State (S2S) Verification System to enable compliance with federal REAL ID Act requirements, while establishing first-in-the-nation privacy, oversight, and accountability safeguards to protect Californians. Specifically, the bill:
  - a. Authorizes DMV to share social security numbers solely for the purpose of verifying and exchanging driver's license, ID card, and driver history records with other participating states.
  - b. Limits data sharing to only that required by federal law: name, date of birth, social security number (SSN), state of record, license/ID number, credential type, REAL ID indicator, and Commercial Driver License Information System indicator. Limits sharing of SSN to only last 5 digits, until a match is confirmed. Requires DMV to disclose on its website a list of the information shared through the S2S system.
  - c. Prohibits sharing of sensitive data including address, photograph, gender marker, biometric data, and AB 60 (undocumented-eligible) license status, unless required by federal law.
  - d. Requires annual reporting to the Legislature's budget and privacy committees, and on DMV's website (starting Feb. 1, 2028), detailing requests by jurisdiction, reason, and any detected misuse, breaches of contract, or AAMVA policy changes that might affect Californians' privacy.
  - e. Requires DMV, to adopt and maintain a monitoring plan to minimize data sharing, respond to data breaches and abuses of the S2S system by any participating jurisdiction, notify affected Californians if their data has been accessed for purposes other than DL/ID verification, and take other actions to protect the privacy of Californians, including keeping audit-logs of all data requests, implementing anomaly detection, heightened review

of high-risk jurisdictions, and limiting, delaying or declining bulk, batch, exploratory or automated queries.

- f. Establishes a stakeholder advisory group including representation from the Department of Justice, with members appointed by the Senate and Assembly, including privacy, immigrant rights, LGBTQ+ rights, and reproductive justice advocates to convene twice annually by November 1, 2026, to inform the Monitoring Plan.
  - g. Requires DMV to notify AAMVA, Department of Justice (DOJ), and any affected Californians if a jurisdiction is suspected of misusing S2S data. Requires DMV to refer any suspected misuse to the DOJ for potential prosecution.
  - h. Authorizes the Attorney General (AG) to bring actions on behalf of any affected Californians against AAMVA, participating states, or others to enforce the provisions and seek injunctive relief.
  - i. Conditions DMV's participation on a contractual agreement with AAMVA that is consistent with these statutory requirements, including data minimization, breach notice, access restrictions, suspension triggers for misuse, and a 14-day (or shorter) data retention cap for other states. Prohibits DMV from agreeing to any amendment to its contract with AAMVA that reduces, conflicts with, delays, or waives the privacy protections of California residents or the department's ability to detect, prevent, and respond to unauthorized requests.
  - j. Requires DMV to notify the Legislature at least 30 days in advance of any material modifications of contractual data-sharing terms with AAMVA.
  - k. Requires the State Auditor to conduct an audit of DMV's compliance with these requirements no later than January 1, 2030. Does not impair ability of Legislature to request an audit prior to that date.
- 2) Authorizes automated enforcement of the State Highway System portion of the Games Route Network for the 2028 Los Angeles Olympic and Paralympic Games.
  - 3) Increases the cap on the mobile driver license pilot program from 15 percent to 60 percent of licensed drivers.
  - 4) Requires the High-Speed Rail Authority Office of Inspector General to produce publicly available reports of its reviews and investigations, subject only to limited exceptions, and create a clear statutory framework for retention and protection of workpapers and other communications.
  - 5) Suspends penalties for not maintaining the prescribed ratio of fare revenues to operating costs on transit operators during the 2026-27 fiscal year and exempts transit operators from meeting specified efficiency standards through the 2026-27 fiscal year.

- 6) Requires the California Department of Transportation to reserve \$30 million of state transportation funds for the High Road Construction Careers program.
- 7) Increases the cap on the State Route 710 Rehabilitation Account, for the purpose of providing repairs to homes for affordable sales, from \$1.2 million to \$15 million.
- 8) Eliminates requirements for the Department of Motor Vehicle to send driver license expiration courtesy notices via mail, print driver license handbooks, and mail new disabled person parking placards every two years, among other changes to streamline customer communications and operations.

**Fiscal Effect:** Increases the cap on the State Route 710 Rehabilitation Account from \$1.2 million to \$15 million.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 170 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Timothy Griffiths

**Subject:** Governor's Reorganization Plan No. 1 of 2025

**Summary:** This housing budget trailer bill contains various statutory changes related to the Governor's Reorganization Plan No. 1 of 2025 necessary to implement the Budget Act of 2026.

**Proposed Law:** Specifically, this bill:

- 1) Enacts the statutory changes necessary to reflect portions of the changes in law made by the Governor's Reorganization Plan (GRP) No. 1 of 2025, including:
  - a. Assigning and reorganizing the functions of state government among executive officers and agencies by eliminating the Business, Consumer Services and Housing (BCSH) Agency as of July 1, 2026.
  - b. Establishing the Business and Consumer Services Agency and the California Housing and Homelessness Agency, composed of specified departments that are currently within BCSH, effective July 1, 2026.
- 2) Appropriates \$300,000 to the Department of Housing and Community Development for the purpose of supplementing existing contracts pursuant to statutory requirements to translate specified guidelines.

**Fiscal Effect:** The bill appropriates \$300,000 to the Department of Housing and Community Development for the purpose of supplementing existing contracts pursuant to statutory requirements to translate specified guidelines.

**Support:** None on file.

**Opposed:** None on file.

**Comments:** Additional provisions codifying GRP No. 1 are contained in AB/SB 179.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 171 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 As amended  
**Urgency:** Yes **Fiscal:** Yes  
**Consultant:** Diego Lopez

**Subject:** Labor Budget Trailer Bill

**Summary:** This bill is an omnibus trailer bill related to labor, workforce development and employment and contains changes to implement the 2026-27 Budget Act.

**Proposed Law:** This bill makes various statutory changes to implement the employment provisions of the Budget Act of 2026-27. Specifically, this bill:

- 1) Makes changes to the Subsequent Injury Benefits Trust Fund (SIBTF) program to better align program requirements with the existing workers' compensation benefit program. Statutory changes specify the circumstances under which the above program changes do not apply.
- 2) Aligns the reporting requirement timelines relating to various grant programs, including requiring the California Workforce Development Board to produce and submit a report to the Legislature evaluating those grant programs by October 1 of every odd-numbered year, and other conforming changes.
- 3) Repeals the sunset date to make permanent changes to the timeline in which the Workers' Compensation Appeals Board acts on petitions for reconsideration.
- 4) Requires payment of the annual employer assessment by electronic funds transfer (EFT) and provides the Director of the Department of Industrial Relations with the discretionary authority to reduce or waive penalties.
- 5) Removes the salary cap for the Administrative Director of the Division of Workers' Compensation within the Department of Industrial Relations to align with other comparable positions.
- 6) Appropriates \$1 million one-time General Fund for administrative costs to implement the Fair Share Act as enacted by Assembly Bill 177 or Senate Bill 177.
- 7) Appropriates \$3.02 billion in one-time General Fund for a supplemental payment toward the California Public Employees' Retirement System (CalPERS) state plans' unfunded liabilities using available Proposition 2 debt repayment funding.

**Fiscal Effect:** This bill is a budget trailer bill within the overall 2026-27 budget package to implement actions related to labor, workforce development, and employment and makes various appropriations

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 172 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amend  
**Urgency:** No **Fiscal:** No  
**Consultant:** Jessica Uzarski

**Subject:** State Government

**Summary:** This general government trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

**Proposed Law:** This bill makes various statutory changes to implement the general state government provisions of the Budget Act of 2026. Specifically, this bill makes the following statutory changes:

- 1) Transfers the California Education Learning Lab from the Governor's Office of Land Use and Climate Innovation to the Government Operations Agency and codifies program details.
- 2) Creates an Enterprise Fund related to the Middle Mile Broadband Initiative at the California Department of Technology for the receipt of Initiative Revenues and includes Joint Legislative Budget Committee notification provisions for certain contracts related to the Middle Mile Broadband Initiative Program.
- 3) Exempts certain expenditures for specified categories of administrative costs from the statutory 5 percent limitation on indirect costs from the Department of Food and Agriculture Fund.
- 4) Provides that the Department of Food and Agriculture shall provide clerical services to the State Race Track Leasing Commission.
- 5) Sunset the existing exemptions for Fi\$cal onboarding processes that exist through the California Department of Technology, as FI\$Cal is no longer an IT project.
- 6) Repeals a disclosure requirement which was previously printed on tax bills for certain properties related to SB 989 (Hertzberg) Chapter 712, Statutes of 2022.
- 7) Includes statutory changes related to Middle Eastern and North African Inclusion Act (MENA Inclusion Act) relating to delayed implementation, deidentification, and certain other technical and clarifying provisions.
- 8) Continuously appropriates the Victims of Consumer Fraud Restitution (VCFR) Fund to the Attorney General. The VCFR Fund was established by AB 1366 (Maienschein), Chapter 686, Statutes of 2023 to receive restitution intended for

victims of consumer fraud, but the Department of Justice does not currently have authority to distribute funds out of the account.

- 9) Includes the following statutory changes related to the Next Generation 911 project at the Office of Emergency Services (OES):
  - a. Requires an independent technical evaluation before OES issues a request for proposals or awards a long-term Next Generation 911 contract. Specifically, the evaluator shall do all of the following:
    - i. Describe and assess options to deliver cost-effective, safe, and reliable Next Generation 911 system services to the state.
    - ii. Identify a recommended option.
    - iii. Provide a preliminary report by December 15, 2026.
    - iv. Provide a final report by May 1, 2027.
  - b. Makes various changes to the State 911 Advisory Board, including having the board members elect a chair and allowing the board to make formal recommendations.
  - c. Requires specified quarterly reporting on the project.
- 10) Establishes the Office of Regional Economic Development Initiatives within the Governor's Office of Business and Economic Development (GO-Biz) to support regional partners in developing, maintaining and implementing their regional economic development strategies.
- 11) Requires local jurisdictions to submit specified portions of their Annual Progress Reports to the Governor's Office of Land Use and Climate Innovation (GO-LCI), using standards, forms, and definitions adopted by GO-LCI.
- 12) Authorizes the Governor's Office of Land Use and Climate Innovation (GO-LCI) to charge fees for the submission documents pursuant to the California Environmental Quality Act (CEQA) to offset the cost of operating the CEQA Clearinghouse database. Permits GO-LCI to include additional planning, permitting, funding, and procurement information in the database "for the purposes of facilitating efficient and informed decision-making by public agencies and members of the public."
- 13) Codifies the Farm to School program within the Department of Food and Agriculture as the "Farm to School Act".
- 14) Includes statutory changes related to procurement processes and efficiencies at the Department of General Services, including changes relating to software license purchases, electronic submissions, certifications, and departmental access to Architectural and Engineering Services.
- 15) Includes statutory changes allowing for fee increases at the State Athletic Commission.
- 16) Eliminates the sunset date of December 31, 2030, for the Projected Temporary Surplus Account, making the account permanent.

**Fiscal Effect:** This bill would require transfers and expenditures related to continuously appropriated funds and the provisions of this bill are necessary to implement the requirements of the 2026-27 Budget.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 174	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended	<b>Fiscal:</b>	No
<b>Urgency:</b>	No		
<b>Consultant:</b>	Nora Brackbill		

**Subject:** Courts

**Summary:** This bill, as part of the 2026-27 Budget package, makes the following statutory changes:

- 1) Makes the following changes related to remote court proceedings:
  - a) Extends the sunset on specified court proceedings, including certain criminal, civil, and juvenile matters, from January 1, 2027, to January 1, 2032.
  - b) Clarifies the standard in which a court may require an in-person appearance at specified civil matters, including a judicial assessment that in-person appearance is necessary to the determination of, or that remote attendance would materially impair the resolution of, the hearing.
  - c) Beginning January 1, 2027, requires courts to provide a reason for requiring an in-person appearance at specified civil matters, and requires the reason to be documented in the record or in an order or form.
- 2) Extends the deadline for superior courts to provide court users with access to lactation rooms as required by AB 1576 (Committee on Judiciary), Chapter 200, Statutes of 2022 from July 1, 2026 to July 1, 2029.
- 3) Appropriates \$100,000 General Fund to the Judicial Council for facility modifications related to lactation rooms.

**Fiscal Effect:** The provisions of this bill are necessary to implement the requirements of the 2026-27 Budget Act.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 179	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	June 26, 2026 Amended	<b>Fiscal:</b>	No
<b>Urgency:</b>	No		
<b>Consultant:</b>	Timothy Griffiths		

**Subject:** Housing

**Summary:** This housing trailer bill contains the necessary changes to implement provisions adopted as part of the Budget Act of 2026.

**Proposed Law:** This bill makes various statutory changes to implement the housing-related provisions of the Budget Act of 2026. Specifically, this bill makes the following statutory changes:

Housing Development Finance Committee Bond and Tax Credit Reservation

- 1) Requires, beginning, January 1, 2027, and until January 1, 2037, the California Debt Limit Allocation Committee (CDLAC) to allocate a minimum of 90 percent of the state's annual cap on tax-exempt private activity bonds to qualified residential rental projects. Provides that the amount may be reduced to no less than 80 percent for a one-year period upon unanimous approval of CDLAC.
- 2) Requires, beginning January 1, 2027, that CDLAC reserve at least half of the bonds allocated to qualified residential rental projects, for projects awarded funding by the Housing Development and Finance Committee (HDFC).
  - a. Specifies that the reservation described above in #2, remains in effect until July 1, 2029, unless reauthorized by the Legislature.
  - b. Provides that if the reservation described above in #2 is not reauthorized by the Legislature, then the reservation decreases from at least half to 40 percent of the qualified residential rental projects, for projects awarded by the HDFC.
  - c. Provides that if the annual demand survey, as specified, demonstrates demand exceeding the reservation required in #2b above, the reservation shall automatically increase up to 50 percent to meet the demonstrated demand.
- 3) Requires the CDLAC and when applicable, the California Tax Credit Allocation Committee (CTCAC), to make a ministerial allocation of private activity bonds and low-income housing tax credits for a project awarded funding by HDFC, after transmission of the application from HDFC.

- 4) Provides that until November 1, 2027, projects that have received a multifamily affordable housing program award prior to January 1, 2027, and that are not seeking additional state subsidy, shall apply directly to CDLAC, and also to CTCAC when applicable, for an allocation from the reservation. Requires CDLAC to notify HDFC of the recommended allocation awards for approval and requires CDLAC make an allocation of the private activity bonds from the reservation, provided that the project meets the federal threshold requirements for bonds.
- 5) Allows any unused portion of the HDFC reservation, not allocated by November 1 of the calendar year, to be reallocated by the CDLAC for other purposes for the 2027 calendar year.
- 6) Provides that for the 2028 calendar year, and every year thereafter, any unused portion of the HDFC reservation not allocated by September 1 of the calendar year or any portion determined to be unused by HDFC may be reallocated by CDLAC consistent with federal law.

#### Housing Development Finance Committee

- 7) Codifies the Governor's Reorganization Plan No.1 of 2025 related to the Housing Development Finance Committee with the following changes:
  - a. Adds the State Treasurer or their designee, the Controller or their designee, and specified nonvoting members to the executive committee.
  - b. Requires the executive committee to submit supplemental information regarding its activities to the Joint Legislative Budget Committee and to the relevant budget and policy committees of the Legislature, by April 1 of each year until April 1, 2029.
  - c. Requires the executive committee to evaluate project monitoring fees to support the long-term viability of the programs and the financial sustainability of projects.

#### Technical Modifications to Existing Affordable Housing Programs to Facilitate Streamlined Application and Award Procedures

- 8) Makes changes to existing state affordable housing funding programs such as the Joe Serna, Jr. Farmworker Housing Grant Program and the Multifamily Housing Program, to facilitate streamlined processing of housing awards consistent with the intent of the Governor's Reorganization Plan No. 1 of 2025 and the Affordable Housing Finance Workgroup.

#### Affordable Housing and Sustainable Communities Modifications

- 9) Divides the administration of the Affordable Housing Sustainable Communities (AHSC) Program between the Strategic Growth Council (SGC) and the HDFC beginning with new funding rounds initiated on or after July 1, 2026.

- 10) Directs HDFC to administer the portion of the AHSC Housing Allocation with a focus on infill housing projects.
- 11) Directs the council to administer the AHSC Sustainable Communities Allocation to support flexible infrastructure and community improvement investments that advance greenhouse gas reduction objectives, support sustainable land use patterns, strengthen communities, and facilitate affordable housing opportunities throughout the state.
- 12) Provides allocation targets and additional consideration to AHSC Housing Allocation applications that are connected to sustainable communities-related investments, as specified.
- 13) Provides allocation targets and additional consideration to AHSC Sustainable Communities Allocation applications that promote development of affordable housing, as specified.
- 14) Specifies that at least one-fifth, but not more than one-third of the AHSC Sustainable Communities Allocation shall be awarded for projects involving the acquisition of easements or other approaches to protecting agricultural lands that are under pressure of being converted to non-agricultural uses.

#### Development Impact Fees

- 15) Requires a state entity within the California Housing and Homelessness Agency, including the Housing Development and Finance Committee, the Department of Housing and Community Development, and the California Housing Finance Agency, to consider quantifiable in-kind local contributions, as specified, when awarding competitive multifamily affordable housing funding for new construction projects, to the extent feasible.
- 16) Requires the awarding agency to reduce the total award amount for the project, as specified, if a city, county, or city and county is a lead applicant for a project in an affordable multifamily rental or ownership housing development administered by a state entity within that agency and has not committed to waiving any development impact fee, as defined, that it would otherwise impose on the project.
- 17) Applies to any notice of funding opportunity issued after July 1, 2027.

#### Disaster Rebuilding Program

- 18) Establishes the Disaster Rebuilding Assistance Program to be administered by California Housing Finance Agency (CalHFA) to support construction, reconstruction, and renovation loans for properties damaged or destroyed in a qualified disaster.
- 19) Authorizes the program to include certain forms of assistance, including programs for construction loan loss guarantees and construction loan rate

buydowns, and any additional programs that the agency determines to be appropriate.

- 20) Requires the agency to first provide the Department of Finance and the Joint Legislative Budget Committee, if the agency expends more than \$10 million on any additional program, with the spending plan for the program and how the assistance will be provided.
- 21) Requires the agency, upon completion of the initial phase of the program, to conduct an evaluation of the program, as specified, and to report the results to the Legislature and various committees by January 10, 2027.
- 22) Requires the agency to report to the Legislature on program activities and outcomes, as specified, on or before March 1, 2028, and each year thereafter.

#### Homeless Housing, Assistance, and Prevention Program

- 23) Provides \$900 million in the 2026-27 fiscal year for the implementation of round 7 of the HHAP program to be administered as additional disbursements of round 6. Specifies that 97 percent shall go to large cities, counties, and continuums of care, as specified, and three percent shall be available for tribes.
- 24) Requires the Housing and Community Development Department (HCD) to disburse 50 percent of an eligible city, county, or continuum of care's total round 7 program allocation only upon fulfillment specified prerequisites, as applicable, including, but not limited to:
  - a. Fiscal readiness, as specified.
  - b. Housing element compliance.
  - c. Pro-housing designation, applicable to HHAP recipient cities and the counties in which they are located only, with a 12-month grace period and a specified timetable for HCD processing of applications.
  - d. Provision of qualified matching funds, as defined and applicable to HHAP recipient cities and the counties in which they are located only, that is equal to or greater than 35 percent of the recipient's total program allocation.
  - e. Adoption of ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance.
- 25) Requires HCD to disburse the remaining round 7 allocation to an eligible city, county, or continuum of care only upon fulfillment of specified prerequisites, as applicable, including, but not limited to:
  - a. Improvement on at least half of the region's most recent system performance measures compared to the baseline data from the most recent calendar year.
  - b. Fiscal readiness, as specified.
  - c. Housing element compliance.
  - d. Ongoing pro-housing designation, applicable to HHAP recipient cities and the counties in which they are located only.

- e. Provision, over the duration of the grant period, of qualified matching funds, as defined and applicable to HHAP recipient cities and the counties in which they are located only, equal to or greater than the 35 percent of the recipient's total program allocation required for the first round 7 disbursement, plus an additional 35 percent for the second disbursement.
  - f. Continuing to maintain ordinances or policies for addressing encampments that are consistent with California Interagency Council on Homelessness guidance and reporting on specified activities and outcomes related to addressing previously identified encampments.
- 26) Establishes a mechanism for HCD to reallocate funds if a grantee fails to meet an expenditure deadline for any prior round of the program, after technical assistance and the opportunity to correct. Authorizes HCD to reduce the grantee's future allocation in an amount equal to the amount of funds left unspent at the expenditure deadline and to reallocate these funds to other eligible applicants in the same region unless no such applicant exists, in which case HCD shall reallocate the funds as a bonus among recipients that have achieved a prohousing designation.
- 27) Streamlines and harmonizes system performance measures (SPMs) across all funding rounds.
- 28) Provides flexibility in financial reporting by allowing jurisdictions the option to submit reports on a monthly up to quarterly basis.

#### Residential Care Facilities for the Elderly (RCFE)

- 29) Clarifies that when development includes both a licensed residential care facility for the elderly licensed and units that are not age restricted, as specified, then specified laws prohibiting separate entryways and amenities apply only to nonage-restricted housing units and do not apply to age-restricted units.

#### Building Standards

- 30) Allows California Department of Health Care Access and Information (HCAI) to make modifications to the building standards for clinics during intervening period.

**Fiscal Effect:** This bill would require expenditures related to continuously appropriated funds and the provisions of this bill are necessary to implement the requirements of the 2026-27 Budget Act.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 180 **Hearing Date:** June 29, 2026  
**Author:** Committee on Budget  
**Version:** June 26, 2026 Amended  
**Urgency:** No **Fiscal:** No  
**Consultant:** Elisa Wynne

**Subject:** Taxation

**Summary:** This bill is a taxation trailer bill for the 2026-27 Budget. This bill contains various statutory changes necessary to implement the Budget Act of 2026.

**Proposed Law:** This bill:

- 1) Extends the CalCompetes Tax Credit Program, which provides financial incentives to attract and retain private companies that agree to hire and invest in California, until January 1, 2035 and allows a maximum amount of \$180 million in credits in each fiscal year. The current CalCompetes Tax Credit Program is authorized until January 1, 2030.
- 2) Conforms state tax treatment of the new individual retirement accounts established by federal House Resolution (H.R.) 1 for the benefit of children under the age of 18, with federal law, commencing with tax year 2026. This tax conformity aligns treatment of these accounts with conformity for similar tax-advantaged savings and retirement accounts.
- 3) Commencing July 1, 2026, increases the amount available for manufactured homes property tax disbursements from the Senior Citizens and Disabled Property Tax Postponement Fund to \$300,000 per year. Currently, the disbursements specifically for manufactured homes are capped at one percent of the amount available in the fund in each fiscal year.
- 4) Makes other technical corrections to Revenue and Taxation Code section 17941, related to changes included in Section 26 of SB 122 (Committee on Budget and Fiscal Review).

**Fiscal Effect:** The provisions of this bill result in future revenue impacts when tax credits are claimed in future years.

In addition, conforming state tax treatment with the new individual retirement accounts will result in minor one-time costs for the Franchise Tax Board.

**SUPPORT:** None on file.

**OPPOSED:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	AB 181	<b>Hearing Date:</b>	June 29, 2026
<b>Author:</b>	Alvarez and Patel		
<b>Version:</b>	June 26, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Yong Salas		

**Subject:** Education Governance

**Summary:** This bill: (1) reorganizes California's state education governance structure by transferring management of the California Department of Education (CDE) from the elected Superintendent of Public Instruction (SPI) to a Governor-appointed, Senate-confirmed Education Commissioner; (2) restructures the State Board of Education (SBE) and the Office of the SPI; (3) transfers numerous statutory duties from the SPI to the Education Commissioner; and (4) requires recommendations for a second phase of state education governance consolidation.

**Proposed Law:** Specifically, this bill:

### *Governance Structure*

- 1) Replaces the elected SPI as the executive head of the CDE with a Governor-appointed, Senate-confirmed Education Commissioner who serves at the pleasure of the Governor.
- 2) Provides that the CDE shall be administered through the SBE and the Education Commissioner, rather than the SPI.
- 3) Vests all executive and administrative functions of the CDE in the Education Commissioner.
- 4) Authorizes the Education Commissioner to exercise general supervision over department operations and issue orders necessary to carry out duties vested in the CDE.
- 5) Transfers all grant and contract approval authority currently exercised by the Executive Director of the SBE to the Education Commissioner beginning January 1, 2027.

### *State Board of Education*

- 6) Reconstitutes the SBE beginning January 15, 2027, by adding the SPI, one appointee of the Senate President pro Tempore, and one appointee of the Speaker of the Assembly as voting members while reducing the Governor's appointments from ten to nine.

- 7) Repeals the requirement that the SPI serve as Secretary and Executive Officer of the SBE.
- 8) Repeals the requirement for the SBE to appoint an acting secretary during the SPI's absence or incapacity.
- 9) Requires the Education Commissioner, rather than the SPI, to execute SBE policies and direct the work of SBE appointees and employees.

*Office of the Superintendent*

- 10) Establishes a separate Office of the SPI consisting of the elected SPI, constitutional deputies and associate superintendents, specified exempt staff, and transferred civil service employees.
- 11) Authorizes the SPI to transfer up to five CDE employees to the Office of the SPI.
- 12) Shifts payment of the SPI's travel expenses from the CDE to the Office of the SPI.

*Staffing Changes*

- 13) Authorizes the Governor to appoint up to 16 exempt deputy positions for the Education Commissioner.
- 14) Transfers existing SBE deputies and specified SPI-appointed deputies to report to the Education Commissioner.
- 15) Transfers civil service employees performing transferred functions from the SBE to the CDE while preserving their civil service status.

*Administrative Responsibilities*

- 16) Transfers to the Education Commissioner the statutory responsibility to supervise the state's schools.
- 17) Transfers responsibility for preparing official forms, authenticating department documents, maintaining official records, and exercising other executive administrative functions previously assigned to the SPI.
- 18) Transfers authority to designated department employees with deputy powers.
- 19) Requires the Education Commissioner to direct the CDE to respond to legislative requests for information, data, and technical assistance in a timely manner, to the extent practicable.

*Program Administration*

- 20) Transfers authority over federal education agreements, grants, and contracts from the SPI to the Education Commissioner.

- 21) Transfers responsibility for administering adult education workforce programs and related federal workforce funds.
- 22) Transfers responsibility for annual state school apportionment estimates.
- 23) Transfers responsibility for administration of the California Schools for the Deaf, California School for the Blind, and related statewide programs.
- 24) Transfers responsibility for school accountability advisory committees, school facilities planning functions, development of fiscal standards and criteria, parent engagement resources, child abuse reporting materials, and approval of CDE program guidelines.
- 25) Transfers responsibility for administration of private school affidavits, heritage school registration, and the Heritage Enrichment Resource Fund.

*Other Governance Changes*

- 26) Adds the SPI as a voting member of the California Community Colleges Board of Governors.
- 27) Requires the Education Commissioner to develop recommendations by October 1, 2027, for a second phase of education governance consolidation, including recommendations regarding statewide support entities, county office regional functions, the California Collaborative for Educational Excellence, the Office of Civil Rights, and the future role and staffing of the Office of the SPI.
- 28) Makes conforming and technical changes throughout the Education Code to reflect the transfer of statutory authority from the SPI to the Education Commissioner.

**Fiscal Effect:** This bill has no fiscal effect.

**Support:** None on file.

**Opposed:** None on file.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair

2025 - 2026 Regular

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**Bill No:** AB 182 **Hearing Date:** June 29, 2026  
**Author:** Pellerin and Wiener  
**Version:** June 26, 2026 Amended  
**Urgency:** Yes **Fiscal:** Yes  
**Consultant:** Elisa Wynne

**Subject:** November 3, 2026, statewide general election: ballot measures

**Summary:** This bill prescribes the ballot placement and numbering for five ballot measures for the November 3, 2026, statewide general election.

**Proposed Law:** This bill prescribes the ballot placement and numbering for five ballot measures for the November 3, 2026, statewide general election. Specifically, this bill:

- 1) Prescribes the following placement and number for five ballot measures:
  - a) Place first on the ballot as Proposition 1 - The Veterans and Affordable Housing Bond Act of 2026 (Sections 2 and 3 of SB 417 (Limón), Chapter 16, Statutes of 2026).
  - b) Place second on the ballot as Proposition 2 - The Save for California's Future Act (ACA 20 (Gabriel), Chapter 130, Resolution Chapter 130, Statutes of 2026).
  - c) Place third on the ballot as Proposition 3 - The California Children's Education and Health Care Protection Act of 2026 (Secretary of State Initiative #1993).
  - d) Place fourth on the ballot as Proposition 4 - The California Fair Elections Act of 2026 (Sections 1, 2, 3, and 4.1 of SB 42 (Umberg), Chapter 245, Statutes of 2025).
  - e) Place fifth on the ballot as Proposition 5 - SCA 1 (Newman), Resolution Chapter 204, Statutes of 2024.
- 2) Provides that nothing in this bill affects the placement or numbering of any other measure qualified for the November 3, 2026, statewide general election ballot.
- 3) Contains an urgency clause.

**Support:** None on File.

**Opposed:** None on File.

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